



Our Company was incorporated as “Ahinsa Industries Private Limited” under the provisions of the Companies Act, 1956 vide certificate of incorporation dated January 24, 1996 bearing registration no. 028679, in Ahmedabad. Further, the name of our Company changed to “Ahimsa Industries Private Limited” vide fresh certificate of Incorporation dated March 06, 1996. Our Company was converted into a public limited company vide fresh Certificate of Incorporation dated May 25, 2015 and consequently the name of our Company was changed to Ahimsa Industries Limited. The Corporate Identification Number of Our Company is U25200GJ1996PLC028679. For details of change in registered office of our Company please refer to chapter titled “Our History and Certain Other Corporate Matters” beginning on page 111 of this Prospectus.

**Registered Office:** 102, Iscon Elegance, Near Shapath-5, Prahalad Nagar Junction, S.G. Highway, Ahmedabad-380051, Gujarat, India

**Tel No.:** +91 79 27445901/02; **E-mail:** legal@greenpet.in. **Website:** www.greenpet.in.

**Contact Person:** Mr. Shrenikbhai Madhukarbhai Khatwala, Chief Financial Officer.

**Promoter of our Company: Mr. Ashutosh Damubhai Gandhi**

#### THE ISSUE

**PUBLIC ISSUE OF 15,18,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID UP OF AHIMSA INDUSTRIES LIMITED (“AHIMSA” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 25/- PER EQUITY SHARE (THE “ISSUE PRICE”) (INCLUDING SHARE PREMIUM OF RS. 15/- PER EQUITY SHARE) AGGREGATING RS. 379.50 LAKHS (THE “ISSUE”) BY OUR COMPANY, OF WHICH 78,000 EQUITY SHARES OF RS.10/- FULLY PAID UP EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 14,40,000 EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.73 % AND 26.31 % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH. THE ISSUE PRICE IS RS. 25/-. THE ISSUE PRICE IS 2.5 TIMES THE FACE VALUE.**

**THIS ISSUE IS BEING IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 (AS AMENDED FROM TIME TO TIME)**

*For further details please refer to “Section VII - Issue Information” beginning on Page 200 of this Prospectus.*

All potential investors may participate in the Issue through 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 206 of this Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

#### RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of 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 is Rs. 10/- and the Issue Price is 2.5 times of the face value. The Issue Price (as determined and justified by the Company and the Lead Manager as stated under chapter titled “Basis for Issue Price” beginning on page 76 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

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. 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” on page 20 of this Prospectus.

#### COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the 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 NSE Emerge Platform. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, 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 September 03, 2015 from NSE for using its name in this offer document for listing of our Equity Shares on the NSE Emerge Platform. For the purpose of this Issue, the Designated Stock Exchange will be the NSE Limited (“NSE”).

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
<p><b>SARTHI CAPITAL ADVISORS PRIVATE LIMITED</b>                      Anthem House                      E-360, First Floor, NirmanVihar                      New Delhi- 110092  <b>Tel:</b> +91 11 2244 9817/18  <b>Fax:</b> +91 11 2243 9816  <b>Investor Grievance Email:</b> ipo@sarthiwm.in  <b>Website:</b> www.sarthi.in  <b>Contact Person:</b> Mr. Anand Lakhotia  <b>SEBI Registration No:</b> INM000012011</p>	<p><b>BIGSHARE SERVICES PRIVATE LIMITED</b>                      E2 Ansa Industrial Estate, Sakivihar Road,                      Sakinaka, Andheri East,                      Mumbai- 400072  <b>Tel:</b> +91 22 40430200  <b>Fax:</b> +91 22 28475207  <b>Email:</b> ipo@bigshareonline.com  <b>Website:</b> www.bigshareonline.com  <b>Contact Person:</b> Mr. Vipin Gupta  <b>SEBI Registration No:</b> INR000001385</p>

#### ISSUE PROGRAMME

**ISSUE OPENS ON : SEPTEMBER 24, 2015**

**ISSUE CLOSES ON : OCTOBER 01, 2015**

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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. 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), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



## SECTION I – GENERAL INFORMATION

### DEFINITIONS AND ABBREVIATIONS

In this Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

#### Company Related Terms

Term	Description
Articles or Articles of Association or AOA	The articles of association of our Company, as amended from time to time
Auditor or Statutory Auditor	The Auditor of our Company being K.H. Trivedi & Co. having their office at 105, Sohan Square, 57, Chaitanya Nagar Society, Nr. Stadium Petrol Pump, Ahmedabad-380014.
Bankers to our Company	Corporation Bank
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof
Company Secretary and Compliance Officer	Ms. Gajara Jagirambhai Joshi
Director(s)	The Director(s) of our Company, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each
Equity Shareholders	Persons holding equity shares of our Company
Group Companies	Includes those companies, firms and ventures promoted by our Promoter, irrespective of whether such entities are covered under the Companies Act 2013 and disclosed in the chapter titled “Our Group Entities” beginning on page 131 of this Prospectus
Memorandum of Association or Memorandum or MOA	The memorandum of association of our Company, as amended from time to time
“Promoter” or “our Promoter”	Promoter of our company being Mr. Ashutosh Damubhai Gandhi
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(zb) of the SEBI (ICDR) Regulations and a list of which is provided in the chapter titled “Our Promoters and Promoter Group” beginning on page 128 of this Prospectus
Peer Review Auditor	The Peer Review Auditor of our Company being RPMD & Associates. having their office at AA-8, First Floor, Shalimar Bagh, New Delhi-110088.



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Registered Office	The Registered Office of our Company located at 102, Iscon Elegance, Nr. Shapath-5, Prahlad Nagar Junction, S.G. Highway, Ahmedabad, Gujarat-380051, India
RoC	Registrar of Companies, Ahmedabad
“Ahimsa Industries Limited”, or “Ahimsa”, or “the Company”, or “our Company” or “we”, “us”, or “our” and the “Issuer Company”	Ahimsa Industries Limited, a Public limited company incorporated under the provisions of the Companies Act, 1956

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## Issue Related Terms

Term	Description
Allocation / Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants
Allotment/ Allot/ Allotted	Issue an allotment of Equity Shares of our Company pursuant to Fresh Issue of the Equity Shares to the successful Applicants
Allottee(s)	Successful Applicants to whom Equity Shares of our Company shall have been allotted
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Prospectus
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Prospectus
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Rajkot, Bangalore, Hyderabad, Pune, Baroda and Surat
ASBA Investor/ASBA applicant	Any prospective investor(s)/applicant(s) in this Issue who apply(ies) through the ASBA process
Banker(s) to the Issue/ Escrow Collection Bank(s).	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Escrow Account will be opened and in this case being ICICI Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 206 of this Prospectus
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time



Term	Description
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSBs is transferred from the ASBA Account, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants
Designated Stock Exchange	NSE Emerge
Prospectus	The Prospectus issued in accordance with section 32 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) for the Issue and in whose favor the Applicants (excluding ASBA Applicants) will issue cheques or drafts in respect of the Application Amount when submitting any Application(s) pursuant to this Issue
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Manager, and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of the amounts collected to the Applicants (excluding ASBA Applicants) on the terms and conditions thereof
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of 15,18,000 Equity Shares of face value of Rs.10 each fully paid of Ahimsa Industries Limited for cash at a price of Rs. 25 per Equity Share (including a premium of Rs. 15 per Equity Share) aggregating Rs. 379.50 Lakhs
Issue Agreement	The agreement dated June 06, 2015 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	The date on which Issue closes for subscription
Issue Opening Date	The date on which Issue opens for subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of

Term	Description
	both the days during which prospective Investors may submit their application
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 25 per Equity Share of face value of Rs. 10 each fully paid
Issue Proceeds	Proceeds from the fresh Issue that will be available to our Company, being Rs. 379.50 Lakhs
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Emerge Platform of NSE
Lead Manager/ LM	Lead Manager to the Issue in this case being Sarthi Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker
Market Making Agreement	Market Making Agreement dated August 27, 2015 between our Company, LM and Market Maker
Market Maker	Market Maker appointed by our Company from time to time, in this case being Choice Equity Broking Private Limited, who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The Reserved Portion of 78,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. 25 per Equity Share aggregating Rs. 19.50 Lakhs for the Market Maker in this Issue
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Net Issue	The Issue excluding the Market Maker Reservation Portion of 14,40,000 Equity Shares of face value of Rs.10 each fully paid for cash at a price of Rs. 25 Equity Share aggregating Rs. 360.00 Lakhs by our Company
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled “Objects of the Issue” beginning on page 72 of this Prospectus
Non Institutional Investors	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than Rs. 2,00,000





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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable
Person/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
Prospectus	The Prospectus, filed with RoC containing, <i>interalia</i> , the issue opening and closing dates and other information
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Limited by our Company to receive monies from the Escrow Account and the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date
Qualified Institutional Buyers or QIBs	QIBs, as defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 lakhs, pension fund with minimum corpus of Rs. 2,500 lakhs, NIF, 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
Refund Account (s)	Account(s) to which Application monies to be refunded to the Applicants (excluding the ASBA Applicants) shall be transferred from the Public Issue Account.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened, in this case being ICICI Bank Limited
Refund through electronic transfer of funds	Refund through ECS, Direct Credit, RTGS or the ASBA process, as applicable
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited having registered office at E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka Andheri East, Mumbai – 400072

Term	Description
Retail Individual Investor	Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i> ) and ASBA Applicants, who apply for an amount less than or equal to Rs. 2,00,000
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)
SCSB/ Self Certified Syndicate Banker.	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a> , or at such other website as may be prescribed by SEBI from time to time
Emerge Platform of NSE	The Emerge Platform of NSE for listing of Equity Shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an NSE Emerge Exchange
Underwriters	Sarathi Capital Advisors Private Limited
Underwriting Agreement	The agreement dated June 06, 2015 entered into between the Underwriters and our Company
Working Day	<p>Unless the context otherwise requires:</p> <p>(i) Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday;</p> <p>(ii) Post Application / Issue closing date and till the Listing of Equity Shares: All days other than a Sunday or a public holiday, and on which commercial banks in Delhi and / or Mumbai are open for business in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010</p>



## Technical and Industry Terms

Term	Description
AWB	Airway Bill
CFR	Cost and Freight
CFS	Container Freight Station
CIF	Cost, Insurance and Freight
CSD	Carbonated Soft Drinks
CVs	Commercial Vehicles
CWC	Central Warehousing Corporation
DDP	Delivered Duty Paid
DDU	Delivered Duty Unpaid
HF & WF	High Fructose & Water Footprint
JIT	Just In Time
MRP	Maximum Retail Price
NCR	National Capital Regions
NHAI	National Highway Authority of India
NHDP	National Highway Development Programme
PCO	Plastic Closure Only
VAT	Value Added Tax
TQM	Total Quality Management

### Conventional and General Terms/ Abbreviations

Term	Description
A/C	Account
Act	The Companies Act, 1956 and amendments thereto including provisions of Companies Act 2013, wherever notified
AGM	Annual General Meeting
Articles	Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies law or of this Act
AMC	Ahmedabad Municipal Corporation
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment Year
ASBA	Applications Supported by Blocked Amount
B.A	Bachelor of Arts
B.Com	Bachelors Degree in Commerce
BIFR	Board for Industrial and Financial Reconstruction
NSE	NSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
Companies Act	Companies Act, 1956 as amended from time to time, including sections of Companies Act, 2013 wherever notified by the Central Government
CSO	Central Statistical Organization
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.



DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
DB	Designated Branch
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortization and extraordinary items.
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
EPS	Earnings per Share
FDI	Foreign Direct Investment
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, as amended from time to time and the regulations framed there under.
FEMA Regulations	FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000 and amendments thereto.
FII(s)	Foreign Institutional Investors
FIs	Financial Institutions
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India.
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
F.Y	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GOI	Government of India.

HNI	High Networth Individual
HUF	Hindu Undivided Family
ICDR Regulations/ Regulations/ Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.
Indian GAAP	Generally accepted accounting principles in India.
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International financial reporting standards.
IPC	Indian Penal Code
IPO	Initial Public Offering
IPR	Intellectual Property Right
IT Act	The Income-tax Act, 1961 as amended from time to time except as stated otherwise.
IT Rules	The Income-tax Rules, 1962, as amended from time to time
INR	Indian National Rupee
JV	Joint venture
KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 116 of this Prospectus.
Ltd.	Limited
MBA	Master in Business Administration
M.Com	Master Degree in Commerce
MD	Managing Director
MoU	Memorandum of Understanding
MNC	Multinational corporation
N/A or NA	Not Applicable
NAV	Net Asset Value



NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NOC	No Objection Certificate
NPV	Net Present Value
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited.
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
Pvt.	Private
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
POA	Power of Attorney
PIO	Persons of Indian Origin
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
Ron	Return on Net Worth.

Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	Emerge Platform of NSE
Sq.	Square
Sq. mtr	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
TNW	Total Net Worth
u/s	Under Section
UIN	Unique Identification Number





US/ U.S. / USA	United States of America
USD or US\$	United States Dollar
U.S. GAAP	Generally accepted accounting principles in the United States of America
UOI	Union of India
Venture Capital Fund(s)/ VCF(s)	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
WDV	Written Down Value
w.e.f.	With effect from
YoY	Year over Year

Notwithstanding the following: -

- (i) In the section titled '*Main Provisions of the Articles of Association*' beginning on page 225 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled '*Financial Statements*' beginning on page 136 of this Prospectus, defined terms shall have the meaning given to such terms in that section; and
- (iii) In the chapter titled "*Statement of Possible Tax Benefits*" beginning on page 78 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter.



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements’ beginning on page 136 of this Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1<sup>st</sup> April of each year and ends on 31<sup>st</sup> March of the next year. All references to a particular fiscal year are to the 12 month period ended 31<sup>st</sup> March of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

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 this 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 and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements’ beginning on page 136 of this Prospectus.

### CURRENCY OF PRESENTATION

In this Prospectus, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten millions’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

### INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Prospectus have been obtained from Centre for Monitoring Indian Economy (CMIE), Indian Brand Equity Foundation (IBEF), Reserve Bank of India as per Base Year 2004-05, World Bank (WB), Indian Business, Reserve Bank of India and Department of Industrial Policy & Promotion, Central Institute of Plastics Engineering and Technology, Plastic Industry.org, plasticmoulding.ca, IBEF org, Plastic Indian Foundation Organization. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.



Further the extent to which the market and industry data presented in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that 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 and property valuations to differ materially from those contemplated by the relevant forward looking statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in Plastic Industry.
- Factors affecting Plastic Industry.
- Our ability to successfully implement our growth strategy and expansion plans;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business.
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control; and
- Our ability to manage risks that arise from above factors;

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 20 and 171 respectively of this 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.

Future looking statements speak only as of the date of this Prospectus. Neither we, our Directors, Underwriter, Merchant Banker 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, the LM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.



## SECTION II – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

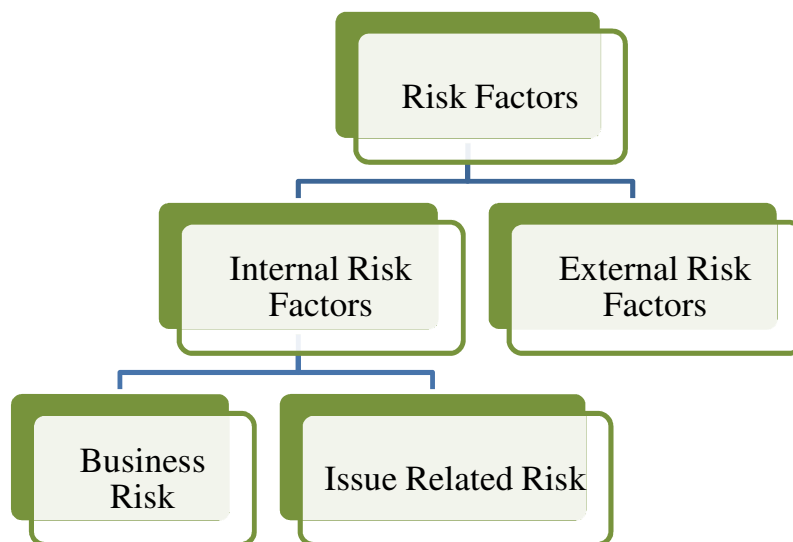
*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 95, “Our Industry” beginning on page 86 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 171 respectively, of this Prospectus as well as other financial information contained herein.*

*The following factors have been considered for determining the materiality of Risk Factors:*

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 3 of this Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*The risk factors are classified as under for the sake of better clarity and increased understanding*



#### A. INTERNAL RISK FACTORS

##### A. Business Risks/ Company specific Risk

1. *Our Company is involved in certain legal proceeding(s). Any adverse decision in such proceeding(s) may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.*

Our Company is involved in certain legal proceedings and claims in relation to certain civil and criminal matters incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any adverse decision may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations. A classification of these legal and other proceedings are given as under:

##### TAX CASE FILED BY COMMERCIAL TAX OFFICE, AHMEDABAD

Sr. No.	Particulars	Where Pending
1.	<p><b>Joint Commissioner of Commercial Tax (Legal) Ahmedabad vide order dated 20.11.2012 had reclassified the VAT on PET preform sold by Company under Entry 87 of Schedule II to the Gujarat Value Added Tax Act and accordingly taxable at the rate of 12.5% plus 2.5% additional tax. However Company has classified PET Preform is a packing material and it falls under Entry 55 of Schedule II to the Gujarat Value Added Tax Act, 2003. The Hon'ble Gujarat Value Added Tax Tribunal, Ahmedabad had decided in favour of the Company. However the Commercial Tax department has gone on appeal in Hon'ble High Court against the Hon'ble Tribunal decision.</b></p>	<p><b>the Hon'ble High Court of Gujarat, Ahmedabad</b></p>



## CRIMINAL CASE

### Case filed by the Company

- Our Company is in the process of filing criminal case against M/s Sahyadri Food and Agro Industries under section 138 of the Negotiable Instruments Act, 1881 as amended, for recovery of Rs. 21.25 lacs in respect of supplies made to them.  
For details please refer chapter titles “Outstanding Litigation and Material Developments” beginning on page 181 of this Prospectus.
2. *Our Company has a negative cash flow in the past 5 years, details of which are given below. Sustained negative cash flow could impact our growth and business.*

Our Company had negative cash flows from our investing activities as well as financing activities in some of the previous year(s) as per the Audited Financial Statements and the same are summarized as under:

Particulars	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012	As on March 31, 2011
Cash Flow from/ (used in ) Operating Activities	488.50	212.01	42.39	306.75	121.97
Cash Flow from/ (used in ) Investing Activities	(216.03)	(169.24)	(481.52)	(611.34)	(239.22)
Cash Flow from/ (used in ) Financing Activities	(194.28)	429.83	492.82	288.44	124.99

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 make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow in future, it may adversely affect our business and financial operations.

3. *Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirement may have an adverse on our results of operations.*

Our business is working capital intensive. A significant portion of our working capital is utilized towards trade receivables. Summary of our working capital portion is given below:-

(Rs. In Lakhs)

Particulars	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013
Net Working Capital (Excluding Short Term Borrowings)	349.29	487.13	327.20
Total Current Assets	2023.42	911.23	802.50
Trade receivables	1368.54	215.31	95.80
Trade receivables as % of Total Current Assets.	67.63%	23.60%	11.94%

Our business is working capital intensive and involves a lot of investment in working capital. We intend to continue growing by reaching to other geographical areas. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of funds, in a timely manner, or at all, to meet the requirement of working capital or payout debts, could

adversely affect our financial condition and result of our operation. For further detail regarding working capital requirements, please refer to the chapter title “Object to the Issue” beginning on page no. 72 of this Prospectus.

**4. *Liability on account of import of machinery without payment of custom duty***

We have imported machineries in Financial Year 2011-12 and 2012-13 on which custom duty amounting to Rs, 212.54 lacs has not been paid on the condition that we will export finished products 6 times the custom duty saved within a period of 8 years in terms of notification no. 102/2009 dt. 11.09.2009 of the Ministry of Finance, Government of India. In case we are not able to fulfill the above obligation, we shall be liable to pay custom duty along with interest @ 15% p.a

**5. *Delays or defaults in client payments could result in a reduction of our profits.***

We may be subject to working capital shortages due to delays or defaults in payments by clients. If clients defaults in their payments in due time to which we have devoted significant resources it could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

**6. *Our Group Entity General Additives Private Limited has incurred loss in financial year ended 2013-14.***

Our Group Entity General Additives Private Limited has incurred loss in the financial year ended 2013-14. For further details regarding the performance of our Group Entities, please refer to Chapter titled “Our Group Entities” beginning on page 131 of this Prospectus.

**7. *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 and grow our business.***

We have, over time, built a strong team of experienced professionals on whom we depend to oversee the operations and growth of our business. We believe that our success in the future is substantially dependent on the experience and expertise of, and the longstanding relationships with key talent and other industry participants built by our senior management and key personnel. Any loss of any of our senior management or key personnel or any conflict of interest that may arise for such management or key personnel or the inability to recruit further senior managers or other key personnel could impede our growth by impairing our day-to-day operations and hindering our development of our business and our ability to develop, maintain and expand client relationships, which would have a material adverse effect on our business, results of operations, financial condition and prospects. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

**8. *Our business is subject to various operating risks at our factory, the occurrence of which can affect our results of operations and consequently, financial condition of our Company.***

Our business operations are subject to operating risks, such as breakdown or failure of equipments used at the factory, weather conditions, interruption in power supply due to breakdown of power generators, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, industrial accidents, our inability to respond to technological advancements and emerging plastic industry standards and practices along with the need to comply with the directives of relevant government authorities. The occurrence of these risks, if any, could significantly affect our operating results,





and the slowdown / shutdown of business operations may have a material adverse effect on our business operations and financial conditions.

**9. *We are subject to risks arising from exchange rate fluctuations.***

The exchange rate between the Rupee and other currencies is variables and may continue to fluctuate in future. Fluctuations in the exchange rates may affect the Company to the extent of cost of goods rendered in foreign currency terms. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the Company's profitability, since a part of its service is rendered in foreign currency.

**10. *We have entered into certain related party transactions and may continue to do so.***

We have entered into related party transactions with our Promoters, Group Company, Directors and their relatives. While we believe that all such transactions have been conducted on the arm's length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future. For details of these transactions, please refer to section titled "Related Party Transactions" at page 134 of this Prospectus.

**11. *Our Company operates under several statutory and regulatory permit, Licenses and approvals. Our failure to obtain and/or renew any approvals or licenses in future may have an adverse impact on our business operations.***


Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our Company is 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. Further these permits, Licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities. Failure by our Company to renew, maintain or obtain the required permits, licenses or result in the interruption of our Company's operation and may have a material adverse effect on the business. For detail please refer to chapter titled "Government and Other Statutory Approvals" beginning on page 185 of this Prospectus.

**12. *Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business.***

The insurance cover taken by us may not be adequate enough for covering the entire future unforeseen liabilities that might occur in the normal course of business. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time by the insurers. To the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our business operations and cash flows may be affected. For details on Insurance cover, please see "Insurance" the chapter titled "Our Business" beginning on page 95 of this Prospectus.

**13. *We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**14. *Our logo  is not registered. In case of no registration our brand building efforts may be hampered which might lead to an adverse effect on our business.***

We have made application dated September 06, 2012 for registration of our Logo/trademark under the Trademarks Act, 1999 for getting the same registered. In case of no registration, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks. This could have a material adverse effect on our business, which in turn could adversely affect our results of operations.

**15. *Our Promoter and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

Post this Issue, our Promoter and Promoter Group will collectively own substantial portion of our Equity Share Capital. As a result, our Promoters, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that may not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**16. *A significant change in the central and state governments' economic liberalization and deregulation policies could disrupt our business. A change in taxation laws could also adversely impact our financial condition and results of operations.***

Our performance and growth are dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any change in the Government's policies in the future could adversely affect business and economic conditions in India and could also adversely affect our business prospects, financial condition and results of operations. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on our operations.



- 17. Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.**

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

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

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

- 19. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.**

Following the Issue, we will be subject to a daily "circuit breaker" imposed by NSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

## **B. EXTERNAL RISK FACTORS**

- 20. We have not prepared, and currently do not intend to prepare, our financial statements in accordance with the International Financial Reporting Standards ("IFRS"). Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.**

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (the "IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of converged Indian Accounting Standards may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding (restated) period in the comparative Fiscal/period.

**21. *Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.***

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

**22. *Financial instability in Indian financial markets could adversely affect our company's results of operations and financial condition.***

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

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

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

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

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



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

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Imposition of any other taxes by the Central and the State Governments may adversely affect our results of operations.

**26. *Natural calamities could have a negative impact on the Indian economy and cause Our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, and floods in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operation as well as the price of the Equity Shares.

**27. *You may be subject to Indian taxes arising out of capital gains on sale of Equity Shares.***

Under current Indian tax laws and regulations, 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 is not subject to capital gains tax in India if securities transaction tax ("STT") is 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 to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, 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. Any change in tax provisions may significantly impact your return on investments.

**PROMINENT NOTES:**

- a) The Public Issue of 15,18,000 Equity Shares of face value of Rs. 10 each fully paid up for cash at a price of Rs. 25/- per Equity Share (including a premium of Rs. 15 per Equity Share) aggregating Rs. 379.50 Lakhs (“the Issue”). Issue of Equity Shares will constitute 27.73% of the fully diluted Post-Issue paid up capital of our Company. For more information, please refer to chapter titled “The Issue” on page 44 of this Prospectus.
- b) The net worth of our Company was Rs. 578.45 Lakhs, Rs. 532.49 Lakhs and Rs. 515.20 Lakhs as of March 31, 2015, March 31, 2014 and March 31, 2013 respectively. The book value of each Equity Share was Rs. 14.62, Rs. 84.24 and Rs. 81.54 as of March 31, 2015, March 31, 2014 and March 31, 2013 respectively as per the audited financial statements of our Company. For more information, please refer to section titled “Financial Statements” beginning on page 136 of this Prospectus.
- c) The average cost of acquisition of per Equity Shares by our Promoter, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Ashutosh Damubhai Gandhi	20,10,000	5.35

- d) For details of Related Party Transactions entered into by our Company, please refer to the chapter titled “*Related Party Transactions*” beginning on page 134 of this Prospectus.
- e) Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoters and Promoter Group*” and “*Our Management*” beginning on pages 54, 128 and 116 respectively, of this Prospectus, none of our Promoters, Directors or Key Management Personnel have any interest in our Company.
- f) Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 54 of this Prospectus, we have not issued any Equity Shares for consideration other than cash.
- g) Investors may contact the LM or the Compliance Officer for any clarification / complaint or information relating to the Issue, which shall be made available by the LM and our Company to the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the LM and the Compliance Officer, please refer to the chapter titled “*General Information*” beginning on page 45 of this Prospectus.
- h) Investors are advised to refer to chapter titled “*Basis for Issue Price*” on page 76 of this Prospectus.
- i) Trading and Allotment in Equity Shares for all investors shall be in dematerialized form only.
- j) There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Independent Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Prospectus.
- k) Except as stated in the chapter titled “*Our Group Entities*” beginning on page 131 and chapter titled “*Related Party Transactions*” beginning on page 134 of this Prospectus, our Group Entities have no business interest or other interest in our Company.
- l) Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 204 of this Prospectus
- m) Our Company was incorporated as Ahinsa Industries Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated January 24, 1996, in Ahmedabad. The name of our Company changed to “Ahimsa Industries Private Limited” vide fresh certificate of Incorporation dated March 06, 1996. Further, our Company was converted into public limited company vide fresh certificate of incorporation dated May 25, 2015. For further details of changes in the name of our Company, please refer to the chapter titled “*Our History and Certain Other Corporate Matters*” beginning on page 111 of this Prospectus.



## SECTION III – INTRODUCTION

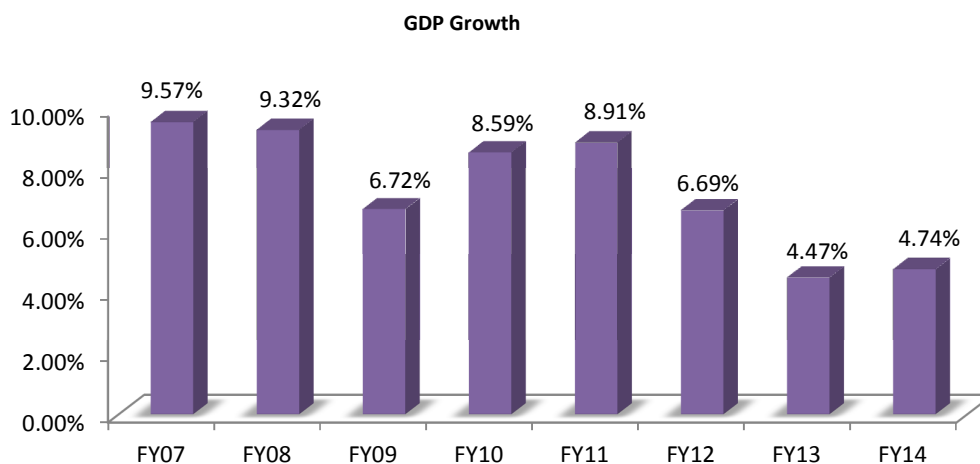
### SUMMARY OF OUR INDUSTRY

#### Overview of Indian Economy

India, a South Asian nation, is the seventh-largest country by area, the second-most populous country with over 1.25 billion people, and the most populous democracy in the world. India is the fourth largest economy in the world in terms of purchasing power parity (PPP). Gross Domestic GDP of the country for the year 2014-2015 stood at INR 106.6 trillion (US\$ 1.60 trillion) as compared to INR 99.21 trillion (UD\$ 1.49 trillion) in 2013-14 . India's economy has witnessed a significant economic growth in the recent past, growing by 7.3 % in 2015 as against 6.9 % in 2014. India is set to become the world's fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent latest forecast. Service sector contributes 65% to the GDP were as Industry and Agriculture shares the pie with 18% and 17% respectively. The Asian Development Bank (ADB) in its update released on July 16, 2015 for the Asian Development Outlook, kept its forecasts for India's GDP growth unchanged. The ADB expects India to grow by 7.8 % in 2015-16 backed by healthy growth in agriculture and a pick up in investment activity.

The outlook for Indian economy for short and long period remains positive. Young and educated population, new elected government, larger and positive integration with the major economies like US, Russia, Japan China, Europe etc makes the India a long term growth economy. India is preferred designation for investment by foreign economies.

(Source: CMIE, IBEF, Asian Development Bank.)



(Source: RBI as per Base Year 2004-05.)

Passing through the phase of high current account deficit, rising inflation, slowing down in capex cycle and industrial activities, now the economy is witnessing some revival. Fall in crude oil prices supported to grapple the rising inflation as well as rates cuts is expected from the central bank that could be the positive sign for accelerating the investment cycle in the Economy. Index of Industrial Production which depicts the performance of eight core industries of Indian economy for 2014-15 has grown by 3.6 % as compared to 4.2 % in 2013-14.

India's current account deficit reduced sharply to US\$ 1.3 billion (0.2 % of GDP) in the fourth quarter of 2015 compared to US\$ 8.3 billion (1.6 % of GDP) in the previous quarter, indicating a shrink in the current account deficit by 84.3 % quarter-on-quarter basis., as global oil prices slumped while foreign investments into the country remained robust.

India's Index of Industrial Production (IIP) grew by 4.1 % in April 2015 compared to 2.5 % in March 2015. The growth was largely due to the boost in manufacturing growth, which was 5.1 % in April compared to 2.8 % in the previous month. May came in at 2.7 %, falling from 4.1 %, led by a sharp fall in capital goods and consumer goods data.

India's Consumer Price Index (CPI) inflation rate increased to 5.01 % in May 2015 compared to 4.87 % in the previous month. On the other hand, the Wholesale Price Index (WPI) inflation rate remained negative at 2.36 % for the seventh consecutive month in May 2015 as against negative 2.65 % in the previous month, led by low crude oil prices.

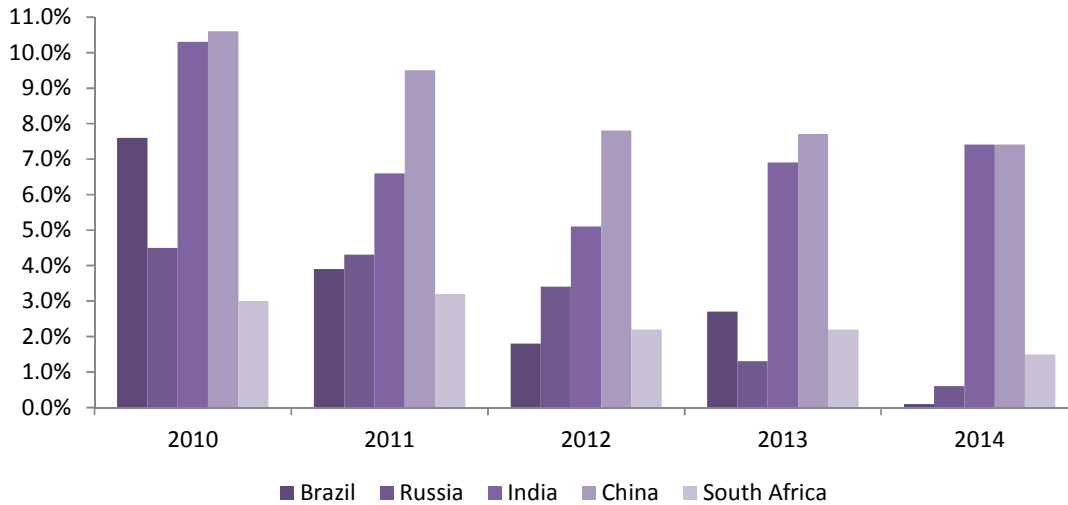
Apart from being a critical driver of economic growth, foreign direct investment (FDI) is a major source of non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of cheaper wages, special investment privileges like tax exemptions, etc. For a country where foreign investments are being made, it also means achieving technical know-how and generation of employment. The continuous inflow of FDI in India, which is now allowed across several industries, clearly shows the faith that overseas investors have in the country's economy. FDI into India through the approval route shot up 162 % to US\$ 1.91 billion in the first ten months of the ongoing fiscal year, indicating that government's effort to improve ease of doing business and relaxation in FDI norms may be yielding results. The foreign inflows have grown to touch US\$ 25.52 billion during the April-January 2014-15, up 36 % year-on-year (y-o-y), from US\$ 18.74 billion in the corresponding period last fiscal, according to Department of Industrial Policy and Promotion (DIPP) data. The top 10 sectors receiving FDI include telecommunication which received the maximum FDI worth US\$ 2.83 billion in the 10 month period, followed by services (US\$ 2.64 billion), automobiles (US\$ 2.04 billion), computer software and hardware (US\$ 1.30 billion) and pharmaceuticals sector (US\$ 1.25 billion).

India continues to be a preferred market for foreign investors. Listed India-focused funds saw record inflows of US\$ 1.7 billion in January this year, while most other emerging markets (EMs) saw redemptions to the tune of US\$ 3 billion. FIIs pumped in US\$ 2.87 billion into Indian equities in January, most of this coming from listed funds.

FII's net investments in Indian equities and debt are set to touch a record this financial year, backed by expectations of an economic recovery, falling interest rates and improving earnings outlook. FIIs have invested a net of US\$ 43.5 billion so far in 2014-15— expected to be their highest investment in any fiscal year. Of this, a huge amount US\$ 26.3 billion was invested in debt and it is their record investment in the asset class, while equities absorbed US\$ 17.2 billion.

*(Source: [www.ibef.org/economy/foreign-institutional-investors.aspx](http://www.ibef.org/economy/foreign-institutional-investors.aspx))*





(Source: World Bank)

After languishing a for quite a long, in the April-June quarter of the fiscal year (Q1FY15) India's Gross Domestic Product (GDP) witnessed a growth of 5.7% the fastest rate recorded over last 9 quarters and depicted signs of breaking shackles. In Q1FY14 (i.e. over April-June quarter of last fiscal year), the Indian economy grew at 4.7% and for the entire fiscal year 2014 economic growth on average basis came near that level. Thus against this backdrop, Q1FY15 GDP growth rate of 5.7% looks encouraging. A strong performance by manufacturing as well as services sectors have attributed to this uptick in growth. Moreover, despite a tad underperformance of agriculture in the current fiscal so far, the Indian economy has remained relatively resilient. Agriculture recorded a growth of 3.8% as against 4.0% in Q1FY14. Manufacturing sectors which account for nearly 15% of India's GDP grew collectively at 3.5% in Q1FY15 as against a contraction of -1.2% recorded in Q1FY14. Similarly, the services sectors which collectively account for nearly 2/3rd of GDP recorded a growth of 6.8% in Q1FY15 vis-à-vis 6.4% registered in Q1FY14. Likewise, mining displayed revival by expanding at 2.1% in Q1FY15 as against a contraction of -3.9% in Q1FY14.

Sectors projected to do well in the coming years include automotive, technology, life sciences and consumer products. Engineering and research and development (ER&D) export revenue from India is expected to reach US\$ 37-45 billion by 2020, from an estimated US\$ 12.4 billion in FY14, according to Nasscom. The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2004-05) prices for Q1 of 2014-15 is estimated at Rs 14.38 trillion (US\$ 232.63 billion), as against Rs 13.61 trillion (US\$ 220.12 billion) in Q1 of 2013-14, registering a growth rate of 5.7%.

(Source: [www.indiainbusiness.nic.in](http://www.indiainbusiness.nic.in), RBI, Planning commission.)

## Key Economic Variables

Particulars	FY11	FY12	FY13	FY14
Real GDP (INR Billion)	49,185	52,475	54,821	57,418
Real GDP Growth	8.91%	6.69%	4.47%	4.74%
Export ( US \$ Billion)	251	310	307	319
Import ( US \$ Billion)	381	500	502	466
Current Account Deficit % to GDP	-2.7%	-4.2%	-4.7%	-1.7%
Inflation - WPI	10.5%	8.4%	10.2%	9.5%
FDI Flows Into India US \$ Billion	34.8	46.6	34.3	36.0
FII Flows	29.4	16.8	27.6	5.0

(Source: RBI, DIPP)

### **Origin of Plastics**

Plastics play an important role in almost every aspect of our lives. Plastics are used to manufacture everyday products such as beverage containers, toys, and furniture. The widespread use of plastics demands proper end of life management.

One can go as far back as the Old Testament to find references about natural materials used as fillers, adhesives, coatings, and the like. These materials were the precursors of modern plastic materials. Historians continue to differ as to the exact year or decade that the plastics industry began because the definition of “plastic” is a matter of interpretation.

Certainly, the history of the rubber industry has a bearing on plastics. This is because ebonite, or hard rubber, discovered in 1851, was the first thermosetting material to be prepared and the first material that involved a distinct chemical modification of a natural material. But ebonite was not exploited commercially for some years after its discovery; for that reason, its historical importance has become somewhat blurred. Plastics are responsible for countless facets of the modern life we enjoy today. From health and well being, nutrition, shelter and transportation to safety and security, communication, sports, leisure activities and innovations of industry – plastics deliver bountiful benefits to you and your world. The men and women of the plastics industry make it all possible. In the United States, the plastics industry accounts for more than \$374 billion dollars in annual shipments and directly employs nearly 900 thousand people.

### **Structure of Plastic Industry**

The entire chain in the Plastic industry can be classified into (A) manufacturing of Polymers and is called “upstream” and (B) conversion of polymers into plastic articles and is known as “downstream”. The upstream Polymer manufacturers have commissioned globally competitive size plants with imported state-of-art technology from the world leaders. The upstream petrochemicals industries have also witnessed consolidation to remain globally competitive.

The downstream plastic processing industry is highly fragmented and consists of micro, small and medium units. Plastic processed articles which were earlier exclusively reserved for Small Scale sector has now been de-reserved. The Micro Small and Medium Enterprise (MSME) Act 2006 increased the investment in plant and Machinery to Rs. 5 crore and the current exemption on Excise Duty is Rs. 1 Crore. This initiative helped the industry to increase competitiveness and meet the global challenges.



Notwithstanding plastic being one of the important foreign exchange earners for the country the share of plastics exports of the total export by India remains at an abysmal 1.5% in 2014. India exported plastics of US\$ 4,860 million in 2014 as against US\$ 4,441 in 2013

*(Source: [http://plexconcil.co.in/composition\\_plastics\\_exports.pdf](http://plexconcil.co.in/composition_plastics_exports.pdf), <http://www.commerce.nic.in/eidb/ecom.asp>)*

Despite the industry's high growth spanning over a period of over 2 decades and crossing several milestones, Indian plastics industry is yet to realize its full potential. The low level of per capita plastics consumption in India is indicative of the massive growth potential of the plastic industry. Compared to per capita consumption of plastics in USA at 109 Kg, China at 29 Kg and Brazil at 32 Kg. India at 5.8 Kg is still in nascent stage. USA consumption has reached saturation level, while China's higher levels of consumption are primarily due to exports. India has the advantage of high population and is expected to maintain high economic growth. This should propel India's plastics consumption to new levels in coming years.

The domestic downstream industry comprises of 3 broad segments viz. Injection molding, Blow molding and Extrusion and caters to the requirements of a wide array of applications like packaging, automobile, consumer durables, healthcare, etc.

*(Source: [http://www.cipet.gov.in/pdfs/Growth\\_of\\_plastic\\_Industries.pdf](http://www.cipet.gov.in/pdfs/Growth_of_plastic_Industries.pdf))*

## SUMMARY OF OUR BUSINESS

### OVERVIEW

#### Foundation

Ahimsa Industries Limited was formed by Mr. Ashutosh Damubhai Gandhi & Mr. Lalit C Shah on January 24, 1996. Mr. Ashutosh Damubhai Gandhi & family bought over Mr. Lalit C Shah's shares in 1999-2000. Initially, we were a merchant export company only. We were mainly focusing on exports of sugar confectionery machinery, moulds & plastic processing machinery. We achieved turnover of Rs. Fifty Lakhs in first year & reached turnover for Rs. 7.5 crore in year 2011.



#### Next Move

Mr. Ashutosh Damubhai Gandhi & family bought 49% of share of M/s General Additives Pvt. Ltd in 2004-05. M/s General Additives Pvt. Ltd. is a food & pharma flavor making unit based at Andheri, Mumbai.



#### Rowed the Feet Into Manufacturing Activity

Along with merchant export activity, we decided to go for a Greenfield manufacturing project at Ahmedabad. At world famous K show in Dusseldorf Germany, we booked world's latest Husky, all electric PET Preform injection molding system in October 2010. We decided to go for Indian beverage market offering world class PET preforms made on latest Husky equipment.





### **Splendid & Convenient Location**

In Year 2010 we bought industrial plot at state of Art non polluting DEVERAJ INDUSTRIAL PARK located on outskirts of Ahmedabad @ village Piplaj. It is very conveniently located on SP ring road. It has good industrial infrastructure.

### **Start of Commercial Production**

We started our commercial production of PET Preform with 3 start Alaska neck preforms on HPET 180 in December 2011 under Greenpet brand. Due to better preform design & good manufacturing practice, Greenpet got recognition throughout India. Greenpet is now approved preform with Railneer, Bisleri, Kingfisher, Royal Stag etc national & multinational brands. Beauty of Greenpet quality is known in beverage world, which brought weight of pet bottles down drastically.



We did expansion in 2013 by adding approx 10000sq ft industrial shed & adding HPET 230 AE, 48 cavity injection molding system. For second H-PET AE system, we choose to go for small weight preforms of PCO 1881 (Short Neck). This latest neck finish is now extremely acceptable to all international & domestic carbonated soft drinks & Juice industry. Again Greenpet quality is well accepted in domestic & overseas beverage industry. We have Big Cola, RC cola, City cola etc many regional big players in our satisfied client portfolio.



One of the significant aspects of AHIMSA manufacturing functions has been its emphasis on increasing productivity on a continuing basis through improvements in manufacturing processes. Our in-house machine tools manufacturing facility has contributed significantly to this. The company has laid emphasis on indigenization & adaptation of techniques acquired from better technologies which has helped in productivity improvements.



We proudly manufacture and own greenpet brand for our superior quality Preforms. This results in a smooth finish, flash free, tailless and uniform wall thickness preform with high clarity, dust free and near zero 'AA' level. The design is such that while blowing the preform you will get uniform material distribution resulting in superior sturdiness and improved transparency.

The preforms are made under stringent quality control conditions. This gives our customers trouble free production with near zero rejections which saves valuable time as well as reduces their production costs. Our fully equipped laboratory ensures that all products meet or exceed international quality standards. We also undertake custom jobs for MNCs and customers with large orders. Our Company is also engaged in trading of textile and clothing products (like suiting & Shirting, dyed & grey fabric etc.) during this year from its Bhiwandi Branch. The Company achieved a turnover of Rs. 1114.38 Lakhs from this trading activity. The margins were in the range of 5%-10%.

**PRODUCT PORTFOLIO:**

We have wide range of preforms range available in variety of colours. Some of the neck types available at our end are –

- 28 Alaska 3 Start for Water
- 28 PCO 1881 Short Neck for CSD
- 28 PCO 1881 Short Neck for Juice



**Amenity to the Customers**

Looking towards the demand of Clients we are trading Excellent Quality Caps for CSD, Juice, Water etc. These caps are available with us in various neck sizes, colors & Shades.

		
<p>PCO 1881 Short Neck CSD; 2 Piece &amp; Single Piece</p>	<p>28 Alaska 3 Start ; 1.45gm &amp; 1.75gm</p>	<p>PCO 1881 Short Neck Juice; HF &amp; WF</p>



**SUMMARY OF FINANCIAL STATEMENTS**

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED STAND ALONE**

(Rs. in Lakhs)

Sr. No.	Particulars	Notes No.	As at 31st March				
			2015	2014	2013	2012	2011
<b>A.</b>	<b>Equity and Liabilities</b>						
<b>1</b>	<b>Shareholders' Funds</b>						
	Share Capital	2.1	395.60	63.21	63.21	52.93	52.93
	Reserves & Surplus	2.2	182.85	469.28	452.19	254.94	211.52
<b>2</b>	<b>Non-Current Liabilities</b>						
	Long-term borrowings	2.3	445.09	303.65	185.87	220.43	7.65
	Deferred Tax Liabilities (Net)	2.4	-	-	-	-	1.43
	Other Long Term Liabilities	2.5	-	-	359.40	295.99	66.46
	Long Term Provisions		-	-	-	-	-
<b>3</b>	<b>Current Liabilities</b>						
	Short Term Borrowings	2.6	700.71	1,027.99	615.64	94.14	8.04
	Trade Payables	2.7	1,340.22	132.40	47.86	34.81	-
	Other Current Liabilities	2.8	333.91	290.42	391.60	195.78	99.32
	Short Term Provisions	2.9	-	1.30	35.85	1.43	8.70
	<b>Total</b>		<b>3,398.38</b>	<b>2,288.24</b>	<b>2,151.61</b>	<b>1,150.44</b>	<b>456.05</b>
<b>B.</b>	<b>Assets</b>						
<b>4</b>	<b>Non-Current Assets</b>						
	Fixed Assets		-	-	-	-	-
	Tangible Assets	2.10	1,306.88	1,299.81	1,288.05	905.87	49.27
	Intangible Assets		-	-	-	-	-
	Capital Work In Progress		-	-	-	-	196.62

	Non - Current Investments	<b>2.11</b>	-	-	-	-	65.03
	Deferred Tax Assets (Net)	<b>2.4</b>	31.03	36.82	25.26	20.43	-
	Long Term Loans and Advances	<b>2.12</b>	37.05	40.37	35.61	59.37	25.49
	Other Non-Current Assets	<b>2.13</b>	-	-	0.20	0.30	0.40
<b>5</b>	<b>Current Assets</b>						
	Inventories	<b>2.14</b>	355.12	454.12	517.01	66.24	23.82
	Trade Receivables	<b>2.15</b>	1,368.54	215.31	95.80	36.73	34.89
	Cash and Cash Equivalents	<b>2.16</b>	211.92	133.73	85.15	31.45	47.60
	Short-term loans and advances	<b>2.17</b>	62.95	94.57	89.74	25.25	12.93
	Other Current Assets	<b>2.18</b>	24.89	13.50	14.80	4.81	-
	<b>Total</b>		<b>3,398.38</b>	<b>2,288.24</b>	<b>2,151.61</b>	<b>1,150.44</b>	<b>456.05</b>





STATEMENT OF PROFIT AND LOSS AS RESTATED STAND ALONE

(Rs. in Lakhs)

Sr. No.	Particulars	Notes No.	As at 31st March				
			2015	2014	2013	2012	2011
<b>A.</b>	<b>Revenue:</b>						
	Revenue from Operations	<b>2.19</b>	3,206.56	2,138.25	1,467.91	673.93	724.34
	Other income	<b>2.20</b>	70.10	38.56	38.02	17.97	27.07
	<b>Total revenue</b>		<b>3,276.67</b>	<b>2,176.80</b>	<b>1,505.93</b>	<b>691.90</b>	<b>751.41</b>
<b>B.</b>	<b>Expenses:</b>						
	Cost of material Consumed	<b>2.21</b>	1,296.14	1,374.73	785.73	99.54	-
	Purchase of stock-in-trade	<b>2.21</b>	1,309.87	92.21	553.01	464.21	521.77
	Changes in inventories of Finished goods, work-in-progress	<b>2.22</b>	16.35	142.90	(381.98)	(31.44)	48.79
	Employee benefit expenses	<b>2.23</b>	85.41	51.50	51.16	34.61	33.51
	Finance costs	<b>2.24</b>	135.94	100.29	53.74	10.94	4.49
	Depreciation and amortization expense	<b>2.10</b>	226.32	168.98	105.37	32.63	14.28
	Other expenses	<b>2.25</b>	281.36	239.38	159.75	73.47	103.20
	<b>Total Expenses</b>		<b>3,351.40</b>	<b>2,169.99</b>	<b>1,326.78</b>	<b>683.97</b>	<b>726.04</b>
	<b>Profit/(loss) before tax</b>		<b>(74.73)</b>	<b>6.81</b>	<b>179.15</b>	<b>7.93</b>	<b>25.37</b>
	<b>Tax expense :</b>						
	Current tax		-	(1.30)	(35.85)	(1.43)	(8.70)
	Prior Period Taxes		0.00	0.01	(0.21)	0.05	(0.00)
	Deferred						

	Tax		(5.79)	11.56	4.82	21.87	(1.07)
	Fringe Benefit Tax		-	-	-	-	-
	<b>Profit/(loss) For the year</b>		<b>(80.52)</b>	<b>17.08</b>	<b>147.91</b>	<b>28.42</b>	<b>15.60</b>
	<b>Earning per equity share in Rs.:</b>						
	(1) Basic		(2.04)	0.54	5.27	1.07	1.05
	(2) Diluted		(2.04)	0.54	5.27	1.07	1.05



STATEMENT OF CASH FLOW FROM RESTATED FINANCIAL STATEMENTS STAND ALONE

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Profit/ (Loss) before tax</b>	<b>(74.73)</b>	<b>6.81</b>	<b>179.15</b>	<b>7.93</b>	<b>25.37</b>
Adjustments for:					
Depreciation and amortization expenses	226.32	168.98	105.37	32.63	14.28
Interest Expense	135.94	100.29	53.74	10.94	4.49
Fixed Asset Written Off	-	-	-	-	-
Interest Received	(14.52)	(7.80)	(2.75)	(1.01)	(0.48)
Capital gain on securities	-	-	-	(0.10)	(3.49)
Dividend Income	-	-	-	(0.04)	(0.57)
Loss on sale of fixed assets					0.25
Rent Received	(3.85)	(3.50)	(3.18)	-	-
<b>Operating profit before working capital changes</b>	<b>269.16</b>	<b>264.78</b>	<b>332.33</b>	<b>50.36</b>	<b>39.85</b>
Movements in working capital :					
(Increase)/ Decrease in Inventories	99.01	62.89	(450.78)	(42.41)	48.79
(Increase)/Decrease in Trade Receivables	(1,153.23)	(119.51)	(59.08)	(1.84)	(5.90)
(Increase)/Decrease in Other Receivables	20.22	(3.52)	(74.49)	(17.13)	3.76
(Increase)/Decrease in Long Term Loans & Advances	3.32	(4.77)	23.77	(33.88)	-
Increase(Decrease) in Trade Payables and Other Liabilities	1,250.02	(51.19)	243.28	124.00	47.94
Increase(Decrease) in Payables for Capital Assets	-	(359.40)	63.41	229.53	(3.77)
<b>Cash generated from operations</b>	<b>488.50</b>	<b>(210.72)</b>	<b>78.45</b>	<b>308.63</b>	<b>130.68</b>
Income tax Refund/ (paid) during the year	0.00	(1.29)	(36.06)	(1.38)	(8.70)
<b>Net cash from operating activities (A)</b>	<b>488.50</b>	<b>(212.01)</b>	<b>42.39</b>	<b>307.25</b>	<b>121.97</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed assets (including capital advances)	(238.16)	(180.54)	(487.49)	(692.52)	(220.82)
( Purchase)/Redemption of Current					

Investment	-	-	-	65.03	(33.94)
Sale of Fixed Assets	3.76	-	0.04	-	11.00
Subsidy Received				15.00	
Interest Received	14.52	7.80	2.75	1.01	0.48
Capital gain on securities	-	-	-	0.10	3.49
Dividend Income	-	-	-	0.04	0.57
Rent Received	3.85	3.50	3.18	-	-
<b>Net cash from investing activities (B)</b>	<b>(216.03)</b>	<b>(169.24)</b>	<b>(481.52)</b>	<b>(611.34)</b>	<b>(239.22)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from issue of share capital including Premium	127.49	-	59.62	-	129.25
Interest paid on borrowings	(135.94)	(100.29)	(53.74)	(10.94)	(4.49)
Proceeds of Short Term Loans	(327.28)	412.35	521.50	86.10	8.04
Proceeds of Long Term Loans	141.44	117.78	-	212.78	-
Repayment of Short Term Borrowing	-	-	-	-	(2.18)
Repayment of Long Term Borrowing	-	-	(34.55)	-	(5.63)
<b>Net cash from financing activities (C)</b>	<b>(194.28)</b>	<b>429.83</b>	<b>492.82</b>	<b>287.94</b>	<b>124.99</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>78.19</b>	<b>48.58</b>	<b>53.70</b>	<b>(16.15)</b>	<b>7.74</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>133.73</b>	<b>85.15</b>	<b>31.45</b>	<b>47.60</b>	<b>39.85</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>211.92</b>	<b>133.73</b>	<b>85.15</b>	<b>31.45</b>	<b>47.60</b>



## THE ISSUE

Particulars	Number of Equity Shares
Equity Shares Offered	15,18,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 25 per Equity Share aggregating Rs. 379.50 Lakhs
Fresh Issue Consisting of	
Issue Reserved for Market Makers	78,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 25 per Equity Share aggregating Rs. 19.50 Lakhs
Net Issue to the Public	14,40,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 25 per Equity Share aggregating Rs. 360.00 Lakhs
	of which
	7,20,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 25 per Equity Share will be available for allocation to investors up to Rs. 2 Lakhs
	7,20,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 25 per Equity Share will be available for allocation to investors above Rs. 2 Lakhs
Equity Shares outstanding prior to the Issue	39,55,990 Equity Shares
Equity Shares outstanding after the Issue	54,73,990 Equity Shares
Objects of the Issue	See the chapter titled “Objects of the Issue” on page 72

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. The Issue is being made through the Fixed Price Process and hence, as per Regulation 43, sub regulation (4) of SEBI (ICDR) Regulations, at least 50% of the Net Issue to Public will be available for allocation on a proportionate basis to Retail Individual Applicants, subject to valid Applications being received at the Issue Price.

For further details please refer to chapter titled “Issue Structure” beginning on page 204 of this Prospectus.



## GENERAL INFORMATION

Our Company was incorporated as Ahinsa Industries Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated January 24, 1996, in Ahmedabad. The name of Our Company changed to “Ahimsa Industries Private Limited” vide fresh certification of Incorporation dated March 06, 1996 Further, our Company was converted into public limited company i.e. Ahimsa Industries Limited vide fresh certificate of incorporation dated May 25, 2015.

For further details please refer to chapter titled ‘Our History and Certain Other Corporate Matters’ beginning on page 111 of this Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

#### AHIMSA INDUSTRIES LIMITED

102. Iscon Elegance, NR, Shapath-5,  
Pralhad Nagar Junction, S.G. Highway,  
Ahmedabad  
Gujarat-380051

**Tel:** +91 79 27445901 / 02

**Email:** legal@greenpet.in

**Website:** www.greenpet.in

**Registration Number:** 028679

**Corporate Identification Number:** U25200GJ1996PLC028679

### REGISTRAR OF COMPANIES

#### Registrar of Companies, Ahmedabad

ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad-380013

**Website:** www.mca.gov.in

### DESIGNATED STOCK EXCHANGE

#### SME Platform of NSE Emerge

#### National Stock Exchange of India Ltd.

Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai - 400051

For details in relation to the changes to the name of our Company, please refer to the chapter titled, “*Our History and Certain Other Corporate Matters*” beginning on page 111 of this Prospectus.



## BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age	DIN	Address	Designation
1.	Ashutosh Damubhai Gandhi	49	00654563	C-4, 426 Condominium, NR. Sarthi Party Plot, Bodekdev, Ahmedabad-380054, Gujarat, INDIA	Managing Director
2.	Sneha Ashutosh Gandhi	47	00654675	C-4, 426 Condominium, NR. Sarthi Party Plot, Bodekdev, Ahmedabad-380054, Gujarat, INDIA	Whole Time Director
3.	Jignesh Anubhai Shah	45	00006339	B-101, Sahaj Appt., Next to Suvidha Cross Road, Paldi,, Ahmedabad, 380007, Gujarat, India	Non-Executive Director
4.	Ashish Navnitlal Shah	52	00089075	1,Shital Chhaya Apartments, Nr. Hirabaug Crossing, Ambawadi, Ellisebridge, Ahmedabad, 380006, Gujarat, India.	Non-Executive and Independent Director
5.	Bhadresh Arvindbhai Trivedi	50	07218969	B/10 Sarita Apartment, Judges Bunglow, Cross Road, Bodekdev, Ahmedabad-380015, Gujarat.	Non-Executive and Independent Director

For further details of our Directors, please refer to the chapter titled “Our Management” beginning on page 116 of this Prospectus.

## COMPANY SECRETARY AND COMPLIANCE OFFICER

**Gajara Jagirambhai Joshi**

**Ahimsa Industries Limited**

102, Iscon Elegance, NR, Shapath-5,

Prahlad Nagar Junction, S.G. Highway,

Ahmedabad

Gujarat - 380051

**Tel:** + 91 79 27445901 / 02

**E-mail:** [cs@greenpet.in](mailto:cs@greenpet.in)

Investors may contact the Compliance Officer and / or the Registrar to the Issue and / or the LM to the Issue in case of any Pre-Issue or Post- Issue related matter such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, refund orders, etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied



for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant.

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

#### **STATUTORY AUDITORS**

##### **K. H. Trivedi & Co.**

105, Soham Square, 57, Chaitanyanagar Society

Nr. Stadium Petrol Pump, Ahmedabad-380014

**Tel:** + 91 79 26563430 / 26443167

**E-mail:** kiritrivedi2@gmail.com

**Contact Person:** Kirit H. Trivedi

**Firm Registration No.:** 111054W

**Membership No.:** 36390

#### **PEER REVIEW AUDITORS**

##### **RPMD & Associates**

HO: AA-8, 1<sup>st</sup> Floor,

Shalimar Bagh, New Delhi-110088

**Mobile:** +91-9811613999

**Fax:** +91-11-27472042

**E-mail:** info@rped.in

**Contact Person:** CA Rahul Jain

**Firm Registration No.:** 005961C

**Membership No.:** 518352

#### **CHIEF FINANCIAL OFFICER**

##### **Shrenikbhai Madhukarbhai Khatwala**

##### **Ahimsa Industries Limited**

102. Iscon Elegance, NR, Shapath-5,

Prahlad Nagar Junction, S.G. Highway,

Ahmedabad, Gujarat-380051

**Tel:** + 91 79 27445901 / 02

**E-mail:** accounts@ahimsaind.com



#### **SARTHI CAPITAL ADVISORS PRIVATE LIMITED**

Anthem House, E-360,  
1st Floor, Nirman Vihar  
Delhi – 110092

**Tel:** 011-22449817/15

**Fax:** 011-22439816

**Contact Person:** Mr. Anand Lakhotia

**Email:** ipo@sarthiwm.in

**SEBI Registration No.:** INM000012011

159/11, Amar Brass Compound

Vidya Nagari Marg, Kalina

Santacruz (E), Mumbai – 400 098

**Tel:** 022-26528671/72

**Fax:** 022-26528673

**Contact Person:** Mr. Deepak Sharma

#### **REGISTRAR TO THE ISSUE**

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

E2 Ansa Industrial Estate,  
Sakivihar Road, Sakinaka  
Andheri East, Mumbai – 400072.

**Tel:** 022-40430200

**Fax:** 022-28475207

**E-mail:** ipo@bigshareonline.com

**Contact Person:** Mr. Ashok Shetty

**SEBI Registration No.:** INR000001385

#### **LEGAL ADVISOR TO THE ISSUE**

#### **H. VYAS & CO.**

A/401-402, “Harivilla”, Nr. Sarthi Hotel,  
Vastrapur, Bodakdev, Ahmedabad, Gujarat-380054

**Tel:** 079-26856140

**E-mail:** hvyas1971@yahoo.in

**Contact Person:** Mr. Harendra B. Vyas

## **BANKERS TO THE COMPANY**

### **CORPORATION BANK**

S.G. Highway Branch,  
1<sup>st</sup> Floor, “Corporate House”,  
Judges Bungalow Road, Bodakdev,  
Ahmedabad - 380054

**Tel:** 079-2658751

**E-mail:** cb658@corpbank.co.in

**Contact Person:** Mr. H.G. Yashavantha Kumar

## **BANKERS TO THE ISSUE/ ESCROW COLLECTION BANK**

### **ICICI BANK LIMITED**

Capital Market Division,  
122/1 Mistry Bhavan, Backbay Reclamation,  
Chuchgate, Mumbai-400020

**Tel:** 022 22859922

**Fax:** 022 22611138

**Email:** rishav.bagrecha@icicibank.com

**Contact Person:** Mr. Rishav Bagrecha

**SEBI Registration No.:** INBI00000004

## **REFUND BANKER**

### **ICICI BANK LIMITED**

*Capital Market Division,  
122/1 Mistry Bhavan, Backbay Reclamation,  
Churchgate, Mumbai-400020*

**Tel:** 022 22859922

**Fax:** 022 2261 1138

**Email:** rishav.bagrecha@icicibank.com

**Contact Person:** Mr. Rishav Bagrecha

**SEBI Registration No.:** INBI00000004

## **SELF CERTIFIED SYNDICATE BANKS**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on [http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1365051213899.html](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html). For details on Designated Branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.



#### **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.

#### **APPRAISAL AND MONITORING AGENCY**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50,000 Lakhs. Since the Issue size is only of Rs. 379.50 lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per the Clause 52 of the NSE SME Listing Agreement to be entered into with NSE upon listing of the Equity Shares and the corporate governance requirements, *inter-alia*, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

#### **INTER-SE ALLOCATION OF RESPONSIBILITIES**

Since Sarthi Capital Advisors Pvt. Ltd. is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not applicable.

#### **EXPERT OPINION**

Except the report of the Statutory Auditor on statement of tax benefits included in this Prospectus, our Company has not obtained any other expert opinion.

#### **DEBENTURE TRUSTEE**

Since this is not a debenture issue, appointment of debenture trustee is not required.

## UNDERWRITER

Our Company and LM to the issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated June 06, 2015, pursuant to the terms of the underwriting agreement; the obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue.

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)	% of the Total Issue Size Underwritten
<b>Sarathi Capital Advisors Private Limited</b> 159/11, Amar Brass Compound, Vidya Nagari Marg, Kalina, Santacruz (E), Mumbai - 400098 <b>Tel:</b> (022) 26528671/72 <b>Fax:</b> (022) 26528673 <b>Email:</b> ipo@sarthiwm.in <b>Contact Person:</b> Mr. Deepak Sharma <b>SEBI Registration No.:</b> INM000012011	15,18,000	3,79,50,000	100.00
<b>Total</b>	<b>15,18,000</b>	<b>3,79,50,000</b>	<b>100.00</b>

In the opinion of the Board of Directors of the Company, the resources of the above mentioned underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. Further, the underwriter shall be paid a commission at the rate of 0.50% of the net offer to the public.

## DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company has obtained the consent of M/s Choice Equity Broking Private Limited to act as Market Maker and has entered into a tripartite agreement dated August 27, 2015 with the Lead Manager and Market Maker, duly registered with NSE Limited to fulfill the obligations of Market Making.

### CHOICE EQUITY BROKING PRIVATE LIMITED

Shree Shakambhari Corporate Park  
 156-158, Chakravati Ashok Society,  
 J.B. Nagar, Andheri (E), Mumbai – 400099  
**Tel:** (022) 67079810  
**Fax:** (022) 67079898  
**E-mail:** mahavir.toshniwal@choiceindia.com  
**Contact Person:** Mr. Mahavir Toshniwal  
**SEBI Registration No.:** INB231377335

Choice Equity Broking Private Limited, registered with Emerge of NSE will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.



The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by the NSE and SEBI in 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 minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. 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 (Including 78,000 Equity Shares out to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 78,000 Equity Shares 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 reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. 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. At this stage, Choice Equity Broking Private Limited is acting as the sole Market Maker.
7. 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.
8. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. 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.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

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(s) 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 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) 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 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market

Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

11. Emerge of NSE 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.
12. Emerge of NSE 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(s) 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.
13. SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 25,000 Lakhs, the applicable price bands for the first day shall be:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.



## CAPITAL STRUCTURE

The share capital of our Company as of the date of this Prospectus before and after the issue is set forth below:

(Rs. In Lakhs except share data)

Sr. No	Particulars	Aggregate Value	
		Face Value	Issue Price
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	75,00,000 Equity Shares of face value of Rs. 10 each	750.00	
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		
	39,55,990 fully paid up Equity Shares of face value of Rs. 10 each	395.60	
<b>C</b>	<b>PRESENT ISSUE IN TERMS OF PROSPECTUS*</b>		
	15,18,000 Equity Shares of face value of Rs. 10 each Which comprises of	151.80	379.50
	78,000 Equity Shares of face value of Rs. 10 each at a premium of Rs. 15 per Equity Share reserved as Market Maker Portion	7.80	19.50
	Net Issue to Public of 14,40,000 Equity Shares of face value of Rs. 10 each at a premium of Rs. 15 per Equity Share to the Public	144.00	360.00
	Of which		
	7,20,000 Equity Shares of face value of Rs. 10 each at a premium of Rs. 15 per Equity Share will be available for allocation to Investors up to Rs. 2.00 Lakhs	72.00	180.00
	7,20,000 Equity Shares of face value of Rs. 10 each at a premium of Rs. 15 per Equity Share will be available for allocation to Investors above Rs. 2.00 Lakhs	72.00	180.00
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE</b>		
	54,73,990 Equity Shares of face value of Rs. 10 each	547.40	

<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>	
	Before the Issue	111.15
	After the Issue	338.85

\* The Issue has been authorized pursuant to a resolution of our Board dated March 31, 2015 and by Special Resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held on April 27, 2015.

The Company has only one class of share capital i.e. Equity Shares of face value of Rs.10 each only. All Equity Shares issued are fully paid-up.

Our Company has no outstanding convertible instruments as on the date of this Prospectus.

#### **NOTES TO THE CAPITAL STRUCTURE:**

History of change in authorized Equity Share capital of Our Company

- The authorized capital of Rs. 1,00,00,000 (Rupees One Crore only) consisting of 10,00,000 Equity shares of face value of Rs.10 each was increased to Rs.2,00,00,000 (Rupees Two Crores only) consisting of 20,00,000 Equity Shares of face value of Rs.10 each pursuant to a resolution of the shareholders dated December 12, 2010.
- The authorized capital of Rs. 2,00,00,000 (Rupees Two Crore only) consisting of 20,00,000 Equity shares of face value of Rs.10 each was increased to Rs. 7,50,00,000 (Rupees Seven Crores Fifty Lakhs only) consisting of 75,00,000 Equity Shares of face value of Rs. 10 each pursuant to a resolution of the shareholders dated December 18, 2014.

#### 1. Equity Share Capital History:

Date of Allotment	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares	Cumulative Paid up Capital
Since Incorporation	200	10	10	Subscription to MOA <sup>(1)</sup>	Cash	200	2000
March 31, 1997	15,000	10	10	Further Allotment <sup>(2)</sup>	Cash	15,200	1,52,000
October 22, 1997	61000	10	10	Further Allotment <sup>(3)</sup>	Cash	76,200	7,62,000
September 8, 1999	15000	10	10	Further Allotment <sup>(4)</sup>	Cash	91,200	9,12,000
January 31, 2004	91200	10	-	Bonus Issue <sup>(5)</sup>	Consideration other than cash	1,82,400	18,24,000





November 23, 2010	1,00,000	10	10	Further Allotment <sup>(6)</sup>	Cash	2,82,400	28,24,000
November 25, 2010	1,47,500	10	10	Further Allotment <sup>(7)</sup>	Cash	4,29,900	42,99,000
December 01, 2010	80,000	10	10	Further Allotment <sup>(8)</sup>	Cash	5,09,900	50,99,000
March 29, 2011	19,400	10	500	Further Allotment <sup>(9)</sup>	Cash	5,29,300	52,93,000
December 07, 2012	1,02,790	10	58	Further Allotment <sup>(10)</sup>	Cash	6,32,090	63,20,900
January 16, 2015	31,60,450	10	-	Bonus Issue <sup>(11)</sup>	Consideration other than cash	37,92,540	3,79,25,400
February 03, 2015	1,63,450	10	78	Further Allotment (Right Issue) <sup>(12)</sup>	Cash	39,55,990	3,95,59,900

<sup>(1)</sup> Initial Subscribers to Memorandum of Association held 200 Equity Shares each of face value of Rs. 10/- fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Lalit Shah	100
2.	Ashutosh Damubhai Gandhi	100
	<b>Total</b>	<b>200</b>

<sup>(2)</sup> The Company allotted 15,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Shri Ashutosh Damubhai Gandhi	15000
	<b>Total</b>	<b>15000</b>

(3) The Company allotted 61,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Madhu Shah	35,000
2.	Ashutosh Damubhai Gandhi	16,000
3.	Damubhai Gandhi	10,000
	<b>Total</b>	<b>61,000</b>

(4) The Company allotted 15,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Ashutosh Damubhai Gandhi	15,000
	<b>Total</b>	<b>15,000</b>

(5) The Company allotted 91,200 Equity Shares as Bonus Shares of face value of Rs. 10/- each at par in the ratio of 1 Equity Shares for every 1 Equity Share held as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Ashutosh Damubhai Gandhi	46,100
2.	Damubhai N Gandhi	10,000
3.	Sneha Ashutosh Gandhi	35,100
	<b>Total</b>	<b>91,200</b>

(6) The Company allotted 1,00,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Sneha Ashutosh Gandhi	1,00,000
	<b>Total</b>	<b>1,00,000</b>

(7) The Company allotted 1,47,500 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Ashutosh Damubhai Gandhi	1,47,500
	<b>Total</b>	<b>1,47,500</b>



(8) The Company allotted 80,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Ashutosh Damubhai Gandhi	30,000
2.	Sneha Ashutosh Gandhi	40,000
3.	Saloni Ashutosh Gandhi	10,000
	<b>Total</b>	<b>80,000</b>

(9) The Company allotted 19,400 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 490/- as per the details given below:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Ashutosh Damubhai Gandhi	10,700
2.	Sneha Ashutosh Gandhi	5,400
3.	Saloni Ashutosh Gandhi	3,300
	<b>Total</b>	<b>19,400</b>

(10) The Company allotted 1,02,790 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 48/- as per the details given below:

Sr. No.	Name of person	No. of Shares Allotted
1.	Ashutosh Damubhai Gandhi	54,600
2.	Sneha Ashutosh Gandhi	46,725
3.	Saloni Ashutosh Gandhi	1,465
	<b>Total</b>	<b>1,02,790</b>

(11) The Company allotted 31,60,450 Equity Shares as Bonus Shares of face value of Rs. 10/- each at par in the ratio of 5 Equity Shares for every 1 Equity Share held as per the details given below:

Sr. No.	Name of person	No. of Shares Allotted
1.	Ashutosh Damubhai Gandhi	16,75,000
2.	Sneha Ashutosh Gandhi	13,11,625

Sr. No.	Name of person	No. of Shares Allotted
3.	Saloni Ashutosh Gandhi	1,73,805
4.	Ashutosh Gandhi HUF	5
5.	Salim Lakhani	5
6.	Sanjay Bholashankar Agrawal	5
7.	Shrenikbhai Madhukarbhai Khatwala	5
	<b>Total</b>	<b>31,60,450</b>

<sup>(12)</sup> The Company allotted 1,63,450 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 68/- as per the details given below:

Sr. No.	Name of person	No. of Shares Allotted
1.	Salim Shabudin Lakhani	1,63,450
	<b>Total</b>	<b>1,63,450</b>

2. (a) Issue of Equity Shares for consideration other than cash (Issue of Bonus Shares)

Date of shareholder's approval	Number of Equity Shares	Face value(Rs.)	Issue Price(Rs.)	Nature of Consideration	Reasons for allotment	Allottees	No. of Shares Allotted
January 31, 2004	91,200	10	Nil	Other than cash	Bonus issue of Equity Shares in the ratio of 1:1	Ashutosh Damubhai Gandhi	46,100
						Damubhai N Gandhi	10,000
						Sneha Ashutosh Gandhi	35,100
						<b>Total</b>	<b>91,200</b>



(b) Issue of Equity Shares for consideration other than cash (Issue of Bonus Shares)

Date of shareholder's approval	Number of Equity Shares	Face value(Rs.)	Issue Price(Rs.)	Nature of Consideration	Reasons for allotment	Allottees	No. of Shares Allotted
January 16, 2015	31,60,450	10	Nil	Other than cash	Bonus issue of Equity Shares in the ratio of 5:1	Ashutosh Damubhai Gandhi	16,75,000
						Sneha Ashutosh Gandhi	13,11,625
						Saloni Ashutosh Gandhi	1,73,805
						Ashutosh Gandhi HUF	5
						Salim Shabudin Lakhani	5
						Sanjay Bholashankar Agrawal	5
						Shrenikbhai Madhukarbhai Khatwala	5
						<b>Total</b>	<b>31,60,450</b>

No benefits have accrued to the Company out the above issuance.

3. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act.
4. We have not issued any equity shares in last one year at price below Issue Price.
5. Details of shareholding of promoters

**A. Mr. Ashutosh Damubhai Gandhi**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	Lock-in Period	No. of Shares Pledged	% of Shares Pledged
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Since Incorporation	100	10	10	Subscription to MOA	0.00	0.00	1 year	0	0.00%
March 31, 1997	15,000	10	10	Further Allotment	0.38	0.27	1 year	0	0.00%
October 22, 1997	16,000	10	10	Further Allotment	0.40	0.29	1 year	0	0.00%
September 8, 1999	15,000	10	10	Further Allotment	0.38	0.27	1 year	0	0.00%
January 31, 2004	46,100	10	-	Bonus Share	1.17	0.84	1 year	0	0.00%
November 25, 2010	1,47,500	10	10	Further Allotment	3.73	2.69	1 year	0	0.00%
December 1, 2010	30,000	10	10	Further Allotment	0.76	0.55	1 year	0	0.00%
March 29, 2011	10,700	10	500	Further Allotment	0.27	0.20	1 year	0	0.00%
December 7, 2012	54,600	10	58	Further Allotment	1.38	1.00	1 year	0	0.00%
January 16, 2015	4,75,000	10	-	Bonus Share	12.01	8.68	1 year	0	0.00%
January 16, 2015	12,00,000	10	-	Bonus Share	30.33	21.92	3 years	0	0.00%
<b>Total</b>	<b>20,10,000</b>							<b>0</b>	<b>0.00%</b>

6. Our Promoter Group, Directors and their immediate relatives have not purchased/sold Equity Shares of the Company during last six months.
7. Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds or their internal accruals, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
8. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing offer document with the Stock Exchanges.
9. Details of Promoter's Contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations an aggregate of 20% of the post-issue capital held by our Promoters shall be considered as Promoters' Contribution ("Promoters Contribution") and locked-in for a



period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoter have granted consent to include such number of Equity Shares held by them as may constitute 36.72 % of the post-issue Equity Share Capital of our Company as Promoter Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above.

Date of allotment	Date when made fully paid up	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	% of Post Issue Capital
<b>Mr. Ashutosh Damubhai Gandhi</b>						
Since incorporation	Since incorporation	100	10	10	Subscription to MOA	0.00
March 31, 1997	March 31, 1997	15,000	10	10	Further Allotment	0.27
October 22, 1997	October 22, 1997	16,000	10	10	Further Allotment	0.29
September 8, 1999	September 8, 1999	15,000	10	10	Further Allotment	0.27
January 31, 2004	January 31, 2004	46,100	10	-	Bonus Share	0.84
November 25, 2010	November 25, 2010	1,47,500	10	10	Further Allotment	2.69
December 1, 2010	December 1, 2010	30,000	10	10	Further Allotment	0.55
March 29, 2011	March 29, 2011	10,700	10	500	Further Allotment	0.20
December 7, 2012	December 7, 2012	54,600	10	58	Further Allotment	1.00
January 16, 2015	January 16, 2015	4,75,000	10	-	Bonus Share	8.68
January 16, 2015	January 16, 2015	12,00,000	10	-	Bonus Share	21.92
<b>Total</b>		<b>20,10,000</b>				<b>36.72</b>

We further confirm that the aforesaid minimum Promoter Contribution of 20% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- The Equity Shares held by the Promoters and offered for minimum Promoters' Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- Equity shares issued to our Promoter on conversion of partnership firm into limited company.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoters' Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new Promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

#### 10. Details of share capital locked in for one year

In addition to minimum 20% of the Post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, the entire pre-issue share capital of our Company shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.





A. The table below represents the shareholding pattern of our Company in accordance with clause 37 of the SME Listing Agreement, as on the date of this Prospectus:

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form*	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	<b>Promoter and Promoter Group</b>							
(1)	<b>Indian</b>							
(a)	Individuals/Hindu Undivided Family	4	37,92,522	37,92,522	95.87	95.87	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any other (Specify)	0	0	0	0.00	0.00	0	0.00
	<b>SUB TOTAL (A)(1)</b>	<b>4</b>	<b>37,92,522</b>	<b>37,92,522</b>	<b>95.87</b>	<b>95.87</b>	<b>0</b>	<b>0.00</b>
(2)	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form*	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(c)	Institutions/FII	0	0	0	0.00	0.00	0	0.00
(d)	Any other (Specify)	0	0	0	0.00	0.00	0	0.00
	<b>SUB TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>4</b>	<b>37,92,522</b>	<b>37,92,522</b>	<b>95.87</b>	<b>95.87</b>	<b>0</b>	<b>0.00</b>
<b>(B)</b>	<b>Public shareholding</b>							
<b>(1)</b>	<b>Institutions</b>							
(a)	Mutual Funds/UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Fund	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00



Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form*	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Nominated Investors (as defined in Chapter XA of SEBI (ICDR) Regulations)	0	0	0	0.00	0.00	0	0.00
(i)	Market Makers	0	0	0	0.00	0.00	0	0.00
(j)	Any other (Specify)	0	0	0	0.00	0.00	0	0.00
	<b>SUB TOTAL (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>(2)</b>	<b>Non-Institutions</b>							
(a)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(b)	Individuals -							
	i) Individual shareholders holding nominal share Capital up to Rs.1 lakh	2	12	12	0.00	0.00	0	0.00
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1	1,63,456	1,63,456	4.13	4.13	0	0.00

Category Code	Category of shareholder	No. Of shareholders	Total numbers of shares	Number of shares held in dematerialized form*	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(c)	Any other (Specify) Individual (Non-Resident individuals )	0	0	0	0.00	0.00	0	0.00
	<b>SUB TOTAL (B) (2)</b>	<b>3</b>	<b>1,63,468</b>	<b>1,63,468</b>	<b>4.13</b>	<b>4.13</b>	<b>0</b>	<b>0.00</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3</b>	<b>1,63,468</b>	<b>1,63,468</b>	<b>4.13</b>	<b>4.13</b>	<b>0</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>7</b>	<b>39,55,990</b>	<b>39,55,900</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	0	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>7</b>	<b>39,55,990</b>	<b>39,55,900</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>

\*In terms of SEBI circular bearing no. Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/Cir/ISD/ 05 /2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, have been dematerialized.

Our Company will file the shareholding pattern of our Company, in the form prescribed under clause 37 of the Listing Agreement, one day prior to the listing of Equity Shares.

The shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares.



## B. Shareholding of our Promoters and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group (individuals and companies).

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	<b>Promoter</b>				
1.	Ashutosh Damubhai Gandhi	20,10,000	50.81	20,10,000	36.72
	<b>Promoter Group</b>				
1.	Sneha Ashutosh Gandhi	15,73,950	39.79	15,73,950	28.75
2.	Saloni Ashutosh Gandhi	2,08,566	5.27	2,08,566	3.81
3.	Ashutosh Damubhai Gandhi HUF	6	0.00	6	0.00
	<b>Total</b>	<b>37,92,522</b>	<b>95.87</b>	<b>37,92,522</b>	<b>69.28</b>

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Ashutosh Damubhai Gandhi	20,10,000	5.35

### Equity Shares held by top ten shareholders

Our top Seven\* shareholders and the number of Equity Shares held by them as on date of this Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1.	Ashutosh Damubhai Gandhi	20,10,000	50.81
2.	Sneha Ashutosh Gandhi	15,73,950	39.79
3.	Saloni Ashutosh Gandhi	2,08,566	5.27
4.	Salim Lakhani	1,63,456	4.13

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
5.	Sanjay Bholashankar Agarwal	6	0.00
6.	Ashutosh Damubhai Gandhi HUF	6	0.00
7.	Shrenikbhai Madhukarbhai Khatwala	6	0.00
	<b>Total</b>	<b>39,55,990</b>	<b>100.00</b>

*\*As on date of filing prospectus we have only seven shareholders.*

Our top Seven\* shareholders and the number of Equity Shares held by them ten days prior to the date of this Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1.	Ashutosh Damubhai Gandhi	20,10,000	50.81
2.	Sneha Ashutosh Gandhi	15,73,950	39.79
3.	Saloni Ashutosh Gandhi	2,08,566	5.27
4.	Salim Lakhani	1,63,456	4.13
5.	Sanjay Bholashankar Agarwal	6	0.00
6.	Ashutosh Damubhai Gandhi HUF	6	0.00
7.	Shrenikbhai Madhukarbhai Khatwala	6	0.00
	<b>Total</b>	<b>39,55,990</b>	<b>100.00</b>

*\*As on ten days prior to the date of this Prospectus we have only seven shareholders*

Our top Three\* shareholders and the number of Equity Shares held by them two years prior to date of this Prospectus are as under:

Sr. No.	Name of shareholder*	No. of Shares	% age of then existing capital
1.	Ashutosh Damubhai Gandhi	3,35,000	53.00
2.	Sneha Ashutosh Gandhi	2,62,325	41.50
3.	Saloni Ashutosh Gandhi	34,765	5.50
	<b>Total</b>	<b>6,32,090</b>	<b>100.00</b>

*\*As on two years prior to the date of this Prospectus we have only Three shareholders.*



11. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through this Prospectus.
12. The Equity Shares, which are subject to lock-in, shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.
13. As on the date of this Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
14. Except, as otherwise disclosed in the chapter titled "Objects of the Issue" beginning on page 72 of this Prospectus, we have not raised any bridge loans against the proceeds of the Issue.
15. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "Basis of Allotment" beginning on page 212 of this Prospectus.
16. The Equity Shares Issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no allotment shall be made.
17. Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Prospectus.
18. 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, as amended from time to time.
19. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and Emerge of NSE.
20. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. 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 Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
21. The Issue is being made through Fixed Price Method.
22. As on date of filing of this Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
23. On the date of filing this Prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
24. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
25. Lead Manager to the Issue viz. Sarthi Capital Advisors Private Limited and its associates do not hold any Equity Shares of our Company.
26. Our Company has not revalued its assets since incorporation.

27. Our Company has been awarded following CARE Ratings on November 06, 2014 for operational and financial performance.

Facilities	Amount (Rs. Crore)	Rating
Long-term Bank Facilities	9.68 (reduced from 12.54)	CARE BB (Double B)
Short-term Bank Facilities	5.50	CARE A4 (CARE A Four)

28. Our Company has not made any Public Issue of any kind or class of securities since its incorporation.
29. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
30. Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
31. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
32. Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
33. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
34. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
35. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
36. Our Company has seven shareholders as on the date of filing of this Prospectus.





## OBJECTS OF THE ISSUE

Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the NSE Emerge Platform.

The objects of the Issue are:-

1. To meet the working capital requirements of the Company
2. General Corporate Purposes
3. To meet Issue Expenses

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

### FUND REQUIREMENTS

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

Sr. No.	Particulars	Amount (in Rs. Lakhs)
1.	Working Capital Requirements	310.00
2.	General Corporate Purposes	24.50
3.	*Issue Expenses	45.00
	<b>Total</b>	<b>379.50</b>

*\* As on September 07, 2015, our Company has incurred a sum of Rs13,78,200 /- (Rupees Thirteen lakhs seventy eight thousand and two hundred only) towards issue expenses.*

**The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue. Accordingly, we confirm that there is no requirement for us 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 proposed Issue.**

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

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-schedulement, it shall be made by compliance of the relevant provisions of the Companies Act 1956 / Companies Act, 2013.

#### DETAILS OF UTILIZATION OF ISSUE PROCEEDS

Particulars	2013-14 (Audited)	2014-15 (Audited)	2015-16 (Estimated)
<b>Current Assets</b>			
Inventories	454.12	355.12	591.05
Trade Receivables	215.31	1368.54	821.67
Cash & Cash Equivalents	133.73	211.92	44.89
Other Current Assets	108.07	87.84	140.59
<b>Total (A)</b>	<b>911.23</b>	<b>2023.42</b>	<b>1598.20</b>
<b>Current Liabilities</b>			
Trade Payables	132.40	1340.22	191.71
Other Current Liabilities	189.12	126.16	165.59
Current maturity for long term debt	101.28	207.75	231.20
Short Term Provisions	1.30	0.00	0.00
<b>Total (B)</b>	<b>424.10</b>	<b>1674.13</b>	<b>588.5</b>
<b>Net Working Capital (A)-(B)</b>	<b>487.13</b>	<b>349.29</b>	<b>1009.70</b>
<b>Sources Of Working Capital</b>			
Fund based borrowings	1027.99	700.71	700.00
Internal sources	-	-	-
IPO Proceeds	-	-	310.00

#### Basis of Estimation

The incremental long term working capital requirements are based on historical Company data and estimation of the future requirements in FY 2015-16 considering the growth in activities of our Company and in line with norms generally accepted by banker(s).

We have estimated future working capital requirements based on the following:

(No. of days)

Particulars	Basis	FY 2014	FY 2015	FY 2016 (Estimated)
Receivables	Debtors Collection Period (in days)	37	156	56
Inventory	Stock/ No. of Days	78	40	40
Payables	Credit Period	33	188	15



### Issue Related Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 45 Lakhs.

Expenses	Expenses (Rs. in Lakhs)	Expenses(% of total Issue expenses)	Expenses (% of Issue size)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Market Makers, Bankers etc.	40.00	88.89	10.54
Regulatory fees & Other Expenses	5.00	11.11	1.32
<b>Total estimated Issue expenses</b>	<b>45.00</b>	<b>100.00</b>	<b>11.86</b>

### DEPLOYMENT OF FUNDS

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

(Rs. in Lakhs)

Particulars	Total Funds required	Amount incurred till September 10, 2015	Balance deployment during FY 2015-16
Working Capital	310.00	NIL	310.00
General Corporate Purposes	24.50	NIL	24.50
*Issue Expenses	45.00	13.78	31.22
<b>Total</b>	<b>379.50</b>	<b>13.78</b>	<b>365.72</b>

\* As on September 07, 2015, our Company has incurred a sum of Rs.13,78,200/- (Rupees [Thirteen Lakhs seventyeight thousand and two hundred only] towards issue expenses.

K.H. Trivedi & Co., Statutory Auditor have vide certificate dated September 10, 2015 confirmed that as on September 07, 2015 following funds were deployed for the proposed Objects of the Issue:

(Rs. in Lakhs)

Source	Estimated Amount
Internal Accruals	13.78
<b>Total</b>	<b>13.78</b>

## MEANS OF FINANCE

(Rs. in Lakhs)

Particulars	Estimated Amount
Net Proceeds	379.50
Internal Accruals	NIL
<b>Total</b>	<b>379.50</b>

## APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

## INTERIM USE OF FUNDS

Pending utilization for the purposes described above, we intend to invest the funds in fixed deposits with banks, for the necessary duration or for reducing overs. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertakes that full recovery of the said interim investments shall be made without any sort of delays as and when need arises for utilization of proceeds for the objects of the issue.

## MONITORING UTILIZATION OF FUNDS

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lakhs, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Clause 52 of the SME Listing Agreement, 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 will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoter, our Directors, Key Management Personnel or companies promoted by the Promoter, except as may be required in the usual course of business.



## BASIS FOR ISSUE PRICE

The Issue Price of Rs. 25 per Equity Share has been determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10 and Issue Price is Rs. 25 per Equity Share and is 2.5 times the face value.

### QUALITATIVE FACTORS

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

- Proven track record in the manufacturing of PET preforms
- Leveraging the experience of our Promoter;
- Experienced management team and a motivated and efficient work force;

For further details, refer to heading ‘*Our Strengths*’ under chapter titled ‘*Our Business*’ beginning on page 95 of this Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2012-13, 2013-14 and 2014-15 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic Earnings per Share (EPS) as per Accounting Standard 20

Year ended	EPS (Rs.)	Weight
March 31, 2013	5.27	1
March 31, 2014	0.54	2
March 31, 2015	(2.04)	3
<b>Weighted Average</b>	<b>0.04</b>	

**Note:** The EPS has been computed by dividing net profit as restated, attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 25 per Equity Share of face value of Rs. 10/- each.

Particulars	P/E Ratio
P/E ratio based on Basic EPS for FY 2014-15	Can not be ascertained on negative earning
P/E ratio based on Weighted Average EPS	625

#### 3. Average Return on Net worth (Ron) for the preceding three years.

Return on Net Worth (“Ron”) as per restated financial statements

Year ended	Ron (%)	Weight
March 31, 2013	28.70	1
March 31, 2014	3.21	2
March 31, 2015	(13.92)	3
<b>Weighted Average</b>	<b>(1.11)</b>	

**Note:** The Ron has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year excluding miscellaneous expenditure to the extent not written off.

**4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2015 is 0.22%\*.**

*\*Based on weighted average EPS.*

**5. Net Asset Value (NAV)**

Particulars	Amount (Rs.)
Net Asset Value per Equity Share as of March 31, 2015	14.62
Net Asset Value per Equity Share after the Issue	17.50
Issue Price per equity share	25.00

NAV per Equity Share has been calculated as Net Worth as divided by number of Equity Shares

**6. Comparison with other listed companies/Industry peers\***

Companies	Face Value	Sales (In Rs. cr.)	PAT (In Rs. Cr.)	EPS (In Rs.)	P/E Ratio	CMP (In Rs.)
Ahimsa Industries Limited	10	32.06	(0.81)	-2.04	NA	NA
Pearl Polymers Limited	10	200.61	(2.51)	-1.49	NA	11.98
AMD Industries Limited	10	55.12	3.73	1.95	11.33%	22.10

\*Source: www.bseindia.com

- The figures of Ahimsa Industries Limited are based on the restated results for the year ended March 31, 2015.
- The figures for the Peer group are based on Standalone audited results for the Financial Year ended March 31, 2015.
- Current Market Price (CMP) is the closing prices of respective scrips as on June 30, 2015.

The Company in consultation with the Lead Manager and after considering various valuation fundamentals including Book Value and other relevant factors believes that the issue price of Rs. 25.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to pursue the Risk Factors on page 20 and Financials of the company as set out in the Financial Statements included in the Prospectus beginning on page 136 to have more informed view about the investment proposition. The Face Value of the Equity Shares is Rs. 10 per share and the Issue Price is 2.5 times of the face value i.e. Rs. 25.00 per share.

For further details see “Risk Factors” beginning on page 20 and the financials of the Company including profitability and return ratios, as set out in the “Financial Statements” beginning on page 136 of this Prospectus for a more informed view.



## STATEMENT OF TAX BENEFITS

### Statement of possible tax benefits available to the company and its shareholders

To  
The Board of Directors,  
Ahimsa Industries Limited,  
102, Iscon Elegance, NR, Shapath-5,  
Prahlad Nagar Junction, S.G. Highway  
Ahmedabad-380051  
Gujarat, India

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

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

Our confirmation is 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. We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.

For K.H. Trivedi & Co.  
Chartered Accountants  
F.R.N. 111054W

Kirit H. Trivedi  
Proprietor  
M. No. 036390

Place: Ahmedabad  
Date: July 15, 2015

## ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO AHIMSA INDUSTRIES LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2015-16.

### Benefits to the Company under the Income Tax Act, 1961 (The “Act”)

#### 1. General tax benefits

##### A. Business Income

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

##### B. MAT Credit

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax (“MAT”) paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- As per Section 115JB, Minimum Alternate Tax (“MAT”) is payable @ 18.5% of the Book profits computed in accordance with the provisions of this section, where income-tax computed under the normal provisions of the Act is less than 18.5% of the Book profits as computed under the said section. A surcharge on income tax of 7% would be levied if the total income exceeds Rs.10 million but does not exceed Rs 100 million. A surcharge at the rate of 12% would be levied if the total income exceeds Rs 100 million. Education cess of 2% and Secondary Higher Education cess of 1% is levied on the amount of tax and surcharge.
- 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. Such MAT credit is available for set-off up to ten years succeeding the assessment year in which the MAT credit arises.

##### C. Capital Gains

###### (i) Computation of capital gains

- 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.
- 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 twelve months or less.
- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.



- 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) 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.
  - 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.
  - As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
  - 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 bond 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.
  - As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income
  - STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
  - 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.
  - 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
- Under Section 54EC of the Act, capital gain arising from transfer of long – term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by -:
    1. National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
    2. Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.
  - Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 50,00,000 per assessee during any financial year.
  - Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
  - As per provision of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

- 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.

#### **D. Securities Transaction Tax**

As per provisions of Section 36(1) (xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. 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**

- As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax (DDT) at the rate of 15%. A surcharge of 12% would be levied on the amount of DDT. Further, Education cess of 2% and Secondary Higher Education cess of 1% is levied on the amount of tax and surcharge. Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O (1A) of the Act, subject to fulfillment of prescribed conditions.
- As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.
- As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of as specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.
- As per the provisions of Section 115BBD of the Act, dividend received by 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).

### **Benefits to the Resident members / shareholders of the Company under the Act**

#### **A. Dividends exempt under section 10(34) of the Act**

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge as applicable, on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

#### **B. Capital Gains**

##### **(i) Computation of capital gains**

- 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 share held in a Company or any other securities 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 LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long - term capital assets.

- STCG means capital gains arising from the transfer of capital asset being a share held in a Company or any other securities 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 twelve months or less.
  - In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for thirty six months or less.
  - 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)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
  - As per first proviso to Section 48 of the Act, the capital gains arising on transfer of share of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration receiving or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.
  - 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% (plus applicable surcharge and cess) with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bond 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. As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% (plus applicable surcharge and cess) provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
  - STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
  - 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.
  - 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 8 assessment years.
- (ii) Exemption of capital gains arising from income – tax
- As per Section 54EC of the Act, capital gains arising from the transfer of a long – term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
  - Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long - term asset cannot exceed Rs 5,000,000 per assessee during any financial year
  - Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

- 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.
- 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.
- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

#### **C. Tax Treaty Benefits**

As per provisions of Section 90 (2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

#### **D. Non-Resident Taxation**

Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively).
- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.



- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

**Benefits available to Foreign Institutional Investors ('FIIs') under the Act**

**A. Dividends exempt under section 10(34) of the Act**

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge as applicable on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

**B. Long – Term Capital Gains exempt under section 10(38) of the Act**

- LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act. It is pursuant to note that 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.
- It is pertinent to note that 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.

**C. Capital Gains**

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10%
STCG on sale of equity shares subjected to STT	15%
STCG on sale of equity shares not subjected to STT	30%

- For corporate FIIs, the tax rates mentioned above stands increased by surcharge (as applicable) where the taxable income exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.
- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

**D. Securities Transaction Tax**

As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. 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. Tax Treaty benefits***

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial
- 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

**Benefits available to Mutual Funds under the Act**

- a) Dividend income  
Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.
- b) As per provisions of 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, is exempt from income-tax, subject to the prescribed conditions.

Note: All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

For K.H. Trivedi & Co.  
Chartered Accountants  
F.R.N. 111054W

Kirit H. Trivedi  
Proprietor  
M.No. 036390

Place: Ahmedabad  
Date: July 15, 2015.



## SECTION IV – ABOUT THE COMPANY

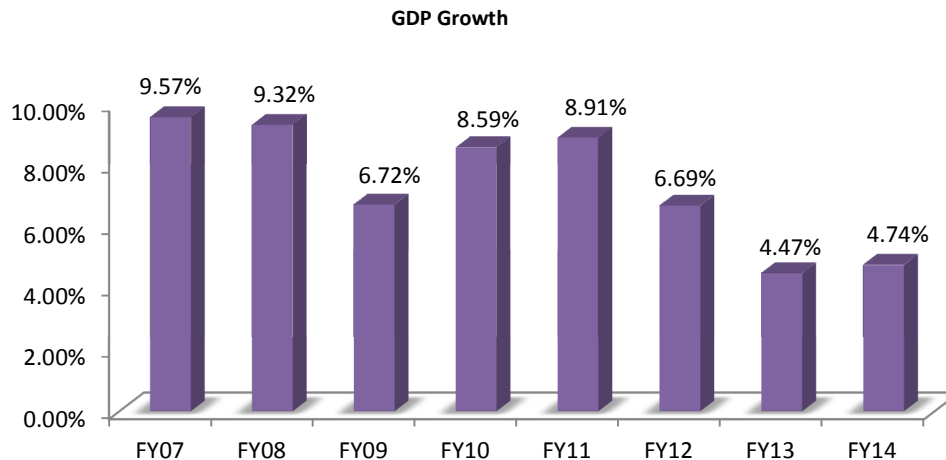
### OUR INDUSTRY

#### Overview of Indian Economy

India, a South Asian nation, is the seventh-largest country by area, the second-most populous country with over 1.25 billion people, and the most populous democracy in the world. India is the fourth largest economy in the world in terms of purchasing power parity (PPP). Gross Domestic GDP of the country for the year 2014-2015 stood at INR 106.6 trillion (US\$ 1.60 trillion) as compared to INR 99.21 trillion (US\$ 1.49 trillion) in 2013-14. India's economy has witnessed a significant economic growth in the recent past, growing by 7.3 % in 2015 as against 6.9 % in 2014. India is set to become the world's fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent latest forecast. Service sector contributes 65% to the GDP were as Industry and Agriculture shares the pie with 18% and 17% respectively. The Asian Development Bank (ADB) in its update released on July 16, 2015 for the Asian Development Outlook, kept its forecasts for India's GDP growth unchanged. The ADB expects India to grow by 7.8 % in 2015-16 backed by healthy growth in agriculture and a pick up in investment activity.

The outlook for Indian economy for short and long period remains positive. Young and educated population, new elected government, larger and positive integration with the major economies like US, Russia, Japan China, Europe etc makes the India a long term growth economy. India is preferred designation for investment by foreign economies.

*(Source: CMIE, IBEF, Asian Development Bank)*



*(Source: RBI as per Base Year 2004-05)*

Passing through the phase of high current account deficit, rising inflation, slowing down in capex cycle and industrial activities, now the economy is witnessing some revival. Fall in crude oil prices supported to grapple the rising inflation as well as rates cuts is expected from the central bank that could be the positive sign for accelerating the investment cycle in the Economy. Index of Industrial Production which depicts the performance of eight core industries of Indian economy for 2014-15 has grown by 3.6 % as compared to 4.2 % in 2013-14.

India's current account deficit reduced sharply to US\$ 1.3 billion (0.2 % of GDP) in the fourth quarter of 2015 compared to US\$ 8.3 billion (1.6 % of GDP) in the previous quarter, indicating a shrink in the current account

deficit by 84.3 % quarter-on-quarter basis., as global oil prices slumped while foreign investments into the country remained robust.

India's Index of Industrial Production (IIP) grew by 4.1 % in April 2015 compared to 2.5 % in March 2015. The growth was largely due to the boost in manufacturing growth, which was 5.1 % in April compared to 2.8 % in the previous month. May came in at 2.7 %, falling from 4.1 %, led by a sharp fall in capital goods and consumer goods data.

India's Consumer Price Index (CPI) inflation rate increased to 5.01 % in May 2015 compared to 4.87 % in the previous month. On the other hand, the Wholesale Price Index (WPI) inflation rate remained negative at 2.36 % for the seventh consecutive month in May 2015 as against negative 2.65 % in the previous month, led by low crude oil prices.

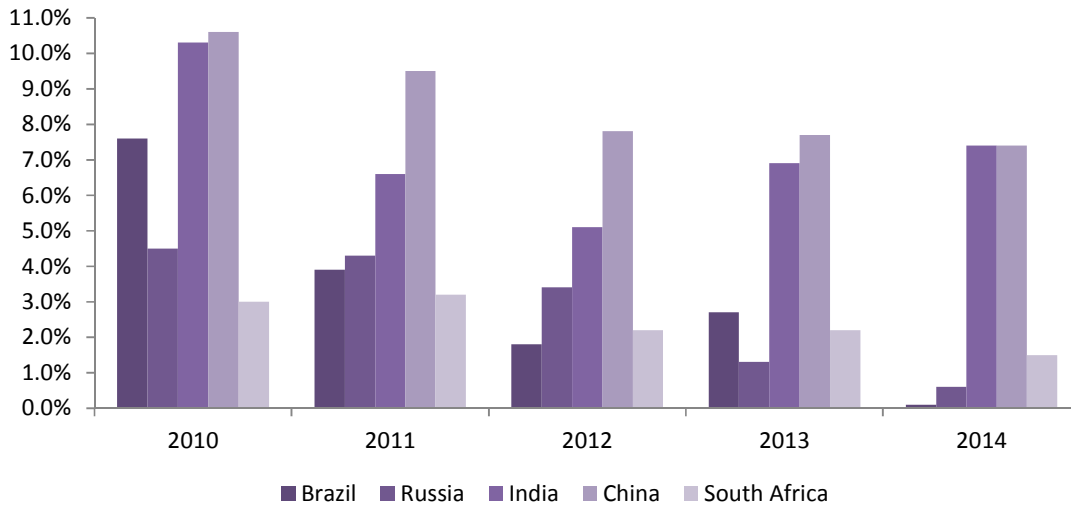
Apart from being a critical driver of economic growth, foreign direct investment (FDI) is a major source of non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of cheaper wages, special investment privileges like tax exemptions, etc. For a country where foreign investments are being made, it also means achieving technical know-how and generation of employment. The continuous inflow of FDI in India, which is now allowed across several industries, clearly shows the faith that overseas investors have in the country's economy. FDI into India through the approval route shot up 162 % to US\$ 1.91 billion in the first ten months of the ongoing fiscal year, indicating that government's effort to improve ease of doing business and relaxation in FDI norms may be yielding results. The foreign inflows have grown to touch US\$ 25.52 billion during the April-January 2014-15, up 36 % year-on-year (y-o-y), from US\$ 18.74 billion in the corresponding period last fiscal, according to Department of Industrial Policy and Promotion (DIPP) data. The top 10 sectors receiving FDI include telecommunication which received the maximum FDI worth US\$ 2.83 billion in the 10 month period, followed by services (US\$ 2.64 billion), automobiles (US\$ 2.04 billion), computer software and hardware (US\$ 1.30 billion) and pharmaceuticals sector (US\$ 1.25 billion).

India continues to be a preferred market for foreign investors. Listed India-focused funds saw record inflows of US\$ 1.7 billion in January this year, while most other emerging markets (EMs) saw redemptions to the tune of US\$ 3 billion. FIIs pumped in US\$ 2.87 billion into Indian equities in January, most of this coming from listed funds.

FII's net investments in Indian equities and debt are set to touch a record this financial year, backed by expectations of an economic recovery, falling interest rates and improving earnings outlook. FIIs have invested a net of US\$ 43.5 billion so far in 2014-15— expected to be their highest investment in any fiscal year. Of this, a huge amount US\$ 26.3 billion was invested in debt and it is their record investment in the asset class, while equities absorbed US\$ 17.2 billion.

*(Source: [www.ibef.org/economy/foreign-institutional-investors.aspx](http://www.ibef.org/economy/foreign-institutional-investors.aspx))*





(Source: World Bank)

After languishing a for quite a long, in the April-June quarter of the fiscal year (Q1FY15) India's Gross Domestic Product (GDP) witnessed a growth of 5.7% the fastest rate recorded over last 9 quarters and depicted signs of breaking shackles. In Q1FY14 (i.e. over April-June quarter of last fiscal year), the Indian economy grew at 4.7% and for the entire fiscal year 2014 economic growth on average basis came near that level. Thus against this backdrop, Q1FY15 GDP growth rate of 5.7% looks encouraging. A strong performance by manufacturing as well as services sectors have attributed to this uptick in growth. Moreover, despite a tad underperformance of agriculture in the current fiscal so far, the Indian economy has remained relatively resilient. Agriculture recorded a growth of 3.8% as against 4.0% in Q1FY14. Manufacturing sectors which account for nearly 15% of India's GDP grew collectively at 3.5% in Q1FY15 as against a contraction of -1.2% recorded in Q1FY14. Similarly, the services sectors which collectively account for nearly 2/3rd of GDP recorded a growth of 6.8% in Q1FY15 vis-à-vis 6.4% registered in Q1FY14. Likewise, mining displayed revival by expanding at 2.1% in Q1FY15 as against a contraction of -3.9% in Q1FY14.

Sectors projected to do well in the coming years include automotive, technology, life sciences and consumer products. Engineering and research and development (ER&D) export revenue from India is expected to reach US\$ 37-45 billion by 2020, from an estimated US\$ 12.4 billion in FY14, according to Nasscom. The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2004-05) prices for Q1 of 2014-15 is estimated at Rs 14.38 trillion (US\$ 232.63 billion), as against Rs 13.61 trillion (US\$ 220.12 billion) in Q1 of 2013-14, registering a growth rate of 5.7%.

(Source: [www.indiainbusiness.nic.in](http://www.indiainbusiness.nic.in), RBI, Planning commission.)

#### Key Economic Variables

Particulars	FY11	FY12	FY13	FY14
Real GDP (INR Billion)	49,185	52,475	54,821	57,418
Real GDP Growth	8.91%	6.69%	4.47%	4.74%
Export ( US \$ Billion)	251	310	307	319
Import ( US \$ Billion)	381	500	502	466

Current Account Deficit % to GDP	-2.7%	-4.2%	-4.7%	-1.7%
Inflation - WPI	10.5%	8.4%	10.2%	9.5%
FDI Flows Into India US \$ Billion	34.8	46.6	34.3	36.0
FII Flows	29.4	16.8	27.6	5.0

(Source: RBI, DIPP)

### **Origin of Plastics**

Plastics play an important role in almost every aspect of our lives. Plastics are used to manufacture everyday products such as beverage containers, toys, and furniture. The widespread use of plastics demands proper end of life management.

One can go as far back as the Old Testament to find references about natural materials used as fillers, adhesives, coatings, and the like. These materials were the precursors of modern plastic materials. Historians continue to differ as to the exact year or decade that the plastics industry began because the definition of “plastic” is a matter of interpretation.

Certainly, the history of the rubber industry has a bearing on plastics. This is because ebonite, or hard rubber, discovered in 1851, was the first thermosetting material to be prepared and the first material that involved a distinct chemical modification of a natural material. But ebonite was not exploited commercially for some years after its discovery; for that reason, its historical importance has become somewhat blurred. Plastics are responsible for countless facets of the modern life we enjoy today. From health and well being, nutrition, shelter and transportation to safety and security, communication, sports, leisure activities and innovations of industry – plastics deliver bountiful benefits to you and your world. The men and women of the plastics industry make it all possible. In the United States, the plastics industry accounts for more than \$374 billion dollars in annual shipments and directly employs nearly 900 thousand people.

### **Structure of Plastic Industry**

The entire chain in the Plastic industry can be classified into (A) manufacturing of Polymers and is called “upstream” and (B) conversion of polymers into plastic articles and is known as “downstream”. The upstream Polymer manufacturers have commissioned globally competitive size plants with imported state-of-art technology from the world leaders. The upstream petrochemicals industries have also witnessed consolidation to remain globally competitive.

The downstream plastic processing industry is highly fragmented and consists of micro, small and medium units. Plastic processed articles which were earlier exclusively reserved for Small Scale sector has now been de-reserved. The Micro Small and Medium Enterprise (MSME) Act 2006 increased the investment in plant and Machinery to Rs 5 crore and the current exemption on Excise Duty is Rs. 1 Crore. This initiative helped the industry to increase competitiveness and meet the global challenges.

Notwithstanding plastic being one of the important foreign exchange earners for the country the share of plastics exports of the total export by India remains at an abysmal 1.5% in 2014. India exported plastics of US\$ 4,860 million in 2014 as against US\$ 4,441 in 2013

(Source: [http://plexconcil.co.in/composition\\_plastics\\_exports.pdf](http://plexconcil.co.in/composition_plastics_exports.pdf), <http://www.commerce.nic.in/eidb/ecom.asp>)

Despite the industry’s high growth spanning over a period of over 2 decades and crossing several milestones, Indian plastics industry is yet to realize its full potential. The low level of per capita plastics consumption in



India is indicative of the massive growth potential of the plastic industry. Compared to per capita consumption of plastics in USA at 109 Kg, China at 29 Kg and Brazil at 32 Kg. India at 5.8 Kg is still in nascent stage. USA consumption has reached saturation level, while China's higher levels of consumption are primarily due to exports. India has the advantage of high population and is expected to maintain high economic growth. This should propel India's plastics consumption to new levels in coming years.

The domestic downstream industry comprises of 3 broad segments viz. Injection molding, Blow molding and Extrusion and caters to the requirements of a wide array of applications like packaging, automobile, consumer durables, healthcare, etc.

(Source: [http://www.cipet.gov.in/pdfs/Growth\\_of\\_plastic\\_Industries.pdf](http://www.cipet.gov.in/pdfs/Growth_of_plastic_Industries.pdf))

### **Plastics in Daily Life**

- In the home, break-resistant, shatterproof and no-spill plastic bottles cut down on injuries and clean-ups in the kitchen, bath and garage - or anywhere the floor is hard and hands may be slippery.
- Plastics made possible the commercialization of electronics. Without plastics, most of the electronic products we use today would not have been practical or economic. In fact, microprocessor miniaturization would have been impossible without the qualities and cost-effectiveness of plastics.
- The construction industry is making increasing use of plastic materials that are waterproof, stable, weather-resistant, light and easy to handle.
- When a plastic pipe carries corrosive fluid through the ground near a river, it prevents pollution of the groundwater, conserves the quality of the water in the river and protects wildlife.
- Mainstays of today's farms, plastics help foster food production by providing economical irrigation pipe, greenhouse materials, mulching film and many other necessities and conveniences. After harvest, plastics packaging helps get much of that food to market and keeps it fresher longer once it is purchased.
- Plastics and composite materials provide more efficient engines, improved aerodynamics and reduced aircraft weight to the aerospace industry.
- More than 2000 police officers have been saved through the use of protective vests made with plastics materials.
- In six decades of use, plastics have made health care simpler and new techniques and prostheses possible. They have reduced contamination, relieved pain and cut medical costs. They have prolonged lives, improved the quality of lives and saved lives.

(Source: <http://www.plasticsindustry.org/aboutplastics/?navItemNumber=1008>)

- In the past few decades, plastics have made health care simpler and less painful and made new techniques and prostheses possible. They have reduced contamination, relieved pain and cut medical costs. They have prolonged, improved and saved lives.
- The United States has the lowest rate of cross-staph infection in the world as a result of its use of plastic medical disposables.

- Plastics are key components of modern prosthetic devices, providing comfort, flexibility, mobility and a life-like appearance.
- Artificial hips and knees use plastics to help provide smoothly working, trouble-free joints.
- Not too long ago, almost no medical packaging had tamper-evident seals. Today, nearly 100 percent of all pharmaceutical packaging does. In addition, child-resistant caps help keep medicines away from little hands.
- Surgical gloves made of soft pliable plastic help preserve the sterile environment of hospital operating rooms.
- Plastics permeate medicine. From the smallest tubing to the open MRI machine, plastics deliver when lives are on the line.
- Many of today's most innovative medical procedures are dependent on the use of plastics.
- From the machinery housing to petri dishes, plastics serve health-care needs both large and small.
- As the need for home health care continues to increase, plastics will play a major role in creating simple, portable and effective medical devices.
- Plastics have helped reduce the weight of eyeglass frames and lenses, while improving their strength and shatter resistance. Plastics also provide vision-impaired consumers with another option: contact lenses. (Source: <http://www.plasticsindustry.org/AboutPlastics/content.cfm?ItemNumber=815&navItemNumber=1280>)

### **Plastic Moulding**

Plastic moulding is the process of shaping plastic using a rigid frame or mould. The technique allows for the creation of objects of all shapes and sizes with huge design flexibility for both simple and highly complex designs. A popular manufacturing option, plastic moulding techniques are responsible for many car parts, containers, signs and other high volume items.

### **Plastic Moulding Techniques**

The underlying concept of plastic moulding is placing liquid polymer into a hollow mould so that the polymer can take its shape, often with various ranges of pressure and heat required. There are different plastic moulding techniques available to accomplish this including rotational moulding, injection moulding, blow moulding, and compression moulding to name just a few. Each technique has its benefits and is best suited for the creation of specific items.

### **The Plastic Molding Processes:**

#### **Injection Molding**

In Injection Molding, melted plastic is forced into a mold cavity. Once cooled, the mold can be removed. This plastic molding process is commonly used in mass-production or prototyping of a product. Injection molding



machines were made in the 1930's. These can be used to mass produce toys, kitchen utensils, bottle caps, and cell phone stands to name a few.

### **Blow Molding**

Blow molding is like injection molding except that hot liquid plastic pours out of a barrel vertically in a molten tube. The mold closes on it and forces it outward to conform to the inside shape of the mold. When it is cooled, the hollow part is formed. Examples of blow molding products are bottles, tubes and containers.

Equipments needed in setting-up a blow molding business are relatively higher than injection molding.

### **Compression Molding**

In this type of plastic molding, a slug of hard plastic is pressed between two heated mold halves. Compression molding usually uses vertical presses instead of the horizontal presses used for injection and blow molding. The parts formed are then air-cooled. Prices of equipment's used for compression molding are moderate.

### **Film Insert Molding**

This plastic molding technique imbeds an image beneath the surface of a molded part. A material like film or fabric is inserted into a mold. Plastic is then injected.

### **Gas Assist Molding**

Also called gas injection molding is used to create plastic parts with hollow interiors. Partial shot of plastic is then followed by high-pressure gas to fill the mold cavity with plastic.

### **Rotational Molding**

Hollow molds packed with powdered plastic are secured to pipe-like spokes that extend from a central hub. The molds rotate on separate axes at once. The hub swings the whole mold to a closed furnace room causing the powder to melt and stick to the insides of the tools. As the molds turn slowly, the tools move into a cooling room. Here, sprayed water causes the plastic to harden into a hollow part. In this type of plastic molding, tooling costs are low and piece prices are high. Cycle time takes about 40-45 minutes.

### **Structural Foam Molding**

Structural foam molding is a process of plastic molding usually used for parts that require thicker walls than standard injection molding. Inserting a small amount of nitrogen or chemical blow agent into the plastic material makes the walls thicker. Foaming happens as the melted plastic material enters the mold cavity. A thin plastic skin forms and solidifies in the mold wall. This type of plastic molding can be used with any thermoplastic that can be injection molded.

### **Thermoforming**

In this plastic molding process, sheets of pre-extruded rigid plastics are horizontally heated and sucked down into hollow one-piece tools. When the hot plastic solidifies, its shape conforms to that of the mold.

Tooling costs are usually low and piece prices vary on the machinery.

Plastic molding is a very technical process. It needs experts in this type of manufacturing business for it to be competitive in the market. Therefore, a very scientific and systematic study should be first made before going into this endeavor

(Source: <http://www.plasticmoulding.ca/techniques.htm>)

### **Plastic Industry in India**

INDIA- one of the fastest growing economies of the world, is all set to attain the premier status along with China. India is a favoured destination for overseas investors and offers the advantages of an open economy, increasing liberalization, a stable democratic political scenario, highly skilled work force with fluency in English. Various overseas players wish to explore the Indian market and invest in opportunities thrown open by the country. This seems a very achievable position as since the past decade, the Indian plastics industry continues to grow at double digit figures.

(Source: <http://projectreports.eiriindia.org/overview-indian-plastics-industry/>)

The Indian plastics industry made a promising beginning in 1957 with the production of polystyrene. Thereafter, significant progress has been made and the industry has grown and diversified rapidly. Currently, the Indian plastics industry is spread across the country, employing about 4 million people and over 2,000 exporters. It operates more than 30,000 processing units, of which 85 per cent to 90 per cent are small and medium enterprises (SMEs).

Products from the Indian plastic industry are exported to over 150 countries round the globe with the major trading partners being the European Union, USA, China, UAE, Saudi Arabia, Turkey, Nigeria, Indonesia, Egypt etc.

(Source: <http://www.ibef.org/> <http://www.plexconcil.co.in/aboutus.htm#>)

### **Growth Prospects of plastic processing industries – 2014-2015**

Additional 40,800 plastic processing machines are expected to be installed by 2014-15 in the Indian Plastic processing Industry. The segment wise break-up is as follows:

Injection Moulding	26,700 Nos
Blow moulding	3,900 Nos
Extrusion	10,200 Nos
Total	40,800 Nos

(Source: [http://www.cipet.gov.in/pdfs/Growth\\_of\\_plastic\\_Industries.pdf](http://www.cipet.gov.in/pdfs/Growth_of_plastic_Industries.pdf))

### **Steady Growth in Exports**

India is one of the most promising exporters of plastics among developing countries. The Indian plastics industry produces and exports a wide range of raw materials, plastic molded extruded goods, polyester films, laminates, moulded/ soft luggage items, writing instruments, plastic woven sacks and bags, PVC leather cloth and sheeting, packaging, consumer goods, sanitary fittings, electrical accessories, laboratory/ medical surgical ware and travel ware, among other products.

### **Key Markets and Export Destinations**

- In 2012–13, exports of Indian plastics stood at over US\$ 7.2 billion, and is expected to reach the US\$ 10 billion by 2015-16
- Indian plastics exports have grown at a rate of 11.69 per cent in 2013-14, compared to the previous financial year.

- China is the major importer of plastic products from India which was estimated at around US\$ 869 million in 2013-14, followed by USA at US\$ 819.93 million and UAE at US\$ 386.18 million.
- Indian plastics exports have grown at a rate of 19.9 per cent since 2007–08
- Products from the Indian plastics industry are exported to more than 150 countries; major trading partners being China, the US, the UAE, Turkey, Italy, the UK, Indonesia, Germany, Vietnam, Bangladesh, Nigeria, Pakistan, South Africa, Brazil, Singapore, Saudi Arabia, Nepal, Egypt, Sri Lanka and the Netherlands.

(Source: <http://www.ibef.org>)

**Demand Growth Drivers**

Growth Areas	Growth Drivers	Applications
Packaging:	<ul style="list-style-type: none"> <li>• Food/ Processed food</li> <li>• FMCG Items</li> <li>• Packaged and fast food industry</li> </ul>	<ul style="list-style-type: none"> <li>• Multilayer films</li> <li>• Shrink &amp; stretch wraps</li> <li>• Thin wall molding</li> <li>• Thermoforming</li> <li>• Blow molded containers</li> </ul>
Infrastructure:	<ul style="list-style-type: none"> <li>• Building and construction</li> <li>• Public utilities services</li> <li>• Mega highway projects</li> <li>• Rural electrification projects</li> </ul>	<ul style="list-style-type: none"> <li>• Pipes (Gas, water supply, sewerage)</li> <li>• Storage tanks</li> <li>• Profiles</li> <li>• Geotextiles</li> </ul>
Agriculture:	<ul style="list-style-type: none"> <li>• Advanced agricultural technology</li> <li>• Government spending</li> <li>• Retailers- farmers joint initiatives</li> <li>• Distribution channel/ Refrigerated Storage</li> </ul>	<ul style="list-style-type: none"> <li>• Greenhouse films</li> <li>• Low tunnels</li> <li>• Micro irrigation: Drip/sprinkler</li> <li>• Mulch films</li> <li>• Crates, Pallets</li> </ul>
Consumer Durables:	<ul style="list-style-type: none"> <li>• Healthy economic growth</li> <li>• Higher per capita income</li> <li>• Greater disposable income</li> </ul>	<ul style="list-style-type: none"> <li>• Appliances- Cabinets, Audio Cassettes, washing machines, Refrigerators</li> <li>• Household- furniture &amp; toys</li> <li>• Luggage</li> <li>• Housewares</li> </ul>
Healthcare:	<ul style="list-style-type: none"> <li>• Private investments in medical services</li> <li>• India a medical tourism destination</li> <li>• Wide acceptance of medical insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Disposable Syringes, heart valves etc.</li> <li>• Packaging of medicines, devices etc.</li> <li>• Disposable products: Bed covers, pillow covers, gowns, masks, gloves etc.</li> </ul>

(Source: <http://www.plastindiafoundation.org/>)

## OUR BUSINESS

### OVERVIEW

#### Foundation

Ahimsa Industries Limited was formed by Mr. Ashutosh Damubhai Gandhi & Mr. Lalit C Shah on January 24, 1996. Mr. Ashutosh Damubhai Gandhi & family bought over Mr. Lalit C Shah's shares in 1999-2000. Initially, we were a merchant export company only. We were mainly focusing on exports of sugar confectionery machinery, moulds & plastic processing machinery. We achieved turnover of Rs. Fifty Lakhs in first year & reached turnover for Rs. 7.5 crore in year 2011.



#### Next Move

Mr. Ashutosh Damubhai Gandhi & family bought 49% of share of M/s General Additives Pvt. Ltd in 2004-05. M/s General Additives Pvt. Ltd. is a food & pharma flavor making unit based at Andheri, Mumbai.



#### Rowed the Feet Into Manufacturing Activity

Along with merchant export activity, we decided to go for a Greenfield manufacturing project at Ahmedabad. At world famous K show in Dusseldorf Germany, we booked world's latest Husky, all electric PET Preform injection molding system in October 2010. We decided to go for Indian beverage market offering world class PET preforms made on latest Husky equipment.







### **Splendid & Convenient Location**

In Year 2010 we bought industrial plot at state of Art non polluting DEVERAJ INDUSTRIAL PARK located on outskirts of Ahmedabad @ village Piplaj. It is very conveniently located on SP ring road. It has good industrial infrastructure.

### **Start of Commercial Production**

We started our commercial production of PET Preform with 3 start Alaska neck preforms on HPET 180 in December 2011 under Greenpet brand. Due to better preform design & good manufacturing practice, Greenpet got recognition throughout India. Greenpet is now approved preform with Railneer, Bisleri, Kingfisher, Royal Stag etc national & multinational brands. Beauty of Greenpet quality is known in beverage world, which brought weight of pet bottles down drastically.



We did expansion in 2013 by adding approx 10000sq ft industrial shed & adding HPET 230 AE, 48 cavity injection molding system. For second H-PET AE system, we choose to go for small weight preforms of PCO 1881 (Short Neck). This latest neck finish is now extremely acceptable to all international & domestic carbonated soft drinks & Juice industry. Again Greenpet quality is well accepted in domestic & overseas beverage industry. We have Big Cola, RC cola, City cola etc many regional big players in our satisfied client portfolio.



One of the significant aspects of AHIMSA manufacturing functions has been its emphasis on increasing productivity on a continuing basis through improvements in manufacturing processes. Our in-house machine tools manufacturing facility has contributed significantly to this. The company has laid emphasis on indigenization & adaptation of techniques acquired from better technologies which has helped in productivity improvements.



We proudly manufacture and own greenpet brand for our superior quality Preforms. This results in a smooth finish, flash free, tailless and uniform wall thickness preform with high clarity, dust free and near zero 'AA' level. The design is such that while blowing the preform you will get uniform material distribution resulting in superior sturdiness and improved transparency.

The preforms are made under stringent quality control conditions. This gives our customers trouble free production with near zero rejections which saves valuable time as well as reduces their production costs. Our fully equipped laboratory ensures that all products meet or exceed international quality standards. We also undertake custom jobs for MNCs and customers with large orders. Our Company is also engaged in trading of textile and clothing products (like suiting & Shirting, dyed & grey fabric etc.) during this year from its Bhiwandi Branch. The Company achieved a turnover of Rs. 1114.38 Lakhs from this trading activity. The margins were in the range of 5%-10%.

#### **PRODUCT PORTFOLIO:**

We have wide range of preforms range available in variety of colours. Some of the neck types available at our end are –

- 28 Alaska 3 Start for Water
- 28 PCO 1881 Short Neck for CSD
- 28 PCO 1881 Short Neck for Juice



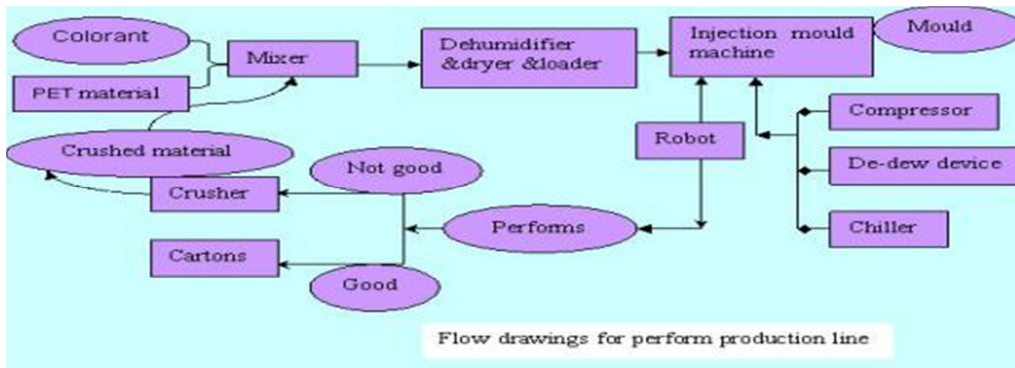


**Amenity to the Customers**

Looking towards the demand of Clients we are trading Excellent Quality Caps for CSD, Juice, Water etc. These caps are available with us in various neck sizes, colors & Shades.



**MANUFACTURING PROCESS**



**OUR STRENGTHS**

**AIPL Advantage**

- Vast Experience of Plastics
- Equipments from the world leader Husky
- Located @ Piplaj near SP road within AMC Limits
- Commitment of Timely Delivery, Safety and Uncompromising Quality
- Well Organised Infrastructure and skilled Labour
- Experience of Serving National and International Players

**HUSKY Advantages**

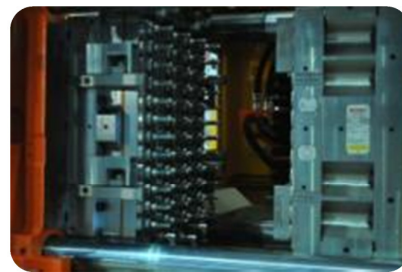
- **Lowest AA Level:** Produces Preforms having world’s lowest AA levels suitable for beverage application.
- **Virgin Resin Use:** High Sophisticated system for use only VIRGIN ReIPET or AsPET Resin.
- **Hygienic:** No human interfaces till Preforms are packed making it highly hygienic.
- **Eco friendly:** Eco-friendly as machine has the lowest carbon foot-print.

- **Least Wastage:** Uninterrupted power supply & reliability of Husky m/c & Mould ensures least wastages.
- **High Accuracy:** High Accuracy and consistency of Preforms produced from Husky Preform system.
- **Tight Tolerances:** Tighter tolerances of weight & wall thickness to run filling machine at high speed.
- **Closure Fitting:** Accurate Thread Finish for better Closure Fitting.
- **Finishing:** Uniform Wall Thickness & Light Split Lines on preforms for Better Finish on Bottles.
- **Filling Line Speed:** Filling line run at higher speed without producing wastage.

## PLANT & MACHINERY

Our infrastructure is very robust. Plant located at Piplaj village in close proximity of SP Ring road, Transport Nagar & National Highway connecting Major cities of Rajasthan, Madhya Pradesh, Maharashtra, South India etc. in famous Devraj Industrial Park. It is a well infrastructure, non-polluting industrial estate located in Piplaj & Kamod village of AMC. Nearly 1.5 acre plot is carrying an ultramodern pre-engineered building of 17000 sq feet floor space. Well designed & well infrastructure industrial estate, facilitates easy movement of cargo round the clock, which saves Loading & Transit time.

We always strive to achieve best quality & hence we started the preform manufacturing with the world leader solution provider; HUSKY H-PET injection molding machines. We are proud to own 2 Husky H-PET systems at our premises. HPET systems deliver us proven reliable design and technology.



We have extremely reliable Torrent power high tension power supply. Torrent is having major grid stations & sub stations in our area, so we get excellent power quality throughout year. More over quality of the power is (voltage variation etc) excellent, so our sophisticated machine work 24X7 without interruption.

We have installed an advance water processing / purification system for processing hard water. We soften & demineralise water before using in cooling tower or the chiller of the machine. This ensures very clean water circulating system, within the machine. No reduction on cycle time due to poor heat transfer. No clogged cooling channels & unwanted break downs for very sophisticated mold & machine

**Air Compressor:** World Class Screw Air Compressor with receiver & air dryer which provides consistence air flow with required pressure & that too with zero moisture % to ensure quality end product.

**Transformers:** A 1250 kVA T&R make step down transformer is installed with 70% over capacity with Auto Tap Change to facilitate voltage fluctuations which may arise abruptly during peak summer seasons thus maintains accurate output voltage to run installed machinery inside the plant at rated voltage without any breakdowns.



**LT Distribution Panel:** We have installed an ultra-sophisticated low-tension distribution panel equipped with world renowned Schneider make switchgears & capacitor bank. It provides extra stable power to very sophisticated HI-PET AE molding machine & world class accessories. Our entire HT & LT network is equipped to handle three Husky systems.

Other than this, we have sophisticated Schneider make Ring metering unit (ACB). We have used only Finolex make armored cable for electrification. We have used Philips lighting & Schneider make switch gears only. Our electrical infrastructure is capable of running four Husky systems. Our utilities are of very standard make & having excellent service record.

Ingersoll Rand screw compressor, Grundfoss & Kirloskar pumps, Varun cooling tower are being used. We have installed a overhead cranes for off-loading Jumbo bags of PET resin & a separate crane for safe & quick loading & off-loading of molds. This ensures very minimum mold change over time. On top of it, we do have an ACE Fork lift & various material handling devices as well.

**Mobility Facility :**

- Overhead Cranes for off loading Jumbo bags for Resin
- Separate Crane for quick loading and off loading of molds.
- ACE forklift for various material handling.

**Capability**

- 3000 MT per annum production capacity.
- Can have for Husky System
- Storage 700 Tonne RM & FG

**Quality**

- A Preform lab is set up to check the dimensional accuracies & other acceptance criteria such as Flash, Sink Marks, Ovality, short shot to help bottlers avoid line rejections.
- Each lot of Preforms supplied carries a test report on the quality.
- For AA Levels, we get periodical test done at most ultra modern of Reliance Patalganga.
- Periodical calibration of weighing scale to ensure precise delivery weight.
- Husky’s periodic preventive maintenance plan to avoid break downs & smoother running of the system

**INSTALLED CAPACITY FOR MANUFACTURING PET PREFORM**

The Company has an installed capacity of 3000 MT of PET Preform at its factory situated at Plot No. 160, Devraj Industrial Estate, Piplaj Pirana Road, Pirana, Piplaj, Ahmedabad, Gujarat

**Installed Capacity & Actual Production for last 5 years of PET Preform (In Tons)**

PET Preform	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	As on 31 <sup>st</sup> March, 2011
Installed Capacity	3000	3000	3000	1200	NA
Actual Production	1589.36	1490.733	853.845	110.725	NA

## EXPORT ACTIVITIES:

Since MERCHANT EXPORT is a base from where AIPL stepped up; we kept growing this activity as well in various sectors. We are involved into following major areas of merchant exports:

1. PET Preforms
2. Closures
3. Turn Key Projects
4. Other Miscellaneous Goods

### 1. PET Preforms :

We are engaged into exporting our world class quality preforms to various countries like DR Congo, Zambia, Mozambique, Bangladesh, Australia and many others. Being a quality supplier; we are getting recognized globally for our PET preforms & created a benchmark.

### 2. Closures :

As an amenity to the customers; we are also dealing in the export of closures along with PET Preforms. This service provides One Stop Shop to our clients.

### 3. Turn Key Projects :

We are also engaged into providing 360<sup>0</sup> Turnkey Solution for various projects. Till the date; we have successfully worked upon many turnkey projects including in the African countries.

Some of them are listed below:

- ✓ Lollipop making Plant.
- ✓ Hard boiled candy making Plant
- ✓ Corrugated box making Project
- ✓ Woven sack making Project
- ✓ Injection molded goods making plant like pails, buckets, containers & households
- ✓ Injection Molding Plant for PET Preforms.
- ✓ Blow molding Plant
- ✓ Packaged drinking water bottling Plant
- ✓ CSD / Juice bottling plants
- ✓ Pulses Splitting Projects
- ✓ Biscuits manufacturing Projects
- ✓ Extruded Snacks making project

And the list not ends here.

### 4. Other Miscellaneous Goods

Other than the turnkey projects, we do provide many other services to African & other countries including supply of raw material, Spares, other miscellaneous accessories for the plants etc.

## SWOT ANALYSIS:

### 1. Strengths :

- ✓ Worlds latest technology
- ✓ Maximum automation available in industry
- ✓ Most power saving operations in the world
- ✓ Quality Human recourses
- ✓ Splendid location
- ✓ Plenty availability of resources like transport, electricity, water etc



**2. Weakness :**

- ✓ Limited investment
- ✓ Working capital resources

**3. Opportunities :**

- ✓ Beverage industry growth in India @ 30% + per annum..
- ✓ Dairy, Edible Oil & Alcoholic Beverages latest addition to existing beverage segments like Water, Juices & CSD

**4. Threats :**

- ✓ Heavy Govt. taxation
- ✓ Slower consumer market sentiments.

**COLLABORATIONS**

We have not entered into any technical or other collaboration

**HUMAN RESOURCE**

Our Company is headed under guidance of Mr. Ashutosh Damubhai Gandhi a well-qualified plastic technologist having experience in the field of mold making & plastic processing for more than 3 decades. The plant is headed by Mr. Sanjay Bholashankar Agrawal, a plastic engineer with experience of almost 3 Decades in injection molding. He is associated with our Company since 1996.

Mr. Ashutosh Damubhai Gandhi & Mr. Sanjay Bholashankar Agrawal are batch-mates of plastic Engineering batch of 1988. Both have rich experience in various plastic processing Technique. Mainly the focus is on injection molding.

The rest team is also well qualified & experienced in Plastic Processing. Our team has gone through Husky's training program & we intend to conduct/ participate with advance training programs offered by Husky.

**DEPARTMENT WISE BREAK-UP**

Department	Number of Employees
Finance & Accounts	2
Sales & Marketing	3
Production & Store	5
Administration	5
Labour / Worker	5
Company Secretary & Compliance Officer	1
<b>Total</b>	<b>21</b>

## BUSINESS STRATEGY

We are planning to expand our business in order to capture the markets of different countries. Our vision is to become a leading manufacturer in all the fields of molding and we have already started the work in this regard. Our driving force has always been the quality of our products, as the same would enable us for long standing relationship with our customers. All the quality methods are being maintained at our works for raw material, in process and final inspections. High-Class Quality is our supreme goal. We have Experts in our Quality Control team and the team constantly monitors right from procurement to the dispatch of goods so as to achieve customer satisfaction.

### Expansion Outline:

We will be expanding our preform range in non-beverage segment too. We will be adding specialty preforms for edible oil market too. As India is very large consumer of various edible oils. We have very large players in edible oil industry in Gujarat, Rajasthan & Madhya Pradesh.

1. **In Dairy Sector:** As Gujarat is leader in milk/ dairy industry, we have many big dairies are coming up. Amul the market leader has introduces flavored milk & flavored Lassi in PET bottles. Many more units are coming up very aggressively using ultra- modern & hygienic aseptic filling technology. By using this technology, milk/ dairy processor can use PET bottles safely & no need to use expensive glass bottles in such price sensitive market. Ahimsa Industries will also introducing specialized preform range suitable for dairy industry.
2. **In Automobile Sector:** As India & specially Gujarat State is becoming major Automobile manufacturing hub, we intend to diversify in Auto Sector too. Tata, Ford, Suzuki, Honda, Hyundai etc. All India leaders are operation / putting up units in Gujarat near to Ahmedabad. We have concrete plans to enter in specialty injections molding business catering these auto giants by en cashing out skills & expertise in injection molding sector.
3. **Overseas Expansion Plan:** We also intend to expand our wings in other geographical regions too.

## MARKETING

We ensure service to our customers effectively and just in time delivery. We cater the requirements of various sectors. Our goals for marketing plans are to gain market awareness with respect to the demand for the new product developments in the local markets, prepare viable advertisements, sales promotions, participation in the Trade Shows, database programs and other marketing communication tools for consumer markets.

We started commercial production of 3 Start Alaska neck preforms on HPET 180 by December 2011. Due to better preform design & good manufacturing practice, Greenpet got recognition throughout India. Greenpet is now approved preform with Railneer, Bisleri, Kingfisher, Royal Stag etc national & multinational brands. Beauty of Greenpet quality is known in beverage world, which brought weight of pet bottles down drastically. Looking towards the demand of Clients we are trading Excellent Quality Caps for CSD, Juice, Water etc. These caps are available with us in various neck sizes, colours & Shades.

### **Clientele:**

We have many national & international players in our satisfied client list. Some well-known names are: Bisleri, Aava Water, Aqua Sure (Eureka Forbes), Kingfisher, Sahara group, Yes Beverages, AJE India (Big Cola), RC Cola, Cloud9 & many more to our list. Also indirectly greenpet Preforms are being served to INDIAN RAILWAYS (IRCTC) water bottles in Eastern & Western part of India (through their registered bottlers). We are also exporting preforms to many countries globally.



## INSURANCE

We maintain insurance for standard fire and special perils policy, which provides insurance cover against loss or damage by fire, earthquake, explosion, burglary, theft and robbery. Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through contractual provisions and/or insurance, the indemnities set forth in our contracts and / or our insurance may not be enforceable in all instances or the limitations of liability may not protect us from entire liability for damages. We have availed various insurance policies to cover our buildings, machineries, stock etc at our manufacturing plant at 160 Devraj Industrial Park, piplaj, Ahhmedabad.

Following are the details of Insurance Policies.

Sr. No.	Name of the Policy	Policy No.	Insurance Company	Coverage (Rs. In Lakhs)	Expiry Date
1	Standard Fire and Special Perils Policy	21240011140100001635	The New India Assurance Co. Limited	1740.66	December 12, 2015

## LAND & PROPERTIES

The following table sets for the properties taken on lease / rent by us:

Sr. No.	Location of the property	Document and Date	Licensor / Lessor	Lease Rent / License Fee	Lease / License period		Activity
					From	To	
1.	Shree Datta Compound, Rehnal Village, Bhiwandi – 412302, District Thane, Maharashtra.	Leave and License Agreement dated January 16, 2014	M/s Deshmukh Warehousing Pvt Ltd, situated at Gala No. B-4, Shree Datta Compound, Rehnal Village, Bhiwandi – 412302, District Thane, Maharashtra.	Rs. 7500 per month	January 16, 2014	January 15, 2017	Godown
2.	Flat No. 701, Krishna Kunj, Udichi Co. Op. Hsg. Soc. Ltd., Thanawala Lane, Off. V. S. Khandekar Road, Vile Parle (E), Mumbai-400057	Leave and License Agreement dated March 11, 2015	Mr. Ashutosh D. Gandhi & Mrs. Sneha A. Gandhi R/o C-4, 426 Condominium, Nr. Sarthy Party Plot, Bokadev, Ahmedabad-380054	Rs. 1,00,000 p.m. of which Rs. 50,000 shall be payable to Mr. Ashutosh D.Gandhi and Rs. 50,000 shall be payable to Mrs. Sneha A. Gandhi	January 01, 2015	September 30, 2017	For the purpose of stay and residence of employees and guest of the licensee

The following table sets for properties owned by us:

Sr. No.	Location of Property	Document and Date	Seller's details	Consideration	Activity
1.	102 Iscon Elegance, NR. Shapath - 5 Prahlad Nagar Junction, S.G. Highway, Ahmedabad, Gujarat	Deed of Allotment dated August 09, 2011	Shree Parasnath (Vejalpur) Co-operative Housing Society Limited	Rs. 49,54,000/-	Registered Office
2.	212, Sakar V Behind Natraj Cinema, ashram Road, Ahmedabad, Gujarat	Allotment Letter dated May 09, 2000 (share certificate No. 000279 for allotment of 5 shares)	Sanukt Members Association, (Reg. No. NTC-G 3307, Dated August 18, 1990 at Ahmedabad)	Rs. 9,90,490	Office given on Rent
3.	Plot No. 160, Devraj Industrial Estate, Piplaj Pirana Road, Pirana – Piplaj, Ahmedabad, Gujarat	Purchase Agreement dated April 26, 2011	Devraj Infrastructure Limited situated Devraj Industrial Park, Piplaj Pirana Road, Ahmedabad, Gujarat	Rs. 1,10,00,000/-	Factory

#### INTELLECTUAL PROPERTY

Our Company has applied for the following registrations under the Trademarks Act. The status of our application is as under:

Sr. No.	Trademark	Date of application	Application No.	Class	Current Status
1.		September 06, 2012	2391186	99	Pending for approval



## **KEY INDUSTRY REGULATIONS AND POLICIES**

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to applicants and is neither designed nor intended to be a substitute for professional legal advice.*

*The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled “Government and Other Statutory Approvals” beginning on page 185 of this Prospectus.*

### **IN MANUFACTURING BUSINESS**

#### **ENVIRONMENT (PROTECTION) ACT, 1986**

The main objective of this Act is to provide the protection and improvement of environment (which includes water, air, land, human being, other living creatures, plants, micro-organism and properties) and for matters connected therewith. The Act provide power to make rules to regulate environmental pollution, to notify standards and maximum limits of pollutants of air, water, and soil for various areas and purposes, prohibition and restriction on the handling of hazardous substances and location of industries.

The Central Government is empowered to constitute authority or authorities for the purpose of exercising of performing such of the powers and functions, appoint a person for inspection, for analysis or samples and for selection or notification of environmental laboratories. Such person or agency has power to inspect or can enter in the premises or can take samples for analysis.

#### **THE WATER (PREVENTION AND CONTROL OF POLLUTION) ACT, 1974 (“Water Act”)**

This is the first specific and comprehensive legislation institutionalizing simultaneously the regulatory agencies for controlling water pollution. Water Act is enacted with the aim of prevention and control of Water Pollution in India. This Act aims at establishment of Central and State level for each state and giving powers to the members so as to enable them to carry out the purposes of the Act. Water Act says that no industry or operator process or any treatment and disposal system can be established without the previous consent of the State Board and no industry or process can discharge sewage or trade effluent into a stream or

#### **THE AIR (PREVENTRION AND CONTROL OF POLLUTION) ACT, 1981 (“Air Act”)**

The Air (Prevention and Control of Pollution) Act, 1981 extends to the whole of India. The Act provides for the prevention, control and abatement of air pollution. The Air Act of 1981, states that all industries operating within designated air pollution control areas must obtain a permit from the state board. The states are also required to provide emission standards for industry and automobiles after consulting the Central Board.

### **FACTORIES ACT, 1948**

This Act came into force on 1<sup>st</sup> April, 1949 and extends to the whole of India, including Jammu and Kashmir. It has been enacted to regulate working conditions in factories and to ensure the provision of the basic minimum requirements for safety, health and welfare of the workers as well as to regulate the working hours, leave, holidays, employment of children, women, etc. It ensures annual leaves with wages, provides additional protection from hazardous processes, additional protection to women workers and prohibition of employment of children.

### **MINIMUM WAGES ACT, 1948**

This Act aims to make provisions for statutory fixation of minimum rates of wages in scheduled employment wherein labour is not organised. It seeks to prevent the exploitation of workers and protect their interest in the 'sweated industries'. Wage fixing authorities have been guided by the norms prescribed by the Fair Wage Committee in the settlement of issues relating to wage fixation in organized industries. The Act contemplates the minimum wage rates must ensure not only the mere physical needs of a worker which keeps them just above starvation level, but must ensure for him and his family's subsistence, and also to preserve his efficiency as a worker.

### **WORKMEN'S COMPENSATION ACT 1923**

This Act came into force on 1<sup>st</sup> April, 1924. It aims at providing financial protection to workmen and their dependants in case of accidental injury by means of payment of compensation by the employers. However, here the employer shall not be liable in respect of any injury that does not result in the total or partial disablement of the workmen for a period exceeding 3 days in respect of any injury not resulting in death, caused by an accident which was due to the reason that workman was under the influence of drugs, or due to his wilful disobedience of an order expressly given to him, or a wilful removal or disregard of any safety device by the workmen, or when the employee has contracted a disease which is not directly attributable to a specific injury caused by the accident or to the occupation.

### **THE CENTRAL EXCISE ACT, 1944 ("Excise Act")**

The Central Excise law is administered by the Central Board of Excise and Customs (CBEC or Board) through its field offices, the Central Excise Commissionerates. Central Excise duty is an indirect tax levied on goods manufactured in India. The tax is administered by the Central Government under the authority of Entry 84 of the Union List (List 1) under Seventh Schedule read with Article 226 of the Constitution of India. The Central Excise duty is levied in terms of the Central Excise Act, 1944 and the rates of duty, ad valorem or specific, are prescribed under the Schedule I and II of the Central Excise Tariff Act, 1985. The taxable event under the Central Excise law is 'manufacture' and the liability of Central Excise duty arises as soon as the goods are manufactured.

### **IN EXPORT**

#### **THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999**

FEMA came into force on the 1st day of June, 2000. It consists of 49 sections and is applicable on both Export and Import of goods and services and matters related with foreign exchange. It extends to whole of India and any branch, office, agency situated outside India but is owned or controlled by person resident in India. Its purpose is to consolidate and amend the law relating to foreign exchange; to facilitate external trade and payments; and to promote orderly development and maintenance of forex and trade in India. All the transactions that have international financial implications are regulated by exchange control empowered by this law.



### **EXPORT (QUALITY CONTROL AND INSPECTION) ACT, 1963**

This Act was enacted on 24<sup>th</sup> of August, 1963 for quality control and pre-inspection of goods that are exported and for effective trade of India. Under this Act almost 1000 major commodities are to be scrutinized compulsorily before export. The main empowered body under this Act is Export Inspection Council (EIC). It advises the Central Government regarding measures for the enforcement of quality control and inspection in relation to commodities intended for export. EIC holds control over all the Export Inspection Agencies (EIA) in various states of our country. EIC renders certifications on quality of export commodities through systematic inspection of commodities exported to the international markets. Consignment wise inspections, Food Safety Management Systems based Certifications, In-Process quality Control and Self-Certification are the main systems of inspections for certifications.

### **THE CUSTOMS ACT, 1962 (“Customs Act”)**

The Customs Act came into force in India with effect from February 01, 1963. Customs duty is a duty or tax, which is levied by Central Government on import of goods into, and export of goods from, India. It is collected from the importer or exporter of goods, but its incidence is actually borne by the consumer of the goods and not by the importer or the exporter who pays it. These duties are usually levied with ad valorem rates and their base is determined by the domestic value, ‘the imported goods calculated at the official exchange rate. Similarly, export duties are imposed on export values expressed in domestic currency

The said Act contains provision for levying of custom duty on imported goods, export goods, goods which are not cleared, goods warehoused or transhipped within specified days after unloading etc. it also provides for storage of imported goods in warehouses pending clearance, for goods in transit etc, subject to prescribed conditions.

### **IN GENERAL**

### **THE COMPANIES ACT, 1956**

The Companies Act, 1956 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 Companies Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **THE COMPANIES ACT, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 notified 100 Sections and on March 26, 2014 notified 183 Sections of the Companies Act, 2013. The same are applicable from September 12, 2013 and April 01, 2014, respectively. The Ministry of Corporate Affairs has issued the rules and new improved e-forms complementary to the Act establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Act.

### **TRADEMARKS ACT, 1999**

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, (Trademarks Act) governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure.

As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.

### **GUJARAT VALUE ADDED TAX ACT, 2003**

The Act has come into force with effect from 25/01/2005. Thus, from 25-01-2005, sales tax is being collected under VAT system in Gujarat. As per the provisions of Gujarat Value Added Tax Act, 2005 (GVAT), a dealer is liable to pay tax crossing threshold limit of total turnover of Rs. 5,00,000 and taxable turnover of Rs. 10,000 in previous year is liable to pay tax., except for casual dealer whose threshold limit is taxable turnover exceeding Rs. 10,000/-. Further the dealer incurring liability to pay tax in previous year or in current year under the CST Act, i.e. having effected inter-state sales of taxable goods is also liable to pay tax under GVAT. Besides, Dealer which are already registered under GST Act, Bombay Motor Spirit Taxation Act, Purchase Tax on Sugarcane Act or CST Act as on Appointed day (i.e. 01-04-2006) are deemed to be registered dealer under Sec.23 of GVAT Act and liable to pay tax from the appointed date. No dealer who has become liable to pay tax from the appointed date. No dealer who has become liable to pay tax u/s 3 can do business without having a valid registration certificate.

### **THE CENTRAL SALES TAX ACT, 1956 (“Central Sales Tax Act”)**

Central Sales Tax Act 1956 was enacted by the Parliament and received the assent of the president on December 21, 1956. Imposition of tax became effective from July 1, 1957. It extends to the whole of India. Every dealer who makes an inter-state sale must be a registered dealer and a certificate of registration has to be displayed at all places of his business. There is no exemption limit of turnover for the levy of central sales tax. The tax is levied under this act by the Central Government but, it is collected by that state government from where the goods were sold. The tax thus collected is given to the same state government which collected the tax. In case of union Territories the tax collected is deposited in the consolidated fund of India.

### **INCOME TAX ACT, 1961**

The government of India imposes an income tax on taxable income of all *persons* including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.



## **THE EMPLOYEES PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952** *("Employees Provident Fund and Miscellaneous Provisions Act")*

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress.

The Act is administered by the Government of India through the Employees' Provident Fund Organisation (EPFO). The following three schemes have been framed under the Act by the Central Government:

- (a) The Employees' Provident Fund Schemes, 1952;
- (b) The Employees' Pension Scheme, 1995; and
- (c) The Employees' Deposit-Linked Insurance Scheme; 1976.

The Central Government has been constituted Employees' Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred on such by Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

## **EMPLOYEES STATE INSURANCE ACT, 1948**

The promulgation of Employees' State Insurance Act, 1948(ESI Act), by the Parliament was the first major legislation on social Security for workers in independent India. It was a time when the industry was still in a nascent stage and the country was heavily dependent on an assortment of imported goods from the developed or fast developing countries. The deployment of manpower in manufacturing processes was limited to a few select industries such as jute, textile, chemicals etc. The legislation on creation and development of a fool proof multi-dimensional Social Security system, when the country's economy was in a very fledgling state was obviously a remarkable gesture towards the socio economic amelioration of a workforce though limited in number and geographic distribution. India, notwithstanding, thus, took the lead in providing organized social protection to the working class through statutory provisions.

The ESI Act 1948, encompasses certain health related eventualities that the workers are generally exposed to; such as sickness, maternity, temporary or permanent disablement, Occupational disease or death due to employment injury, resulting in loss of wages or earning capacity-total or partial. Social security provision made in the Act to counterbalance or negate the resulting physical or financial distress in such contingencies, are thus, aimed at upholding human dignity in times of crises through protection from deprivation, destitution and social degradation while enabling the society the retention and continuity of a socially useful and productive manpower.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated as Ahinsa Industries Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated January 24, 1996, in Ahmedabad. The name of Our Company changed to “Ahimsa Industries Private Limited” vide fresh certification of Incorporation dated March 06, 1996 Further, our Company was converted into public limited company i.e. Ahimsa Industries Limited vide fresh certificate of incorporation dated May 25, 2015.

The registered office of our company is situated at 102, Iscon Elegance, NR. Shapath-5, Prahlad Nagar Junction, S.G. Highway, Ahmedabad, Gujarat-380051, India.

For information on the Company’s activities, market, growth, technology and managerial competence, please see the chapters “Our Management”, “Our Business” and “Our Industry” beginning on pages 116, 95 and 86 respectively of this Prospectus.

### CHANGE IN REGISTERED OFFICE

Initially, the Registered Office of our Company was situated at 21, Dolly Complex, Stadium Circle, Navarangpura, Ahmedabad-380009, India. Our Registered Office was shifted with effect from July 21, 1997 to 4/B Vivekanand Society, Nr. Jain Marchant Society, Ahmedabad-380007, India. Further Our Registered office was shifted with effect from September 01, 2000 to 212, Sakar VB/H Natraj Cinema, Off Ashram Road, Ahmedabad, Gujarat. Currently our Registered office with effect from February 09, 2012 is situated at 102, Iscon Elegance, NR, Shapath-5, Prahlad Nagar Junction, S.G. Highway, Ahmedabad-380051, Gujarat, India.

### KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

Period	Event
January 24, 1996	Our company was incorporated as Ahinsa Industries Private Limited.
March 06, 1996	The name of Company changed to Ahimsa Industries Private Limited.
April 27, 2015	Change in Object clause by addition of clause no. 2 (A) to 2(D)
May 25, 2015	Our Company was converted into Public Limited Company vide fresh certificate of incorporation dated May 25, 2015

### OUR MAIN OBJECTS

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

- (1) To manufacture, weave, prepare, procure, repair, buy and sell, resell, export , import and market in:
  - A. All kinds of plastics and plastic goods including plastic pipes of polyvinylchloride, polyethylene, polypropylene, low density polyethylene, moulded articles, toys and wares and related plastic goods and products, synthetic resins and compounds, ancillary and auxiliary materials and derivatives, intermediates and compositions.
  - B. Plastic processing and ancillary machinery, goods, moulds, dies and instruments and engineering products which can be conveniently combines therewith.
- (2) (A) To carry on the business of processing, manufacturing, packaging, distributors, agency, broker, factors, stockiest, importer and exporter, buy and sell, resell, trade and otherwise deal in all kinds of organic and inorganic foods products and dairy food products and all kinds of beverages, non-alcoholic drinking products, mineral water, csd water, soft drinks, health drinks, aerated mineral water, fruit drinks, juices, artificial flavoured drinks, condensed milk and drinking products of all kinds and other consumable provision of every description for human consumption.





(B) To carry on the process, produce, mix, pack, preserve, freeze, extract, refine, manufacture, import, export, buy, sell, resell, trade and deal in processed and semi-processed foods, health foods, protein foods, food products, agro foods, fast foods, snacks & cereals, packed foods, poultry products, sea foods, milk foods, extruded foods, frozen foods, dehydrated foods, precooked foods, canned foods, preserved foods, vegetables, fruits, jams, jelly, pickles, squashes, sausages, nutrient, nutraceuticals, health and diet foods, cereals products and any other food products in and outside India.

(C) To manufactures, buy, sell, resell, packaging, formulate, process, develop, refine, import, export, wholesale and/or retail trade all kinds of pharmaceuticals, antibiotics, drugs, medicines, biological, neutraceuticals, healthcare, ayurvedic and dietary supplement products, medicinal preparations, vaccines, and also to deal in medicinal goods such as surgical instruments, contraceptives, patent medicines, soaps, artificial limbs, hospital requisites, repacking, processing of tablets, capsules, syrups, injections, ointments and also to carry on the business of chemists, druggists, buyers, sellers, agents, distributors and stockists of all kinds of pharmaceuticals and allied products.

(D) To carry on the business in india and/or abroad as manufacturers, processors, designers, shapers, fitters, fabricators, converters, importers, exporters, broker, factors, agents, buyers, sellers, distributors, stockists of and dealers in all kinds of automobile parts, ancillaries, components, stamping and pressing, packaging or otherwise in any metallic or non-metallic materials, transmissions and other axles, universal joints, springs, leaves, head lamps, hardened pins, plastic gears, plastic moulded, plastic molded products, plastic automotive parts, plastic automobile parts, electronic instruments plastic parts, moulded plastic products, plastic internal gear, plastic external gear, plastic spur gear, plastic helical gear, plastic bevel gear, plastic worm and all kinds of plastic automotive parts, all kinds of assembly and sub assembly parts, components and accessories.

*Note: The company adopted clause 41 under "other objects" vide board resolution dated March 31, 2013 to carry out following activities:*

*To carry or in India or elsewhere the business of manufacturing, producing, processing, sizing, drawing crimping, twisting, texturizing, blending, mixing, purchasing all kinds of natural and man-made fibres, fibre yarns, fibre cords, cotton yarns, polyester staple fibres, jute, wool, silk, core, art silk, nylon fibres, staple fibres, fabrics, plastic fabrics, synthetic and other fibrous materials, cloths, dressing materials, furnishing materials, handicrafts, khadi uniforms, readymade garments, apparels, carpets, blankets, padding, knitted goods, decorative material, wovan bags, hosiery, gloves, sewing threads, ropes, covers and packing material.*

**AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION**

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

Date of Shareholders' Approval	Amendment
March 06, 1996	The name of the Company changed to Ahimsa Industries Private Limited.
December 12, 2010	The Initial authorized Share Capital of Rs. 1,00,00,000 (Rupees One Crore only) was increased to Rs. 2,00,00,000 (Rupees Two Crore only) consisting of 20,00,000 Equity Shares of face value of Rs.10 each
December 18, 2014	The Initial authorized Share Capital of Rs. 2,00,00,000 (Rupees Two Crore only) was increased to Rs. 7,50,00,000 (Rupees Seven Crore Fifty Lakh only) consisting of 75,00,000 Equity Shares of face value of Rs.10 each

April 27, 2015	Clause I of the Memorandum of Association of the Company changed to reflect changed name of the Company as Ahimsa Industries Limited on conversion of Company into a Public Limited Company
April 27, 2015	Clause Number 2 sub-clause (A), (B), (C) & (D) inserted in Memorandum of Association of the Company vide Special Resolution passed on April 27, 2015.

#### **HOLDING COMPANY OF OUR COMPANY**

Our Company has no holding company as on the date of filing of this Prospectus.

#### **SUBSIDIARY COMPANY OF OUR COMPANY**

There is no subsidiary of our Company as on this date of filing of this Prospectus.

#### **INJUNCTIONS OR RESTRAINING ORDERS**

The Company is not operating under any injunction or restraining order.

#### **DETAILS OF PAST PERFORMANCE**

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to section titled “Financial Statements” beginning on page 136 of this Prospectus.

#### **SHAREHOLDERS AGREEMENTS**

Our Company has not entered into any shareholders agreement as on date of filing of this Prospectus.

#### **OTHER AGREEMENTS**

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business and Agreement dated December 18, 2014 with Managing Director and Whole-time Director for their appointment as on the date of filing of this Prospectus.

#### **RESTRICTIVE COVENANTS IN LOAN AGREEMENTS**

Our Company has obtained Credit facilities from Corporation Bank, S G Highway Branch, Ahmedabad. The latest working capital and term loan facilities were sanctioned vide letter dated December 04, 2014. Our Company has obtained No Objection Certificate dated June 16, 2015 from Corporation Bank in relation to our IPO. Following are certain restrictive conditions given by Corporation Bank for sanction of loans.

1. The company shall not divert working capital funds for payment of installments under term loans, meeting cost of acquisition of additional fixed assets, etc. an undertaking letter to this effect shall be obtained from the firm.
2. All securities charged to the bank shall be comprehensively insured against all risks for the full value at the company’s cost and the policy shall remain in the joint names of the company and bank with bank clause duly incorporated therein.
3. The company shall obtain NOC form the bank for availing of credit facilities from other banks/ FIs, further expansion of business, taking up new business activities or setting up/ investing in a subsidiary whether in the same business line or unrelated business.
4. In case the borrower commits default in the payment of any of the facilities or in the repayment of interest thereon or any of the agreed installment of any loan/ advance on the due date/s, the bank and/or the RBI will have an unqualified right to disclose or publish the name of the firm and its directors as defaulters in such manner and through medium as the Bank or RBI in their absolute discretion may deem fit.
5. The borrower shall not transfer/ invest funds of the firm in whatsoever manner in any other concern without obtaining the prior consent of the Bank.

6. During the currency of the Bank's credit facilities, the company will not, without the Bank's prior permission in writing:-
  - a. Effect changes in the firm's capital structure,
  - b. Formulate any scheme of amalgamation/ reconstitution,
  - c. Enter into borrowing arrangement either secured or unsecured with any other Bank, financial institution, firm, firm or persons.
  - d. Undertake guarantee obligation on behalf of any other firm, firm or persons,
  - e. Create any further charge, lien or encumbrance over the assets and properties of the firm, which are to be charged to our Bank in favour of any other bank, financial institutions, firm, firm or person,
  - f. Sell, assign, mortgage, or otherwise dispose of any of the fixed assets charged to the Bank.
  
7. The firm shall deal exclusively with our Bank and route all the transactions through the account maintain with us.
8. The company shall submit stock, book debt, quarterly information system statement and other financial statement/ data within the time limit prescribed for the purpose. The monthly stock statement shall contain details of unpaid stock, stock procured under usance LC and creditors from purchases. Valuation of stock shall be at cost or the current market rates whichever is lower. The book debts statement submitted monthly shall contain age wise breakup or receivables and details on bill discounted/ purchased.
9. Branch shall endeavor to cover insurance of various assets/ securities stipulated as security for the credit facilities sanctioned, through our Bank under the Corporate Agency Arrangement with New India Assurance Company Ltd. Branch shall also endeavor other third party products, business and loans under personal/ retail segment from the partners and their family members. Branch shall also endeavor to open/ operationalize the payroll accounts of the promoters and employees of the firm.

Details of Borrowings and Charges.

Sr. No.	Date of Charge Creation/ Modification	Charge amount secured	Charge Holder	Facilities	Security
1.	December 22, 2014	160,200,000	<b>Corporation Bank</b>  S.G. Highway Branch Corporate House, Judges Bunglow Road, Ahmedabad-380054, Gujarat.	1. Cash Credit of Rs. 300.00 lakhs.	1. First Charge by way of hypothecation of inventory & book debts and other current assets both present and future.
				2. Packing Credit Limit of Rs. 200.00 lakhs.	1. Hypothecation of inventory & book debts of the firm (both of Manufacturing and trading activity).
				3. Forward Sale Contract of Rs. 50.00 lakhs.	-
				4. Forward Purchase Contract of Rs. 200.00 lakhs.	-
				5. Term Loan Sanction of Rs. 138.00 lakhs.	1. Hypothecation of Machineries out of bank finance.

				6. Term Loan of Rs. 338.30 lakhs.	1. Hypothecation of Assets acquired out of Bank Finance
				7. Term Loan of Rs. 287.47 lakhs.	1. Hypothecation of Assets acquired out of Bank Finance

Collateral Securities Offered by Company:

1. Charge on factory land and building at Plot No. 160, Devraj Industrial Estate, Pirana Road, Village-Piplaj, Ahmedabad owned by Company.
2. Charge on Commercial Property i.e. Office at No. 12, 2<sup>nd</sup> Floor, Sakar V, Behind Natraj Cinema, Off Ashram Road, Ahmedabad owned by Company.
3. Charge on Office at No. 102, 1<sup>st</sup> floor, Iscon Elegance, Nr. Divya Bhaskar, S.G. Road, Ahmedabad owned by Company.
4. Charge on Residential flat situated at C-4, 426, Bodakdev, Ahmedabad owned by Mr. Ashutosh D Gandhi and Mrs. Sneha A Gandhi.
5. Charge on entire P & M and other movable assets of the Company except vehicle financed by other Banks/FLs both existing and proposed

#### CARE RATING

Our Company has been awarded following CARE Ratings on November 06, 2014 in respect of our operational and financial performance.

Facilities	Amount (Rs. Crore)	Rating
Long-term Bank Facilities	9.68 (reduced from 12.54)	CARE BB (Double B)
Short-term Bank Facilities	5.50	CARE A4 (CARE A Four)

#### STRATEGIC/ FINANCIAL PARTNERS

Our Company does not have any strategic/financial partner as on the date of filing of this Prospectus.

#### DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Prospectus.

#### NUMBER OF SHAREHOLDERS

Our Company has seven shareholders on date of this Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

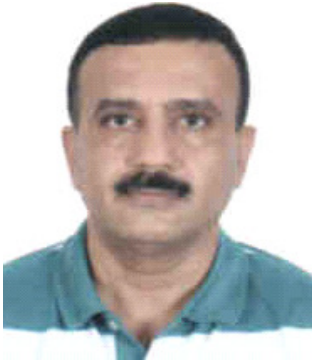
Under our Articles of Association we are required to have not less than 3 directors and not more than 15 directors, subject to Section 149 of Companies Act, 2013. We currently have 5 Directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Prospectus other than Directorship in our Company:

Sr. No	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment	Other Directorships
1.	<p><b>Name:</b> Mr. Ashutosh Damubhai Gandhi  <b>Age:</b> 49 years  <b>Father's Name:</b> Mr. Damubhai Gandhi  <b>Designation:</b> Managing Director  <b>Address:</b> C-4, 426 Condominium, NR. Sarthi Party Plot, Bodekdev, Ahmedabad-380054, Gujarat, India  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Term:</b> Liable to retire by rotation  <b>DIN:</b> 00654563</p>	January 24, 1996	1. General Additives Private Limited
2.	<p><b>Name:</b> Mrs. Sneha Ashutosh Gandhi  <b>Age:</b> 47 years  <b>Father's Name:</b> Mr. Kirtidev Hailal Trivedi  <b>Designation:</b> Whole-time Director  <b>Address:</b> C-4, 426 Condominium, NR. Sarthi Party Plot, Bodekdev, Ahmedabad-380054, Gujarat, India  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Term:</b> Liable to retire by rotation  <b>DIN:</b> 00654675</p>	October 06, 1999	1. General Additives Private Limited
3.	<p><b>Name:</b> Mr. Jignesh Anubhai Shah  <b>Age:</b> 45 Years  <b>Father's Name:</b> Mr. Anubhai Kanitlal</p>	December 18, 2014	NIL

	<p style="text-align: center;">Shah</p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Address :</b> B-101, Sahaj Appt, Next to Suvridha Cross Road, Paldi, Ahmedabad-380007, Gujarat, India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 00006339</p>		
4.	<p><b>Name:</b> Mr. Ashish Navnitlal Shah</p> <p><b>Age:</b> 52 years</p> <p><b>Father's Name:</b> Mr. Navnitlal Shah</p> <p><b>Designation:</b> Non-Executive &amp; Independent Director</p> <p><b>Address:</b> 1, Shital Chhaya Apartments, Nr, Hirabaug Crossing, Ambawadi, Ellisebridge, Ahmedabad-380006, Gujarat, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> June 24, 2015 to June 23, 2020</p> <p><b>DIN:</b> 00089075</p>	<p>Appointed as Non-Executive Director as on December 18, 2014</p> <p>Appointed as Independent &amp; Non-Executive Director as on June 24, 2015</p>	<ol style="list-style-type: none"> <li>1. Dalal and Shah Fiscal Services Limited.</li> <li>2. Wealth First Portfolio Managers Private Limited.</li> <li>3. Wealth First Commodities Private Limited.</li> <li>4. DSFS Shares and Stockbroking Private Limited.</li> <li>5. Jindal Worldwide Limited.</li> <li>6. Shaival Reality Limited.</li> <li>7. Acepro Advisors Private Limited</li> </ol>
5.	<p><b>Name:</b> Mr. Bhadrash Arvindbhai Trivedi</p> <p><b>Age:</b> 50 Years</p> <p><b>Father's Name:</b> Mr. Arvindbhai Dalishanker Trivedi</p> <p><b>Designation:</b> Non-Executive &amp; Independent Director</p> <p><b>Address :</b> B/10 Sarita Apartment, Judges bungalow, Cross Road, Bodakdev, Ahmedabad-380015, Gujarat, India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> June 24, 2015 to June 23, 2020</p> <p><b>DIN:</b> 07218969</p>	<p>June 24, 2015</p>	<p>NIL</p>

## BRIEF BIOGRAPHIES OF OUR DIRECTORS



**Mr. Ashutosh Damubhai Gandhi**, aged 49 years, is the Promoter and Managing Director of our Company. He is a highly qualified and dynamic personality who is helping the Company to achieve new heights in business. He is a Plastic Engineer (With In-Plant Training) from Technical Examinations Board, Gujarat State, Ahmedabad. From 1988-1989 he worked with Jyoti Plastic Industries at Vatva. Thereafter till year 1990 he worked with SDC Polyurethane Private Limited as a Design Engineer and as a Site in-charge. After that he worked as Consultant in Overseas Project Consultancy for Polymer processing at African countries from 1990-1995. From 1996 he started his own business under the name of M/S. Ahimsa Industries Private Limited.



**Mrs. Sneha Ashutosh Gandhi**, aged 47 years, is the Whole-time Director of our Company. She is a Bachelor of Arts from University of Gujarat. She is working in Administration department of M/S. Ahimsa Industries Limited M from 1996. She has also worked in Marketing department of M/s. General Additives Private Limited



**Mr. Jignesh Anubhai Shah**, aged 45 years, is the Non-Executive Director of our Company. He is a Bachelor of Commerce from Gujarat University, and a Company Secretary from the Institute of Company Secretaries of India. From 1996 to 1999 he worked for Metrochem Industries Limited as Assistant Company Secretary thereafter he worked with Alka Spinners Limited, from 1999 to 2001 Thereafter he started his own Practice from 2001 onwards.



**Mr. Ashish Navnitlal Shah**, aged 52 Years, is the Non-Executive & Independent Director of our Company. He is a Bachelor of Engineering in Mechanical Branch from L.D Engineering College, Gujarat university from Ahmedabad. From 1984 to 1992 he worked for HPCL as Sales Officer in marketing division at Mumbai. In the year 1992 he co-founded Dalal & Shah Fiscal Services Ltd at Ahmedabad. Thereafter in the year 2002, he founded Wealth First Portfolio Managers Pvt Ltd. at Ahmedabad in the area of financial services & wealth management & broking.



**Mr. Bhadresh Arvindbhai Trivedi**, aged 50 Years is the Non-Executive & Independent Director of our Company. He is Bachelor of Arts from Gujarat University. He worked in Electrical Project site, stores handling, labour handling and material purchasing of the Ahmedabad Electricity Limited from 1987 to 2000. Thereafter he worked in stores department of Torrent Power Limited from 2000 to 2005 after that he was shifted to LTMD department till 2014, Currently he is working in the Key Accounts Management department of Torrent Power Limited. He is also working as an agent of Life Insurance Corporation of India since January 1987. He is also a member of Chairman Club of LIC for last 15 years.

## CONFIRMATIONS

As on the date of this Prospectus:

1. None of the Directors of the Company are related to each other except Mr. Ashutosh Damubhai Gandhi and Mrs. Sneha Ashutosh Gandhi who are related to each other as husband and wife.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of Our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment
4. None of the above mentioned Directors are on the RBI List of willful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Prospectus or (b) delisted from the stock exchanges.
6. None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority. For further details refer Chapter titled “Outstanding Litigation and Material Developments” beginning on the page 181 of this Prospectus.

## REMUNERATION / COMPENSATION OF DIRECTORS

Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act and other applicable laws and regulations. None of our Directors had received any remuneration during preceding financial year except as given below.

Sr. No.	Name of the Director	Remuneration (In Rs.)
1.	Mr. Ashutosh Damubhai Gandhi	16,09,800
2.	Mrs. Sneha Ashutosh Gandhi	6,73,240





## SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares.

The following table details the shareholding of our Directors as on the date of this Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Mr. Ashutosh Damubhai Gandhi	20,10,000	50.81	36.72
2.	Mrs. Sneha Ashutosh Gandhi	15,73,950	39.79	28.75
3.	Mr. Jignesh Anubhai Shah	Nil	Nil	Nil
4.	Mr. Ashish Navnitlal Shah	Nil	Nil	Nil
5.	Mr. Bhadresh Arvindbhai Trivedi	Nil	Nil	Nil

## INTERESTS OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable, if any to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable, if any to them under our Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loan or advances provided to anybody corporate including companies and firms and trusts, in which they are interested as directors, members, partners or trustees.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares, if any.

None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Except as stated in the chapter “Our Management” and ‘Related Party Transactions’ beginning on page 116 and 134 respectively of this Prospectus and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Prospectus.

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

## PROPERTY INTEREST

Except as stated/referred to in the heading titled “Land & Properties” beginning on page 104 of this Prospectus, our Directors has not entered into any contract, agreement or arrangements during the preceding two years from the date of this Prospectus in which the Directors 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.

### CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name	Date of event	Nature of event	Reason
Mr. Ashish Navnitlal Shah	December 18, 2014	Appointment	Appointment as Non-Executive Director
Mr. Jignesh Anubhai Shah	December 18, 2014	Appointment	Appointment as Non-Executive Director
Mr. Ashutosh Damubhai Gandhi	December 18, 2014	Change in Designation	Appointment as Managing Director
Mrs. Sneha Ashutosh Damubhai Gandhi	December 18, 2014	Change in Designation	Appointment as Whole time Director
Mr. Bhadresh Arvindbhai Trivedi	June 24, 2015	Appointment	Appointment as Non-Executive & Independent Director
Mr. Ashish Navnitlal Shah	June 24, 2015	Change in Designation	Appointment as Non-Executive & Independent Director

### BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on April 27, 2015 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 (1)(c) of the Companies Act, 2013 for borrowing, from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 250 Crores.

### CORPORATE GOVERNANCE

The provisions of the Emerge of NSE listing agreement, to be entered into by our Company with the Stock Exchanges, will be applicable to our Company immediately upon the listing of our Equity Shares with NSE SME Platform. We have complied with the corporate governance code in accordance with Clause 52 (as applicable) of the SME Listing Agreement, particularly in relation to appointment of Independent Directors to our Board and constitution of the audit committee and shareholders'/ investors' grievance committee. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 52 of the SME listing agreement.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.



We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has Five Directors. We have One Managing Director One Whole-time Director, One Non-Executive, Two Non-Executive & Independent Directors. The constitution of our Board is in compliance with the requirements of Clause 52 of the SME Listing Agreement.

**The following committees have been formed in compliance with the corporate governance norms:**

- A. Audit Committee
- B. Stakeholder Relationships Committee
- C. Nomination and Remuneration Committee

**A) Audit Committee**

Our Company has constituted an audit committee ("*Audit Committee*"), as per the provisions of Section 177 of the Companies Act, 2013 and Clause 52 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on June 24, 2015.

The terms of reference of Audit Committee complies with the requirements of Clause 52 of the SME Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following Three directors.

**Composition of Audit Committee:**

Name of the Director	Status	Nature of Directorship
Mr. Jignesh Anubhai Shah	Chairman	Non-Executive Director
Mr. Ashish Navnitlal Shah	Member	Independent & Non-Executive Director
Mr. Bhadrash Arvindbhai Trivedi	Member	Independent & Non-Executive Director

Mr. Jignesh Anubhai Shah is the Chairman of the Audit Committee.

The Company Secretary of the Company acts as the Secretary to the Audit committee.

**Role of the audit committee:**

1. Overseeing the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
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 before submission to the board for approval, with particular reference to:
  - a. Matters required being included in the Directors Responsibility Statement to be included in the Board’s report in terms of clause (2AA) of section 217 of the Companies Act.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.

- f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval
  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, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  8. 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.
  9. Discussion with internal auditors on any significant findings and follow up there on.
  10. 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.
  11. 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.
  12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
  13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  15. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.

**Powers of the Audit Committee:**

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

**B) Stakeholder Relationships Committee**

Our Company has constituted a stakeholder relationships committee ("*stakeholder relationships Committee*") to redress the complaints of the shareholders. The stakeholder relationships committee was constituted vide resolution passed at the meeting of the Board of Directors held June 24, 2015



**Composition of Stakeholder Relationships Committee**

Name of the Director	Status	Nature of Directorship
Mr. Bhadresh Arvindbhai Trivedi	Chairman	Independent & Non-Executive Director
Mr. Ashish Navnitlal Shah	Member	Independent & Non-Executive Director
Mr. Jignesh Anubhai Shah	Member	Non-Executive Director

The Stakeholder Relationships Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Investor Grievance Committee include the following:

1. Redressal of shareholders'/investors' complaints;
2. Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
4. Non-receipt of declared dividends, balance sheets of the Company; and
5. Carrying out any other function as prescribed under the Listing Agreement.

**C) Nomination and Remuneration Committee**

Our Company has constituted a Nomination and Remuneration Committee. The constitution of the Nomination and Remuneration committee was approved by a Meeting of the Board of Directors held on June 24, 2015.

**Composition of Nomination and Remuneration Committee**

Name of the Director	Status	Nature of Directorship
Mr. Ashish Navnitlal Shah	Chairman	Independent & Non-Executive Director
Mr. Bhadresh Arvindbhai Trivedi	Member	Independent & Non-Executive Director
Mr. Jignesh Anubhai Shah	Member	Non-Executive Director

Mr. Ashish Navnitlal Shah is the Chairman of the Nomination and Remuneration Committee.

The Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee.

**The terms of reference of the Nomination and Remuneration Committee are:**

- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package(i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- To be authorized at its duly constituted meeting to determine on behalf the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/Executive Directors, including pension rights and any compensation payment;

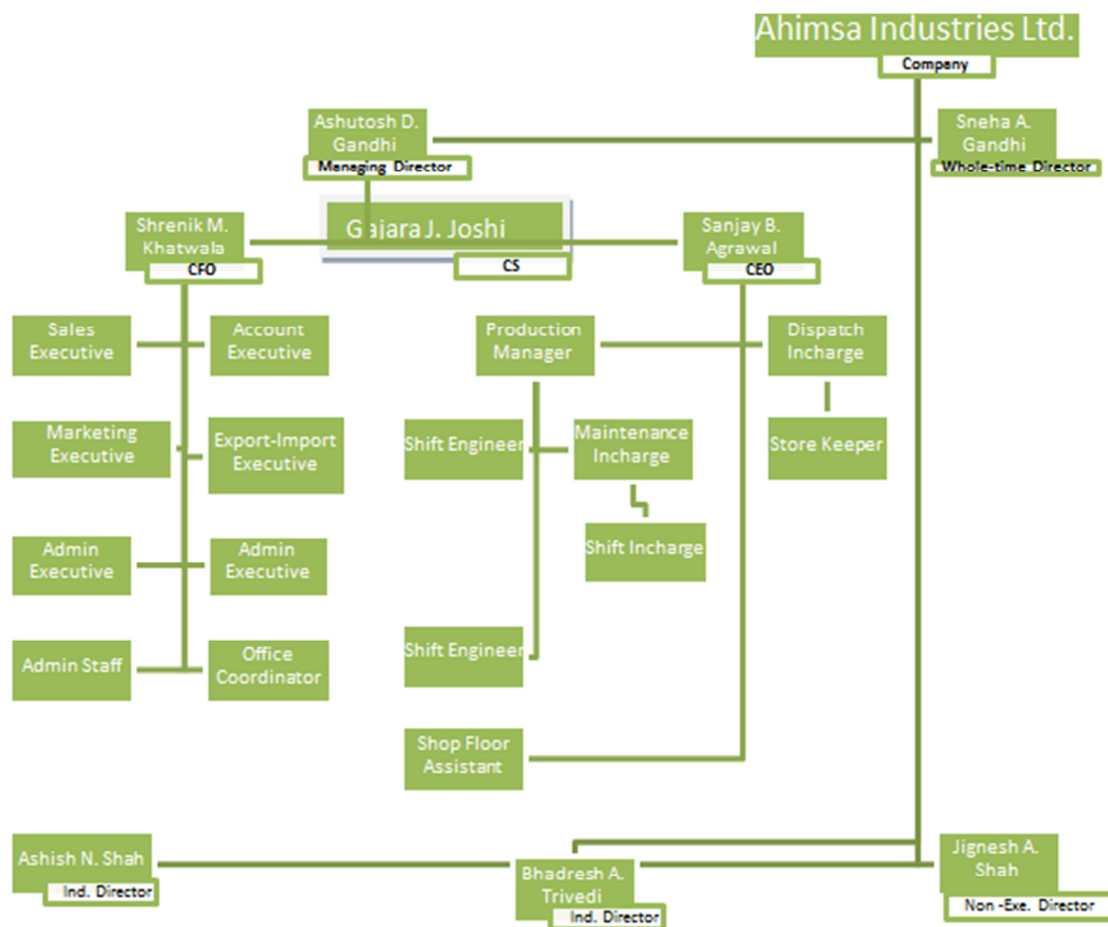
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

### Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchange.

Ms. Gajara Jagirambhai Joshi Company Secretary and Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

## ORGANIZATIONAL STRUCTURE





## KEY MANAGERIAL PERSONNEL

### **Mr. Ashutosh Damubhai Gandhi** (*Promoter & Managing Director*)

Mr. Ashutosh Damubhai Gandhi, aged 49 years, is the Promoter and Managing Director of our Company. He is a highly qualified and dynamic personality who is helping the Company to achieve new heights in business. He is a Plastic Engineer (With In-Plant Training) from Technical Examinations Board, Gujarat State, Ahmedabad. From 1988-1989 he worked with Jyoti Plastic Industries at Vatva. Thereafter till year 1990 he worked with SDC Polyurethane Private Limited as a Design Engineer and as a Site in-charge. After that he worked as Consultant in Overseas Project Consultancy for Polymer processing at African countries from 1990-1995. From 1996 he started his own business under the name of M/S. Ahimsa Industries Private Limited. The Gross Compensation paid to him during Fiscal Year 2014-2015 was Rs. 16,09,800.

### **Mrs. Sneha Ashutosh Gandhi** (*Whole-time Director*)

Mrs. Sneha Ashutosh Gandhi, aged 47 years, she is the Whole-time Director of our Company. She is a Bachelor of Arts from University of Gujarat. She worked in M/s General Additives Private Limited in marketing department from 1990 to 2005. Thereafter she joined M/s Ahimsa Industries Limited in Administration department in 2005 The Gross Compensation paid to her during Fiscal Year 2014-2015 was Rs. 6,73,240.

### **Mr. Sanjay Bholashanker Agrawal**, (*Chief Executive Officer*)

Mr. Sanjay Bholashanker Agrawal, aged 51 Years, is the Chief Executive Officer of our Company. He is Plastic Engineer. He is associated with M/s, Ahimsa Industries Limited from 1996, in total he has 25 years of experience in plastic field. He had worked with leading National companies engaged in manufacturing of housewares products, Engineering products & Injection molding Machineries. Also he has wide experience in International marketing & sales and has extensively travelled to foreign Countries. Since he was appointed as CEO w.e.f. June 24, 2015, therefore no Gross Compensation was paid to him during Fiscal Year 2014-2015.

### **Mr. Shrenikbhai Madhukarbhai Khatwal** (*Chief Financial Officer*)

Mr. Shrenikbhai Madhukarbhai Khatwal, aged 50 years, is Chief Financial Officer of our Company. He is Bachelor of Commerce from Gujarat University, Gujarat. He worked with Ashwin Textile Mill (Manufacturing Company) as excise clerk from 1986 to 1991, there after he worked in a SDC Polyurethane Private Limited a Manufacturing Company as a senior Accountant from 1991 to 2006. From 2006 onwards he is working with Ahimsa Industries Limited. The Gross Compensation paid to him during Fiscal Year 2014-2015 was Rs. 89,054 as CFO.

### **Ms. Gajara Jagirambhai Joshi** (*Company Secretary & Compliance Officer*)

Ms. Gajara Jagirambhai Joshi, aged 25 Years, is the Company Secretary of our Company. She is Bachelor of Commerce, qualified Company Secretary and L.L.B. from Gujarat University. She worked with Kadambari M. Dave, CS, Practicing Company Secretary for 15 months as CS Management Trainee before joining our Company. The Gross Compensation paid to her during Fiscal Year 2014-2015 was Rs. 48,300 as Company Secretary.

## RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Apart from Mr. Ashutosh Damubhai Gandhi and Mrs. Sneha Ashutosh Gandhi who are related to each other as husband and wife, there is no family relationship between the Key Managerial Personnel of our Company.

## FAMILY RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL PERSONNEL

Apart from Mr. Ashutosh Damubhai Gandhi and Mrs. Sneha Ashutosh Gandhi who are related to each other as husband and wife, there is no family relationship between the key managerial personnel and Director of our Company. All of Key Managerial Personnel are permanent employee of our company

### ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

None of our Directors has been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

### SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Mr. Ashutosh Damubhai Gandhi holds 20,10,000 Equity shares, Mrs. Sneha Ashutosh Gandhi holds 15,73,950 Equity Shares, Mr. Shrenikbhai Madhukarbhai Khatwala holds 6 Equity Shares and Mr. Sanjay Bholashanker Agrawal holds 6 Equity Shares of our Company as on the date of this prospectus.

### BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

### LOANS TO KEY MANAGERIAL PERSONNEL

No loans and advances given to the Key Managerial Personnel as on the date of Prospectus.

### INTEREST OF KEY MANAGERIAL PERSONNEL

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any.

Except as disclosed in this Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

### CHANGES IN KEY MANAGERIAL PERSONNEL DURING LAST THREE (3) YEARS

The changes in the key managerial personnel in the last three years are as follows:

Name of Managerial Personnel	Designation	Date of Event	Reason
Ashutosh Damubhai Gandhi	Managing Director	December 18, 2014	Change in Designation
Sneha Ashotosh Gandhi	Whole-time Director	December 18, 2014	Change in Designation
Shrenikbhai Madhukarbhai Khatwala	Chief Financial Officer	January 16, 2015	Appointment
Gajara Jagirambhai Joshi	Company Secretary	January 16, 2015	Appointment
Sanjay Bholashanker Agrawal	Chief Executive Officer	June 24, 2015	Appointment

Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

### ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ESPS Scheme for employees.

### PAYMENT OR BENEFIT TO OUR OFFICERS

Except as disclosed in the heading titled “Related Party Disclosure” in the section titled “Financial Statements” beginning on page 136 of this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.



## OUR PROMOTERS AND PROMOTER GROUP

### OUR INDIVIDUAL PROMOTERS

#### 1. Mr. Ashutosh Damubhai Gandhi

### DETAILS OF OUR INDIVIDUAL PROMOTERS



**Mr. Ashutosh Damubhai Gandhi**, aged 49 years, is the Promoter and Managing Director of our Company. He is a highly qualified and dynamic personality who is helping the Company to achieve new heights in business. He is a Plastic Engineer (With In-Plant Training) from Technical Examinations Board, Gujarat State, Ahmedabad. From 1988-1989 he worked with Jyoti Plastic Industries at Vatva. Thereafter till year 1990 he worked with SDC Polyurethane Private Limited as a Design Engineer and as a Site in-charge. After that he worked as Consultant in Overseas Project Consultancy for Polymer processing at African countries from 1990-1995. From 1996 he started his own business under the name of M/S. Ahimsa Industries Private Limited.

Particulars	Details
Permanent Account Number	AANPG2755K
Passport No.	Z2782050
Bank Account Details	HDFC Bank Limited A/C No. 00691000003369 Address: Shivalik Arcade, 100 ft. Road, Prahlad Nagar, Ahmedabad-380015, Gujarat.
	HDFC Bank Limited A/C No. 01181000031918 Address: 101/102 Samyak Darshan Building, Tilk Road & Vallabh Baug Junction, Ghatkopar-East, Mumbai-400077, Maharashtra.

### OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1)(zb) of SEBI (ICDR) Regulations includes the following persons:

#### a) Individual Promoter

The natural persons who are part of our Promoter Group (due to the relationship with our Promoter), other than the Promoter named above are as follows:

Sr. No.	Relationship	Mr. Ashutosh Damubhai Gandhi
1.	Father	Mr. Damubhai Gandhi
2.	Mother	Mrs. Vinaben Gandhi
3.	Spouse	Mrs. Sneha Ashutosh Gandhi

4.	Brother	Late Nikhil Damubhai Gandhi Mr. Sanjaybhai Damubhai Gandhi
5.	Sister	-
6.	Children	Ms. Saloni Ashutosh Gandhi
7.	Spouse Father	Mr. Kiritdev Trivedi
8.	Spouse Mother	Mrs. Ushaben Trivedi
9.	Spouse Brother	Mr. Kalpesh Trivedi
10.	Spouse Sister	Mrs. Shilpa Jain

**b) Companies and proprietorship firms forming part of our Promoter Group are as follows:**

Relationship with promoter	Promoters
	Mr. Ashutosh Damubhai Gandhi
Any company in which 10% or more of the 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	General Additives Private Limited
Any company in which a company (mentioned above) holds 10% of the total holding	NIL
Any HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10% of the total holding	Ashutosh D Gandhi HUF

**OTHER UNDERTAKINGS AND CONFIRMATIONS**

Our Company undertakes that the details of Permanent Account Number, Bank Account Number and Passport Number of the Promoters will be submitted to the NSE Emerge Platform, where the securities of our Company are proposed to be listed at the time of submission of Prospectus.

**COMMON PURSUITS OF OUR PROMOTERS**

None of the Promoter Group Company/Firm/HUF is having business objects similar to our business as mentioned in the Chapter “Our Group Entities” beginning on page 131 of this Prospectus.



## **INTEREST OF THE PROMOTER**

### ***Interest in the promotion of Our Company***

Our promoter is Mr. Ashutosh Damubhai Gandhi. Our Promoter may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by him as well as their relatives and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, Our Promoter may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which his interested as a director, member or partner.

### ***Interest in the property of Our Company***

Our Promoter does not have any interest in any property acquired by Our Company in last two years or proposed to be acquired by our Company.

### ***Interest as Member of our Company***

As on the date of this Prospectus, our Promoter holds 20,10,000 Equity Shares of our Company and is therefore interested to the extent of his shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoter in our Company our Promoter does not hold any other interest in our Company.

### ***Payment Amounts or Benefit to Our Promoters during the Last Two Years***

No payment has been made or benefit given to our Promoter in the two years preceding the date of this Prospectus except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Statements' and 'Capital Structure' on page 116,136 and 54 respectively of this Prospectus. Further as on the date of this Prospectus, there is no bonus or profit sharing plan for our Promoters.

## **CONFIRMATIONS**

For details on litigations and disputes pending against the Promoter and defaults made by them including violations of securities laws, please refer to the section titled "Outstanding Litigation and Material Developments" on page 181 of this Prospectus. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority.

## **RELATED PARTY TRANSACTIONS**

Except as disclosed in the "Related Party Transactions" beginning on page 134 of this Prospectus, our Company has not entered into any related party transactions with our Promoters.

## OUR GROUP ENTITIES

Below mention are the details of Companies / entities promoted by the Promoters of our Company. No equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

### A. Our Group Entities includes:

1. General Additives Private Limited

### B. Other Group Entities include

1. Ashutosh D Gandhi HUF

The details of Our Group Entities are provided below:

#### 1. General Additives Private Limited

##### Corporate Information

General Additives Private Limited was incorporated December 8, 1983 under the provisions of Companies Act, 1956. The Corporate Identification Number of the Company is U24110MH1983PTC031524. The Registered Office of the Company is situated at E 124 Ansa IND Estate, Saki Vihar Road, Sakinaka, Mumbai, Maharashtra-400072, India. The Company is carrying on the business to blending compounding, manufacturing, processing and trading of Natural & Synthetic Flavoring Essence, Perfumery Compounds, Essential Oils & Aromatic Chemicals.

##### Board of Directors

The Directors of General Additives Private Limited as on the date of this Prospectus are as follows:

Name	Designation
Mr. Ashutosh Damubhai Gandhi	Director
Mrs. Sneha Ashutosh Gandhi	Director
Mr. Jaikrishan Prithvinath Wanchoo	Director
Mr. Mihir Jaikrishan Wanchoo	Director

##### Financial Information

(In Rs.)

Particulars	March 31, 2014	March 31, 2013	March 31, 2012
Equity Capital	15,00,000	15,00,000	15,00,000
Share Application Money	NIL	NIL	NIL
Reserve (Excluding Revaluation Reserve)	15,78,161	19,25,479	18,04,686
Total Income	88,70,046	1,06,10,105	99,20,014



Particulars	March 31, 2014	March 31, 2013	March 31, 2012
Profit after Tax	(3,47,318)	1,21,263	1,30,286
Earnings Per Share (Basic) (Rs.)	(23.15)	8.08	8.69
Earnings Per Share (Diluted) (Rs.)	(23.15)	8.08	8.69
Net worth	30,78,161	34,25,479	33,04,686
Net Asset Value per Share of face value Rs. 100/- (Rs.)	205.21	228.37	220.31

#### Other Group Entities:

##### 1. Ashutosh D Gandhi HUF

Ashutosh D Gandhi HUF was created on June 09, 2000. The Permanent Account Number (PAN) of Ashutosh D Gandhi HUF is AACHG4556P. The HUF derives income from Agricultural and Horticulture business.

Financial Performance of the firm for last three years as mentioned below (In Rs.)

Year	Income*	Expense	Profit/Loss	Tax
2014-2015	3,75,934	-	3,75,934	-
2013-2014	4,09,439	-	4,09,439	-
2012-2013	2,85,455	-	2,85,455	-
2011-2012	3,13,625	-	3,13,625	-

\*Major income is exempt/tax free as it is Agriculture and Horticulture business

#### CONFIRMATION

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Group Entities has a negative net worth as on the date of this Prospectus.

#### INTERESTS OF OUR GROUP COMPANIES

None of our Group Companies are interested in the promotion of our Company except as disclosed in the section titled "Financial Statements" beginning on page 136 of the Prospectus and to the extent of their shareholding in our Company. Our Group Companies do not have any other interest in our Company, including in relation to property or land acquired by our Company.

#### SICK COMPANIES / WINDING UP

No Promoter Group Entities listed above have been declared as a sick company under the Sick Industrial Companies (Special Provisions) Act, 1985. There is no winding up proceedings against any of the Promoter Group Entities. None of the Group Entities has a negative net worth as on the date of this Prospectus.

## **LITIGATION**

For details on litigations and disputes pending against the Promoters and Promoter Group entities and defaults made by them, please refer to the chapter titled, 'Outstanding Litigations and Material Developments' beginning on page 181 of this Prospectus.

## **DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS**

Our Promoter has not disassociated himself from any of the companies/partnership firms during preceding three years.

## **SALES/PURCHASES BETWEEN OUR COMPANY AND GROUP ENTITIES**

There have been no sales/purchases between our Company and Group Entities during the financial year 2014-15. For further details please refer to chapter titled 'Related Party Transactions' beginning on page 134 of this Prospectus.

## **COMMON PURSUITS**

None of our Group Entities have objects similar to that of our Company's business.



## **RELATED PARTY TRANSACTIONS**

Our Company has entered into rent agreement dated March 11, 2015 with our Managing Director, Mr. Ashutosh Damubhai Gandhi and our Whole-Time Director, Mrs. Sneha Ashutosh Gandhi for using their premises situated at Flat No. 701, Krishna Kunj, Udichi Co. Op. Hsg. Soc. Ltd., Thanawala Lane, Off. V. S. Khandekar Road, Vile Parle (E), Mumbai-400057, for the purpose of stay and residence of employee and guest of our company. For details please refer chapter titled “Our Business” beginning on page 95 this Prospectus.

For further details on Related Party Transactions of our Company, please refer to Annexure XIII of restated financial statement under the section titled, ‘*Financial Statements*’ beginning on page 136 this Prospectus.

## DIVIDEND POLICY

Under the Companies Act, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous Years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.

We have declared dividend in the Financial Year 2009-10. The details of which are given below:

Description	Financial Year 2009-10
Face value of Equity Shares (Rs.)	10
Dividend (Rs.)	9,12,000
Dividend Tax (Rs.)	1,54,995
Dividend per Equity Share (Rs.)	5
Dividend rate (%)	50





## SECTION V – FINANCIAL INFORMATION

### STAND ALONE FINANCIAL INFORMATION, AS RESTATED IN RELATION TO PROSPECTUS

#### Auditor's Report

To,  
The Board of Directors  
**AHIMSA INDUSTRIES LTD.**  
**102, Iscon Elegance, Nr. Shapath -5, Prahladnagar Junction,**  
**S. G. Highway, Ahmedabad- 380051**

Dear Sirs,

#### Re.: Public Issue of Equity Shares of Ahimsa Industries Ltd

1. We have examined the Restated Financial information of **Ahimsa Industries Ltd**, annexed to this report for the purpose of inclusion in the offer document, signed by us for identification, in terms of our engagement agreed upon with you in accordance with our engagement letter dated July 03, 2015 in connection with the proposed issue of Equity Shares of the Company. The Restated Financial information has been approved by the Board of Directors of the Company, prepared in terms of the requirements of:
  - a) Sub- Clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act,2013 ('the Act') read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'),2014 and
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009 as amended ('the Regulations') issued by the Securities and Exchange Board of India ("SEBI") on August 26,2009, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act,1992 and related .
  - c) The Guidance Note (Revised) 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.
2. These Restated Financial information have been extracted by the Management from the financial statements for the year ended March 31<sup>st</sup> 2011, 2012, 2013, 2014, 2015. Audit for the financial year ended March 31<sup>st</sup> 2011, 2012, 2013, 2014, 2015 and was conducted by K.H. Trivedi & Co.
3. We have also examined the financial information of the Company for the year ended March 31<sup>st</sup> 2011, 2012, 2013, 2014, 2015 prepared and approved by the Board of Directors for the purpose of disclosure in the offer documents of the company mentioned in Paragraph (1) above.

The financial information for the above period was examined to the extent practicable, for the purpose of audit of financial information in accordance with the Engagement Standards issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform our audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement.

**In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and the other provisions relating to accounts of Ahimsa Industries Ltd, We, RPMD & ASSOCIATES. have 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.**

Based on the above, we report that in our opinion and according to the information and explanations' given to us, we have found the same to be correct and the same have been accordingly used in the restated financial information appropriately.

4. In accordance with the requirements of the Companies Act, 2013, the SEBI (ICDR) Regulations and terms of our engagements agreed with you, we further report that;
  - a) The Restated Summary Statement of Assets and Liabilities of the Company, including as at 31<sup>st</sup> March 2011, 2012, 2013, 2014, 2015 examined by us, as set out in ANNEXURE I to this report are after making adjustments and regrouping as in our opinion were appropriate and are subject to the Significant Accounting Policies and Notes to accounts along with adjustments on account of change in policies and restatements as appearing in ANNEXURE IV to this report.
  - b) The Restated Summary Statement of Profit or Loss of the Company for the year then ended, including for the year ended 31<sup>st</sup> March 2011, 2012, 2013, 2014, 2015 examined by us, as set out in ANNEXURE II to this report are after making adjustments and regrouping as in our opinion were appropriate and are subject to the Significant Accounting Policies and Notes to accounts along with adjustments on account of change in policies and restatements as appearing in ANNEXURE IV to this report
  - c) The Restated Summary Statement of Cash Flow of the Company for the year then ended, including for the year ended 31<sup>st</sup> March 2011, 2012, 2013, 2014, 2015 examined by us, as set out in ANNEXURE III to this report are after making adjustments and regrouping as in our opinion were appropriate and are subject to the Significant Accounting Policies and Notes to accounts along with adjustments on account of change in policies and restatements as appearing in ANNEXURE IV to this report
5. Based on above, we are of the opinion that that the restated financial information have been made after incorporating.
  - i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
  - ii) Adjustments for the material amounts in the respective financial years to which they relate.
  - iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts.
  - iv) There are no other qualifications requiring adjustments.



6. We have also examined the following other Restated financial information set out in Annexures prepared by the Management and approved by the Board of Directors relating to the Company as at and for the year ended 31<sup>st</sup> March 2011, 2012, 2013, 2014, 2015.

- i) Statement of Share Capital as appearing in **Annexure V** to this report.
- ii) Statement of Reserves and Surplus, as Restated as appearing in **Annexure VI** to this report.
- iii) Statement of Long Term Borrowings, as Restated as appearing in **Annexure VII** to this report
- iv) Statement of Short Term Borrowings as Restated as appearing in **Annexure VIII** to this report
- v) Statement of Loans and Advances, as Restated as appearing in **Annexure IX** to this report
- vi) Statement of Sundry Debtors, as Restated enclosed as **Annexure X** to this report
- vii) Statement of Contingent Liabilities, as Restated as appearing in **Annexure XI** to this report
- viii) Statement of Other Income, as Restated as appearing in **Annexure XII** to this report
- ix) Statement of Related Party Transaction included in **Annexure XIII** to this report
- x) Statement of Tax Shelter included as per **Annexure XIV** to this report
- xi) Statement of Capitalizations, as Restated as appearing in **Annexure XV** to this report
- xii) Statement of Earnings Per Share included in **Annexure XVI**.
- xiii) Statement of Accounting Ratios included in **Annexure XVII**.
- xiv) Statement of Financial indebttness is as per **Annexure XVIII**.

In our opinion the Restated financial information contained in **Annexure I to XVIII** of this report read along with the Significant Accounting Policies, Notes to accounts and adjustments on account of change in policies and restatements as appearing in **Annexure IV** to this report along with regroupings as considered appropriate, and have been prepared in accordance with sub- clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act,2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities)Rules,2014 and the Regulations issued by SEBI.

- 7. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us.
- 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 documents in connection with the proposed issue of equity shares of the Company. Our report and should not be used for any other purpose except with our consent in writing.

For **RPMD & ASSOCIATES**  
Chartered Accountants  
FRN No: **005961C**

**RAHUL JAIN**  
Partner  
M. No.:518352  
Place: Delhi  
Date: September 07, 2015

ANNEXURE – I

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED STAND ALONE

(Rs. in Lakhs)

Sr. No.	Particulars	Notes No.	As at 31st March				
			2015	2014	2013	2012	2011
<b>A.</b>	<b>Equity and Liabilities</b>						
<b>1</b>	<b>Shareholders' Funds</b>						
	Share Capital	<b>2.1</b>	395.60	63.21	63.21	52.93	52.93
	Reserves & Surplus	<b>2.2</b>	182.85	469.28	452.19	254.94	211.52
<b>2</b>	<b>Non-Current Liabilities</b>						
	Long-term borrowings	<b>2.3</b>	445.09	303.65	185.87	220.43	7.65
	Deferred Tax Liabilities (Net)	<b>2.4</b>	-	-	-	-	1.43
	Other Long Term Liabilities	<b>2.5</b>	-	-	359.40	295.99	66.46
	Long Term Provisions		-	-	-	-	-
<b>3</b>	<b>Current Liabilities</b>						
	Short Term Borrowings	<b>2.6</b>	700.71	1,027.99	615.64	94.14	8.04
	Trade Payables	<b>2.7</b>	1,340.22	132.40	47.86	34.81	-
	Other Current Liabilities	<b>2.8</b>	333.91	290.42	391.60	195.78	99.32
	Short Term Provisions	<b>2.9</b>	-	1.30	35.85	1.43	8.70
	<b>Total</b>		<b>3,398.38</b>	<b>2,288.24</b>	<b>2,151.61</b>	<b>1,150.44</b>	<b>456.05</b>
<b>B.</b>	<b>Assets</b>						
<b>4</b>	<b>Non-Current Assets</b>						
	Fixed Assets		-	-	-	-	-
	Tangible Assets	<b>2.10</b>	1,306.88	1,299.81	1,288.05	905.87	49.27
	Intangible Assets		-	-	-	-	-
	Capital Work						



	In Progress		-	-	-	-	196.62
	Non - Current Investments	<b>2.11</b>	-	-	-	-	65.03
	Deferred Tax Assets (Net)	<b>2.4</b>	31.03	36.82	25.26	20.43	-
	Long Term Loans and Advances	<b>2.12</b>	37.05	40.37	35.61	59.37	25.49
	Other Non-Current Assets	<b>2.13</b>	-	-	0.20	0.30	0.40
<b>5</b>	<b>Current Assets</b>						
	Inventories	<b>2.14</b>	355.12	454.12	517.01	66.24	23.82
	Trade Receivables	<b>2.15</b>	1,368.54	215.31	95.80	36.73	34.89
	Cash and Cash Equivalents	<b>2.16</b>	211.92	133.73	85.15	31.45	47.60
	Short-term loans and advances	<b>2.17</b>	62.95	94.57	89.74	25.25	12.93
	Other Current Assets	<b>2.18</b>	24.89	13.50	14.80	4.81	-
	<b>Total</b>		<b>3,398.38</b>	<b>2,288.24</b>	<b>2,151.61</b>	<b>1,150.44</b>	<b>456.05</b>

ANNEXURE – II

STATEMENT OF PROFIT AND LOSS AS RESTATED STAND ALONE

(Rs. in Lakhs)

Sr. No.	Particulars	Notes No.	For the Year Ended 31st March				
			2015	2014	2013	2012	2011
<b>A.</b>	<b>Revenue:</b>						
	Revenue from Operations	<b>2.19</b>	3,206.56	2,138.25	1,467.91	673.93	724.34
	Other income	<b>2.20</b>	70.10	38.56	38.02	17.97	27.07
	<b>Total revenue</b>		<b>3,276.67</b>	<b>2,176.80</b>	<b>1,505.93</b>	<b>691.90</b>	<b>751.41</b>
<b>B.</b>	<b>Expenses:</b>						
	Cost of material Consumed	<b>2.21</b>	1,296.14	1,374.73	785.73	99.54	-
	Purchase of stock-in-trade	<b>2.21</b>	1,309.87	92.21	553.01	464.21	521.77
	Changes in inventories of Finished goods, work-in-progress	<b>2.22</b>	16.35	142.90	(381.98)	(31.44)	48.79
	Employee benefit expenses	<b>2.23</b>	85.41	51.50	51.16	34.61	33.51
	Finance costs	<b>2.24</b>	135.94	100.29	53.74	10.94	4.49
	Depreciation and amortization expense	<b>2.10</b>	226.32	168.98	105.37	32.63	14.28
	Other expenses	<b>2.25</b>	281.36	239.38	159.75	73.47	103.20
	<b>Total Expenses</b>		<b>3,351.40</b>	<b>2,169.99</b>	<b>1,326.78</b>	<b>683.97</b>	<b>726.04</b>
	<b>Profit/(loss) before tax</b>		<b>(74.73)</b>	<b>6.81</b>	<b>179.15</b>	<b>7.93</b>	<b>25.37</b>
	<b>Tax expense :</b>						
	Current tax		-	(1.30)	(35.85)	(1.43)	(8.70)
	Prior Period Taxes		0.00	0.01	(0.21)	0.05	(0.00)



Deferred Tax		(5.79)	11.56	4.82	21.87	(1.07)
Fringe Benefit Tax		-	-	-	-	-
<b>Profit/(loss) For the year</b>		<b>(80.52)</b>	<b>17.08</b>	<b>147.91</b>	<b>28.42</b>	<b>15.60</b>
<b>Earning per equity share in Rs.:</b>						
(1) Basic		(2.04)	0.54	5.27	1.07	1.05
(2) Diluted		(2.04)	0.54	5.27	1.07	1.05

**ANNEXURE – III**
**STATEMENT OF CASH FLOW FROM RESTATED FINANCIAL STATEMENTS STAND ALONE**
**(Rs. in Lakhs)**

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Profit/ (Loss) before tax</b>	<b>(74.73)</b>	<b>6.81</b>	<b>179.15</b>	<b>7.93</b>	<b>25.37</b>
Adjustments for:					
Depreciation and amortization expenses	226.32	168.98	105.37	32.63	14.28
Interest Expense	135.94	100.29	53.74	10.94	4.49
Fixed Asset Written Off	-	-	-	-	-
Interest Received	(14.52)	(7.80)	(2.75)	(1.01)	(0.48)
Capital gain on securities	-	-	-	(0.10)	(3.49)
Dividend Income	-	-	-	(0.04)	(0.57)
Loss on sale of fixed assets					0.25
Rent Received	(3.85)	(3.50)	(3.18)	-	-
<b>Operating profit before working capital changes</b>	<b>269.16</b>	<b>264.78</b>	<b>332.33</b>	<b>50.36</b>	<b>39.85</b>
Movements in working capital :					
(Increase)/ Decrease in Inventories	99.01	62.89	(450.78)	(42.41)	48.79
(Increase)/Decrease in Trade Receivables	(1,153.23)	(119.51)	(59.08)	(1.84)	(5.90)
(Increase)/Decrease in Other Receivables	20.22	(3.52)	(74.49)	(17.13)	3.76
(Increase)/Decrease in Long Term Loans & Advances	3.32	(4.77)	23.77	(33.88)	-
Increase(Decrease) in Trade Payables and Other Liabilities	1,250.02	(51.19)	243.28	124.00	47.94
Increase(Decrease) in Payables for Capital Assets	-	(359.40)	63.41	229.53	(3.77)
<b>Cash generated from operations</b>	<b>488.50</b>	<b>(210.72)</b>	<b>78.45</b>	<b>308.63</b>	<b>130.68</b>
Income tax Refund/ (paid) during the year	0.00	(1.29)	(36.06)	(1.38)	(8.70)
<b>Net cash from operating activities (A)</b>	<b>488.50</b>	<b>(212.01)</b>	<b>42.39</b>	<b>307.25</b>	<b>121.97</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed assets (including capital advances)	(238.16)	(180.54)	(487.49)	(692.52)	(220.82)
( Purchase)/Redemption of Current Investment	-	-	-	65.03	(33.94)



Sale of Fixed Assets	3.76	-	0.04	-	11.00
Subsidy Received				15.00	
Interest Received	14.52	7.80	2.75	1.01	0.48
Capital gain on securities	-	-	-	0.10	3.49
Dividend Income	-	-	-	0.04	0.57
Rent Received	3.85	3.50	3.18	-	-
<b>Net cash from investing activities (B)</b>	<b>(216.03)</b>	<b>(169.24)</b>	<b>(481.52)</b>	<b>(611.34)</b>	<b>(239.22)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from issue of share capital including Premium	127.49	-	59.62	-	129.25
Interest paid on borrowings	(135.94)	(100.29)	(53.74)	(10.94)	(4.49)
Proceeds of Short Term Loans	(327.28)	412.35	521.50	86.10	8.04
Proceeds of Long Term Loans	141.44	117.78	-	212.78	-
Repayment of Short Term Borrowing	-	-	-	-	(2.18)
Repayment of Long Term Borrowing	-	-	(34.55)	-	(5.63)
<b>Net cash from financing activities (C)</b>	<b>(194.28)</b>	<b>429.83</b>	<b>492.82</b>	<b>287.94</b>	<b>124.99</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>78.19</b>	<b>48.58</b>	<b>53.70</b>	<b>(16.15)</b>	<b>7.74</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>133.73</b>	<b>85.15</b>	<b>31.45</b>	<b>47.60</b>	<b>39.85</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>211.92</b>	<b>133.73</b>	<b>85.15</b>	<b>31.45</b>	<b>47.60</b>

## ANNEXURE – IV

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### 1. Significant Accounting Policies:

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards notified under relevant provisions of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. The significant accounting policies are as follows:

#### A. Recognition Of Income And Expenditure:

Revenues/Income and costs/expenditure are generally accounted on accrual base as they are earned or incurred. The Financial Statements are presented in Indian Rupees and rounded off to the nearest rupees.

##### 1. General

Unless otherwise stated hereunder the financial accounts have been drawn up on historical cost convention.

##### 2. Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation.

The cost of Fixed Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use and adjustments arising from exchange rate variations attributable to the assets.

##### 3. Method Of Depreciation.

Depreciation is provided using the written down value method and based on useful life of the assets as prescribed in the Schedule II of the Companies Act, 2013.

Depreciation on addition during the year is provided on the pro-rata basis from the date of addition/deduction.

For Addition of Fixed Assets, Next Month 1st Day have been considered for Depreciation Calculation purpose.

##### 4. Valuation of Inventories

Raw materials, stores and Spares are valued at cost and net of credits under scheme under CENVAT Rules and VAT Rules. Finished Goods and Trade Goods are valued at Cost or Market Value/Contract Price whichever is lower.

##### 5. Gratuity:

The company has created a gratuity fund under The Income Tax Act, 1961 and Trust has taken a policy with Life Insurance Corporation of India.

##### 6. Foreign Currencies.

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Any income or expense on account of exchange difference either on settlement or on transaction is recognized in the Profit and Loss Statement, except in case of long term liabilities, where they relate to acquisition of Fixed Assets, in which case they are adjusted to the carrying cost of such assets.



**NOTES TO RESTATED FINANCIAL STATEMENTS**

**Note 2.1: Share Capital**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b>Authorized:</b>					
Equity Shares of Rs. 10 Each	750.00	200.00	200.00	200.00	200.00
<b>Issued</b>					
Equity Shares of Rs. 10 Each	395.60	63.21	63.21	52.93	52.93
<b>Subscribed and Paid Up</b>					
Equity Shares of Rs. 10 Each	395.60	63.21	63.21	52.93	52.93
<b>Grand Total</b>	<b>395.60</b>	<b>63.21</b>	<b>63.21</b>	<b>52.93</b>	<b>52.93</b>

The above capital includes 31,60,450 equity shares of Rs. 10 each issued as fully paid up bonus shares by capitalisation of reserves in the year 2014-15.

**Note 2.2: Reserves and Surplus**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b>Securities Premium Account</b>					
Balance as at the beginning of the year	144.40	144.40	95.06	95.06	95.06
Add: Securities Premium received during the year	111.15	-	49.34	-	-
Less: Used for issue of bonus shares	(144.40)				
Balance as at the end of the year	<b>111.15</b>	<b>144.40</b>	<b>144.40</b>	<b>95.06</b>	<b>95.06</b>
<b>Capital Reserve - Subsidy Central - CLCSS</b>					
Balance as at the beginning of the year	15.00	15.00	15.00	-	-
Add: Received During the year	-	-	-	15.00	-
Balance as at the end of the year	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>	-
<b>Balance in Statement of Profit &amp; Loss</b>					
Balance as at the beginning of the year	309.87	292.79	144.88	116.46	100.86
Add: Profit for the year	(80.52)	17.08	147.90	28.42	15.60
Less: Utilised for issue of bonus shares	(171.65)	-	-	-	-
Less: pursuant to change in depreciation rate	(1.01)				
Balance as at the end of the year	<b>56.70</b>	<b>309.87</b>	<b>292.79</b>	<b>144.88</b>	<b>116.46</b>
<b>Grand Total</b>	<b>182.85</b>	<b>469.28</b>	<b>452.19</b>	<b>254.94</b>	<b>211.52</b>

**Note 2.3: Long Term Borrowings**
**(Rs. in Lakhs)**

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b>Secured:</b>					
<b>Term Loan</b>					
<i>Corporation Bank</i>					
- Term Loan No.110006	125.05	184.41	179.37	214.18	125.05
- Term Loan No 130001	218.84	19.41			
- Term Loan No 140004	101.20				
<b>Vehicle Loan</b>					
<i>HDFC Bank Ltd.</i>	-	-	-	-	7.15
<b>Unsecured:</b>					
<i>Loans &amp; Advances from Related parties</i>					
Ashutosh D. Gandhi	-	8.83	-	1.50	-
Ashutosh D. Gandhi HUF	-	8.00	-	4.05	-
Saloni A Gandhi	-	11.50	-	0.70	-
<i>Loans &amp; Advances from other than Related parties</i>					
Salim Shabudin Lakhani	-	71.50	-	-	-
Rajiv Ram Prakash	-	-	3.50	-	-
Rupa Agarwal	-	-	3.00	-	-
<b>Grand Total</b>	<b>445.09</b>	<b>303.65</b>	<b>185.87</b>	<b>220.43</b>	<b>7.15</b>

**Note 2.4: Deferred Tax Assets/(Liabilities) (Net)**
**(Rs. in Lakhs)**

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b>Deferred Tax Assets</b>					
Related to Fixed Assets	31.03	36.82	25.26	20.43	-
<i>Total (a)</i>	31.03	36.82	25.26	20.43	-
<b>Deferred Tax Liability</b>					
Related to Fixed Assets	-	-	-	-	1.43
<i>Total (b)</i>	-	-	-	-	1.43
<b>Net deferred tax asset/(liability)-{(a)-(b)}</b>	<b>31.03</b>	<b>36.82</b>	<b>25.26</b>	<b>20.43</b>	<b>1.43</b>



**Note 2.5: Other Long-Term Liabilities**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
Creditors for Capital Goods	-	-	359.40	295.99	66.46
	-	-	<b>359.40</b>	<b>295.99</b>	<b>66.46</b>

**Note 2.6: Short Term Borrowings**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b><u>Secured Loan</u></b>					
Loans Repayable on Demand From Banks	-	-	-	-	-
- PCFC from Banks	139.69	110.53	108.27	54.81	8.04
- Cash Credit Limits from Banks	399.52	373.81	192.51	0.05	-
- Buyer's Credit Limits	-	543.65	303.81	39.28	
- OD Limits from banks	161.50				
From LIC – Secured (Keyman Policy)	-	-	11.05	-	-
<b><u>Unsecured Loan</u></b>					
- Loan From Related Parties	-	-	-	-	
- Loan From Other than Related Parties	-	-	-	-	-
<b>Grand Total</b>	<b>700.71</b>	<b>1,027.99</b>	<b>615.64</b>	<b>94.14</b>	<b>8.04</b>

**Note 2.7: Trade Payables**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
Micro, small and medium enterprises	-	-	-	-	-
Others	1,340.22	132.40	47.86	34.81	-
<b>Grand Total</b>	<b>1,340.22</b>	<b>132.40</b>	<b>47.86</b>	<b>34.81</b>	<b>-</b>

**Note 2.8: Other Current Liabilities**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
Current Maturities of Long Term borrowings	207.75	101.28	55.00	47.85	6.61
Deposits- Rent	1.00	1.00	1.00	1.00	-
Expenses Payable	0.03	10.55	29.66	4.38	0.28
Statutory remittances	18.17	0.09	0.77	0.01	-
CST Deposit against C Form	5.45	3.34	-	-	-
Advance received from customer	101.51	174.16	305.17	142.54	92.43
<b>Grand Total</b>	<b>333.91</b>	<b>290.42</b>	<b>391.60</b>	<b>195.78</b>	<b>99.32</b>

**Note 2.9: Short Term Provisions**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
Provision for Income Tax	-	1.30	35.85	1.43	8.70
Provision for Expenses	-	-	-	-	-
<b>Grand Total</b>	<b>-</b>	<b>1.30</b>	<b>35.85</b>	<b>1.43</b>	<b>8.70</b>

**Note 2.10: Fixed Assets**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b>Tangible Assets</b>					
<b>Land</b>					
Gross Block	127.03	127.03	127.03	-	-
Addition/Sold	-	-	-	127.03	-
Less: Accumulated Depreciation	-	-	-	-	-
Net Block	<b>127.03</b>	<b>127.03</b>	<b>127.03</b>	<b>127.03</b>	-
<b>Buildings</b>					
Gross Block	204.15	175.74	172.59	-	-
Addition/Sold	-	28.42	3.15	172.59	-
Less: Accumulated Depreciation	52.81	36.97	20.91	3.93	-
Net Block	<b>151.34</b>	<b>167.18</b>	<b>154.83</b>	<b>168.66</b>	-

<b>Office Sakar v</b>					
Gross Block	9.90	9.90	9.90	9.90	9.90
Addition/Sold	-	-	-	-	-
Less: Accumulated Depreciation	5.28	5.04	4.78	4.51	4.23
Net Block	<b>4.63</b>	<b>4.86</b>	<b>5.12</b>	<b>5.39</b>	<b>5.67</b>
<b>Office Iscon Elligance</b>					
Gross Block	59.83	59.83	59.83	-	-
Addition/Sold	-	-	-	59.83	-
Less: Accumulated Depreciation	8.75	6.14	3.31	0.34	-
Net Block	<b>51.08</b>	<b>53.70</b>	<b>56.52</b>	<b>59.50</b>	-
<b>Plant &amp; Machinery</b>					
Gross Block	1,098.67	960.40	496.13	-	-
Addition/Sold	222.09	138.27	464.28	496.13	-
Less: Accumulated Depreciation	403.28	219.67	85.85	16.28	-
Net Block	<b>917.48</b>	<b>879.00</b>	<b>874.55</b>	<b>479.84</b>	-
<b>Office Equipment</b>					
Gross Block	14.44	12.26	10.57	5.05	4.57
Addition/Sold	(3.62)	2.18	1.69	5.52	0.48
Less: Accumulated Depreciation	7.31	5.28	4.00	2.71	2.18
Net Block	<b>3.51</b>	<b>9.16</b>	<b>8.26</b>	<b>7.86</b>	<b>2.87</b>
<b>Motor Vehicle</b>					
Gross Block	80.84	69.49	56.81	56.32	46.50
Addition/Sold	(12.79)	11.34	12.68	0.49	9.82
Less: Accumulated Depreciation	45.18	44.70	35.61	27.25	17.02
Net Block	<b>22.86</b>	<b>36.13</b>	<b>33.88</b>	<b>29.55</b>	<b>39.30</b>
<b>Furniture &amp; Fixtures</b>					
Gross Block	36.86	36.79	32.85	5.53	5.53
Addition/Sold	15.19	0.07	3.95	27.32	-
Less: Accumulated Depreciation	23.79	15.42	10.69	5.33	4.71
Net Block	<b>28.27</b>	<b>21.44</b>	<b>26.10</b>	<b>27.52</b>	<b>0.82</b>
<b>Computer &amp; Accessories</b>					
Gross Block	8.32	8.05	6.35	6.12	5.97

Addition/Sold	(5.63)	0.27	1.70	0.23	0.15
Less: Accumulated Depreciation	2.02	7.01	6.30	5.83	5.52
Net Block	<b>0.67</b>	<b>1.31</b>	<b>1.76</b>	<b>0.52</b>	<b>0.61</b>
<b>Total Tangible Assets</b>	<b>1,306.88</b>	<b>1,299.81</b>	<b>1,288.05</b>	<b>905.87</b>	<b>49.27</b>

**Note 2.11: Non-Current Investments**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
DSPBR Money Manager Fund	-	-	-	-	65.00
HDFC AMC Ltd Rep	-	-	-	-	0.03
<b>Grand Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65.03</b>

**Note 2.12: Long Term Loans and Advances**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
(Unsecured and considered good, unless otherwise stated)					
Capital Advances	-	-	-	-	-
Security deposits	19.90	18.14	12.89	13.43	0.47
Loans and Advances to Related Parties	-	-	-	-	-
Advance recoverable in cash or in kind	-	5.09	5.29	28.71	22.78
Balances with Government Authorities					
- Income Tax Refund	2.15	2.15	2.15	1.96	1.96
- ROC Refund			0.28	0.28	0.28
Central Subsidy - CLSS	15.00	15.00	15.00	15.00	-
<b>Grand Total</b>	<b>37.05</b>	<b>40.37</b>	<b>35.61</b>	<b>59.37</b>	<b>25.49</b>



**Note 2.13: Other Non Current Assets**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
Preliminary Expenses Not Written Off	-	-	0.20	0.30	0.40
<b>Grand Total</b>	<b>-</b>	<b>-</b>	<b>0.20</b>	<b>0.30</b>	<b>0.40</b>

**Note 2.14: Inventories**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
(at cost or net realisable value, whichever is lower)					
Raw material	77.11	140.09	79.77	10.97	-
Work-in-progress	-	-	-	-	-
Finished goods	139.35	293.80	204.97	50.74	-
Traded Goods	58.19	0.56	-	4.52	23.82
Goods in Transit	80.46	-	232.27		
Goods in Transit (FG)	-	19.68	-		
<b>Grand Total</b>	<b>355.12</b>	<b>454.12</b>	<b>517.01</b>	<b>66.24</b>	<b>23.82</b>

**Note 2.15: Trade Receivables**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
(Unsecured and considered good, unless otherwise stated)					
Outstanding for a period less than six months from the date they are due for payment	1,321.32	131.90	95.80	36.73	34.89
Outstanding for a period exceeding six months from the date they are due for payment	25.96	83.41	-	-	-
(Unsecured and considered doubtful)					
Outstanding for a period less than six months from the date they are due for payment	21.26				
<b>Grand Total</b>	<b>1,368.54</b>	<b>215.31</b>	<b>95.80</b>	<b>36.73</b>	<b>34.89</b>

**Note 2.16: Cash and Cash Equivalents**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
Cash on hand	36.46	4.42	33.16	6.80	0.55
Balances with banks:					
-in current accounts	133.66	3.63	1.63	24.58	2.73
-HDFC Demat A/c	-	-	-	-	0.13
-HDFC EEFC USD A/c					44.12
-HDFC EPC A/c				0.01	
-SBI Drawback Current A/c	0.00	0.00	0.00	0.07	0.08
-Corporation Bank FRD A/c		18.35	17.25		
Other bank balances:					
Fixed Deposits with Banks	41.80	107.33	33.10	-	-
<b>Grand Total</b>	<b>211.92</b>	<b>133.73</b>	<b>85.15</b>	<b>31.45</b>	<b>47.60</b>

**Note 2.17: Short Term Loans and Advances**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
(Unsecured and considered good, unless otherwise stated)					
Loans and Advances to Related Parties	-	-	-	-	-
Loans and Advances to Other than Related Parties					
- Mukesh Pragjibhai Talaviya	-	-	-	4.09	4.09
- Navnath Fadakle				0.05	
Balances with Revenue Authorities					
- Income Tax	15.18	11.87	25.61	1.78	8.22
- VAT Input Credit	0.73	7.47	17.43	5.03	0.63
- Cenvat Credit	23.34	45.90	25.74	9.34	
- Service Tax	0.00	0.40	0.02	4.96	
Advance to suppliers	19.33	27.53	17.63	-	-
Prepaid expenses					



	4.13	1.39	3.33	-	-
Others	0.24	-	-	-	-
<b>Grand Total</b>	<b>62.95</b>	<b>94.57</b>	<b>89.74</b>	<b>25.25</b>	<b>12.93</b>

**Note 2.18: Other Current assets**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b>Unsecured:</b>					
Interest accrued on Subsidy & others	13.30	7.09	11.82	4.39	-
Interest Accrued on FDR	8.59	5.56	2.02		
Interest accrued on others	1.03	0.85	0.95	0.41	
Others	1.97				
<b>Grand Total</b>	<b>24.89</b>	<b>13.50</b>	<b>14.80</b>	<b>4.81</b>	<b>-</b>

**Note 2.19: Revenue from Operations**

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March				
	2015	2014	2013	2012	2011
Export Sales	511.21	580.69	675.15	600.85	721.61
Domestic Sales	2,679.47	1,549.93	790.38	67.07	1.05
Sale of DEPB License	-	-	1.49	3.99	-
Other Operating Revenues					
-Duty Drawback	0.21	7.63	0.89	2.02	1.68
-Job Work	15.67	-	-		
<b>Revenue from operations (gross)</b>	<b>3,206.56</b>	<b>2,138.25</b>	<b>1,467.91</b>	<b>673.93</b>	<b>724.34</b>

**Note 2.20: Other Income**

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March				
	2015	2014	2013	2012	2011
Interest Income	10.48	7.80	2.75	1.01	0.48
Subsidy on Term Loan Interest	13.30	13.15	11.82	-	-
Rent of Sakar Office	3.85	3.50	3.18	-	-
Net Foreign Exchange Gain					

	5.76	9.22	20.23	14.12	21.83
Dividend Income	-	-	-	0.04	0.57
Net Gain/Loss on Sale of Investments/Property	-	-	-	0.10	3.49
Commission on Agency Sales	-	-	-	0.65	0.29
Credit Balances W/off	30.85	4.64	-	-	-
Other Non Operating Income	5.86	0.25	0.03	2.05	0.40
<b>Grand Total</b>	<b>70.10</b>	<b>38.56</b>	<b>38.02</b>	<b>17.97</b>	<b>27.07</b>

**Note 2.21: Cost of Materials Consumed**

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March				
	2015	2014	2013	2012	2011
<b><u>Manufacturing Goods</u></b>					
Raw material consumed					
Inventory at the beginning of the year	159.77	79.77	10.97	-	-
Add: Purchase	1,213.49	1,454.73	854.53	110.51	-
	<b>1,373.26</b>	<b>1,534.50</b>	<b>865.50</b>	<b>110.51</b>	-
Less: inventory at the end of the year	77.11	159.77	79.77	10.97	-
<b>Grand Total</b>	<b>1,296.14</b>	<b>1,374.73</b>	<b>785.73</b>	<b>99.54</b>	-
<b><u>Traded Goods</u></b>					
Purchases during the Year/ Period	1,309.87	92.21	553.01	464.21	521.77

**Note 2.22: Decrease in Stock**

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March				
	2015	2014	2013	2012	2011
<b>Opening Stock</b>					
Work in progress	-	-	-	-	-
Finished Goods	293.80	437.25	50.74	-	-
Traded Goods	0.56	-	4.52	23.82	72.62
<b>Closing Stock</b>					
Work in progress	-	-	-	-	-
Finished Goods	219.81	293.80	437.25	50.74	-
Traded Goods	58.19	0.56	-	4.52	23.82
<b>Grand Total</b>	<b>16.35</b>	<b>142.90</b>	<b>(381.98)</b>	<b>(31.44)</b>	<b>48.79</b>

**Note 2.23: Employee benefit expense**

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March				
	2015	2014	2013	2012	2011
Salaries, bonus and allowances	60.26	34.67	33.05	19.73	19.19
Directors Remuneration	22.83	15.44	16.63	13.96	13.28
Leave encashment	2.32	1.39	1.24	0.69	0.67
Staff & worker Welfare	-	0.00	0.24	0.23	0.37
<b>Grand Total</b>	<b>85.41</b>	<b>51.50</b>	<b>51.16</b>	<b>34.61</b>	<b>33.51</b>

**Note 2.24: Finance costs**

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March				
	2015	2014	2013	2012	2011
Interest Expenses	123.40	75.66	42.12	6.88	2.07
Other Borrowing Costs	12.44	21.86	11.59	3.19	2.32
Interest on Taxes	0.10	2.77	0.04	0.87	0.10
<b>Grand Total</b>	<b>135.94</b>	<b>100.29</b>	<b>53.74</b>	<b>10.94</b>	<b>4.49</b>

**Note 2.25: Other Expenses**

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March				
	2015	2014	2013	2012	2011
Advertisement, Sales Promotion Expenses	1.31	1.92	0.13	4.01	1.76
Audit Fees	0.50	0.50	0.50	0.50	0.20
Consumables & Stores	0.08	0.04	0.08	0.21	-
CST (VAT Reduction)	-	-	-	0.31	-
Factory Expenses	4.79	11.09	3.13	-	-
Freight & Forwarding Charges	35.40	41.95	49.20	34.06	68.13
Insurance - LIC Key Man Policy	2.41	2.41	2.41	2.41	2.41
Insurance Expenses	3.12	3.66	2.78	1.43	1.75
Job Work Charges	36.03	26.89	4.27	-	-
Legal and professional	6.05	0.60	1.96	0.91	0.17
Loss on cancellation of forward contracts					

	-	0.37	5.13	5.78	3.36
Miscellaneous Expenses	0.23	1.98	0.54	-	-
Other Admin & Misc Expenses	10.33	3.53	4.73	4.22	5.90
Packing Expenses	28.40	30.63	11.30	1.77	0.56
Power and Fuel	130.83	104.47	63.99	11.77	1.37
ROC Fees for increase in authorised capital	6.89	-	-	-	-
Prior Period Expenses	0.10	0.08	-	-	-
Rates & Taxes	1.39	1.28	1.16	-	-
Repairs and maintenance	6.79	3.12	2.06	-	-
Service Tax	0.44	0.24	0.13	1.23	-
Telephone & Postage Expenses	2.10	1.59	1.63	1.07	0.98
Travelling and conveyance	3.60	2.73	3.08	1.33	14.53
Vehicle Running & Maintenance Expenses	0.50	0.26	1.43	1.06	1.05
Website/ Search Engine Expenses	0.08	0.03	0.10	1.41	1.03
<b>Grand Total</b>	<b>281.36</b>	<b>239.38</b>	<b>159.75</b>	<b>73.47</b>	<b>103.20</b>

**DETAILS OF SHARE CAPITAL**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b>Authorized:</b>					
Equity Shares of Rs. 10 Each	750.00	200.00	200.00	200.00	200.00
<b>Issued</b>					
Equity Shares of Rs. 10 Each	395.60	63.21	63.21	52.93	52.93
<b>Subscribed and Paid Up</b>					
Equity Shares of Rs. 10 Each	395.60	63.21	63.21	52.93	52.93
<b>Grand Total</b>	<b>395.60</b>	<b>63.21</b>	<b>63.21</b>	<b>52.93</b>	<b>52.93</b>

The above capital includes 31,60,450 equity shares of Rs. 10 each issued as fully paid up bonus shares by capitalisation of reserves in the year 2014-15.

**Reconciliation of No. of Shares Outstanding at the end of the year**

Particulars	Equity Shares				
	As at 31st March				
	2015	2014	2013	2012	2011
	Number	Number	Number	Number	Number
Shares outstanding at the beginning of the year	632090	632090	529300	529300	182400
Shares Issued during the year	163450	-	102790	-	346900
Shares issued as bonus shares	3160450				
Shares bought back during the year	-	-	-	-	-
Any other movement (please specify)	-	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>3955990</b>	<b>632090</b>	<b>632090</b>	<b>529300</b>	<b>529300</b>

**Details of shareholding more than 5 % of the aggregate shares in the company**

Name of Shareholder	As at 31st March									
	2015		2014		2013		2012		2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ashutosh D. Gandhi	2010000	50.80	335000	53.00	335000	53.00	280400	52.98	280400	52.98
Sneha Gandhi	1573950	39.78	262325	41.50	262325	41.50	215600	40.73	215600	40.73
Saloni A Gandhi	208566	5.27	34762	5.50	34762	5.50	33300	6.29	33300	6.29

ANNEXURE – VI

STATEMENT OF RESERVE AND SURPLUS, AS RESTATED

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b>Securities Premium Account</b>					
Balance as at the beginning of the year	144.40	144.40	95.06	95.06	95.06
Add: Securities Premium received during the year	111.15	-	49.34	-	-
Less: Used for issue of bonus shares	(144.40)				
Balance as at the end of the year	<b>111.15</b>	<b>144.40</b>	<b>144.40</b>	<b>95.06</b>	<b>95.06</b>
<b>Capital Reserve - Subsidy Central - CLCSS</b>					
Balance as at the beginning of the year	15.00	15.00	15.00	-	-
Add: Received During the year	-	-	-	15.00	-
Balance as at the end of the year	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>	<b>-</b>
<b>Balance in Statement of Profit &amp; Loss</b>					
Balance as at the beginning of the year	309.87	292.79	144.88	116.46	100.86
Add: Profit for the year	(80.52)	17.08	147.90	28.42	15.60
Less: Utilised for issue of bonus shares	(171.65)	-	-	-	-
Less: pursuant to change in depreciation rate	(1.01)				
Balance as at the end of the year	<b>56.70</b>	<b>309.87</b>	<b>292.79</b>	<b>144.88</b>	<b>116.46</b>
<b>Grand Total</b>	<b>182.84</b>	<b>469.28</b>	<b>452.19</b>	<b>254.94</b>	<b>211.52</b>



**LONG TERM BORROWING**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b>Secured:</b>					
<b>Term Loan</b>					
<i>Corporation Bank</i>					
- Term Loan No.110006	125.05	184.41	179.37	214.18	125.05
- Term Loan No 130001	218.84	19.41			
- Term Loan No 140004	101.20				
<b>Vehicle Loan</b>					
<i>HDFC Bank Ltd.</i>	-	-	-	-	7.15
<b>Unsecured:</b>					
<i>Loans &amp; Advances from Related Parties</i>					
Ashutosh D. Gandhi	-	8.83	-	1.50	-
Ashutosh D. Gandhi HUF	-	8.00	-	4.05	-
Saloni A Gandhi	-	11.50	-	0.70	-
<i>Loans &amp; Advances from Other than Related Parties</i>					
Salim Shabudin Lakhani		71.50			
Rajiv Ram Prakash	-	-	3.50	-	-
Rupa Agarwal	-	-	3.00	-	-
<b>Grand Total</b>	<b>445.09</b>	<b>303.65</b>	<b>185.87</b>	<b>220.43</b>	<b>7.15</b>

For Security given against loans, please refer to Annexure XVIII

**ANNEXURE – VIII**

**SHORT TERM BORROWINGS**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b>Secured Loan</b>					
Loans Repayable on Demand From Bank	-	-	-	-	-
- PCFC from Bank	139.69	110.53	108.27	54.81	8.04
- Cash Credit Limits from Bank	399.52	373.81	192.51	0.05	-
- Buyer's Credit Limits	-	543.65	303.81	39.28	
- OD Limits from bank	161.50				
From LIC – Secured (Keyman Policy)	-	-	11.05	-	-
<b>Unsecured Loan</b>					
- Loan From Related Parties					

	-	-	-	-	
- Loan From Other than Related Parties	-	-	-	-	-
<b>Grand Total</b>	<b>700.71</b>	<b>1,027.99</b>	<b>615.64</b>	<b>94.14</b>	<b>8.04</b>

#### ANNEXURE – IX

#### LOANS AND ADVANCES

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
(Unsecured and considered good, unless otherwise stated)					
Capital Advances	-	-	-	-	-
Security deposits	19.90	18.14	12.89	13.43	0.47
Loans and Advances to Related Parties	-	-	-	-	-
Advance recoverable in cash or in kind	-	5.09	5.29	28.71	22.78
Balances with Government Authorities					
- Income Tax Refund	2.15	2.15	2.15	1.96	1.96
- ROC Refund			0.28	0.28	0.28
Central Subsidy – CLSS	15.00	15.00	15.00	15.00	-
<b>Grand Total</b>	<b>37.05</b>	<b>40.37</b>	<b>35.61</b>	<b>59.37</b>	<b>25.49</b>

#### ANNEXURE – X

#### AGE-WISE ANALYSIS OF TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
<b><u>Considered Good</u></b>					
More than six months	25.96	83.41	-	-	-
Less than six months	1,321.32	131.9	95.8	36.73	34.89
<b><u>Considered Doubtful</u></b>					
Less than six months	21.26	-	-	-	-
<b>Grand Total</b>	<b>1,368.54</b>	<b>215.31</b>	<b>95.80</b>	<b>36.73</b>	<b>34.89</b>



**ANNEXURE – XI**

**CONTINGENT LIABILITIES  
(AS ASCERTAINED)**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
Claim against EPCG License	212.54	212.54	212.54	96.21	NIL
<b>Total</b>	<b>212.54</b>	<b>212.54</b>	<b>212.54</b>	<b>96.21</b>	<b>NIL</b>

**ANNEXURE – XII**

**DETAILS OF OTHER INCOME**

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March				
	2015	2014	2013	2012	2011
Interest Income	10.48	7.80	2.75	1.01	0.48
Subsidy on Term Loan Interest	13.30	13.15	11.82	-	-
Rent of Sakar Office	3.85	3.50	3.18	-	-
Net Foreign Exchange Gain	5.76	9.22	20.23	14.12	21.83
Dividend Income	-	-	-	0.04	0.57
Net Gain/Loss on Sale of Investments/Property	-	-	-	0.10	3.49
Commission on Agency Sales	-	-	-	0.65	0.29
Credit Balances W/off	30.85	4.64	-	-	-
Other Non-Operating Income	5.86	0.25	0.03	2.05	0.40
<b>Grand Total</b>	<b>70.10</b>	<b>38.56</b>	<b>38.02</b>	<b>17.97</b>	<b>27.07</b>

**ANNEXURE – XIII**

**NAMES OF RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP**

Key Managerial Personnel	Mr. Ashutosh D. Gandhi (Managing Director)
	Mrs.Sneha A. Gandhi (Whole Time Director)
	Shrenik M Khatwala – CFO
	Gajara J Joshi – CS

Relatives of Key Management Personnel (KMP)	Ms. Saloni A. Gandhi – Daughter of MD
	Ashutosh D Gandhi HUF
	Chetna S Khatwala – Wife of CFO
Enterprise under significant influence of Key Management Personnel	General Additives Pvt. Ltd.

**DETAILS OF RELATED PARTY TRANSACTIONS ARE AS FOLLOWS**

Nature of the Transaction	Name of Party	Nature of Relationship	For the Year Ended 31st March				
			2015	2014	2013	2012	2011
Salary & Perquisites	Ashutosh D Gandhi	Managing Director	16.10	12.15	13.10	10.70	10.48
	Sneha A Gandhi	Whole Time Director	6.73	3.29	3.53	3.26	2.80
	Saloni A.Gandhi	Relative of Managing Director	2.20	-	-	-	-
	Shrenik M Khatwala	CFO	0.89	-	-	-	-
	Gajara J Joshi	CS	0.48	-	-	-	-
	Chetna S Khatwala	Wife of CFO	0.25	-	-	-	-
Loan Accepted/ Received Back	Ashutosh D.Gandhi	Managing Director	95.00	-	-	-	-
	Mrs.Sneha A.Gandhi	Whole-time Director	30.00	-	-	-	-
	Saloni A Gandhi	Daughter of Managing Director	6.00	-	-	-	-
	Ashutosh Gandhi HUF	Managing Director is Karta of HUF	18.00	-	-	-	-
Loan Given/ Repaid	Ashutosh D.Gandhi	Managing Director	103.83	-	-	-	-
	Mrs.Sneha A.Gandhi	Whole-time Director	30.00	-	-	-	-
	Saloni A Gandhi	Daughter of Managing Director	17.50	-	-	-	-
	Ashutosh Gandhi HUF	Managing Director is Karta of HUF	26.00	-	-	-	-
Purchase of Goods	General Additives Pvt. Ltd	Associate	0.67	7.35	33.4	4.82	-

Rent Paid	Ashutosh D Gandhi	Managing Director	1.50	-	-	-	-
	Sneha A Gandhi	Whole Time Director	1.50	-	-	-	-
Balance payable for Purchases	General Additives Pvt. Ltd	Associate	0.67	-	11.3	-	-
Security Deposits against Rent	Ashutosh D Gandhi	Managing Director	2.50	-	-	-	-
	Sneha A Gandhi	Whole Time Director	2.50	-	-	-	-

ANNEXURE - XIV

**TAX SHELTER STATEMENT**

(Rs. in Lakhs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
Tax Rate	30%	30%	30%	30%	30%
Surcharge					
Educational Cess	3%	3%	3%	3%	3%
Effective Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Net Profit before Tax, as Restated (A)	(74.73)	6.81	179.15	7.93	25.37
<b>Adjustments :</b>					
<b><u>Timing Difference</u></b>			-	-	-
Depreciation as per Companies Act	226.32	168.78	105.27	32.53	14.18
Depreciation as per Income tax Act	167.12	242.24	227.32	108.16	8.61
Difference between Tax WDV and Book WDV	59.20	(73.46)	(122.05)	(75.63)	5.57
<b>Total Timing Difference (B)</b>	<b>59.20</b>	<b>(73.46)</b>	<b>(122.05)</b>	<b>(75.63)</b>	<b>5.57</b>
<b>Income considered separately ( C)</b>	<b>14.32</b>	<b>7.80</b>	<b>5.93</b>	<b>1.01</b>	<b>0.48</b>
<b><u>Permanent Difference</u></b>			-	-	-
Expenses disallowed/ Other Disallowances under the Income Tax Act	7.05	0.11	0.05	0.71	1.06
Non- Taxable income- Dividend	-	-	-	(0.04)	(0.54)
Non- Taxable income- Capital Gain	-	-	-	(0.10)	(3.49)
<b>Total Permanent Difference (D)</b>	<b>7.05</b>	<b>0.11</b>	<b>0.05</b>	<b>0.57</b>	<b>(2.97)</b>
<b>Net Adjustments(E=B-C+D)</b>	<b>51.93</b>	<b>(81.15)</b>	<b>(127.93)</b>	<b>(76.07)</b>	<b>2.12</b>

<b>Income from Other Sources (F)</b>	<b>14.32</b>	<b>7.80</b>	<b>5.93</b>	<b>1.01</b>	<b>0.48</b>
<b>Total Taxable income (G= A+E+F)</b>	<b>(8.48)</b>	<b>(66.54)</b>	<b>57.15</b>	<b>(67.12)</b>	<b>27.97</b>
<b>Tax Expense/(Savings) thereon</b>	<b>(2.62)</b>	<b>(20.56)</b>	<b>17.66</b>	<b>(20.74)</b>	<b>8.64</b>
<b>Tax paid as per Normal or MAT</b>	<b>MAT</b>	<b>MAT</b>	<b>MAT</b>	<b>MAT</b>	<b>Normal</b>

*Notes :- The figures as at 31<sup>st</sup> March, 2015 are based on provisional computation of Income tax prepared by the company since the tax return for the period is not filed yet.*

#### ANNEXURE – XV

#### CAPITALISATION STATEMENT

(Rs. in Lakhs)

<b>Particulars</b>	<b>Pre-Issue</b>	<b>Post-Issue</b>
<b><u>Borrowings</u></b>		
Short Term Debt	908.46	908.46
Long Term Debt	445.09	445.09
<b>Total Debt</b>	<b>1,353.55</b>	<b>1,353.55</b>
<b><u>Shareholder's Funds</u></b>		
Share Capital	395.60	547.40
Reserves & Surplus	182.84	410.54
<b>Total Shareholder's Funds</b>	<b>578.44</b>	<b>957.94</b>

#### **Total Capitalization**

Long Term Debt/Equity Ratio	0.77	0.46
Total Debt/Equity Ratio	2.34	1.41

#### **Notes:-**

- 1) Short-Term debt represents debt which are due within twelve months from March 31, 2015 and include installments of Long term debt repayable within twelve months.
- 2) Long-term debt represents debt other than short-term debt, as defined above.
- 3) The figures disclosed above are based on the restated financial statements of the company.

**EARNING PER SHARE**

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
A) Weighted average number of equity shares of Rs. 10/- each					
I) Number of shares at the beginning of the year	632,090	632,090	529,300	529,300	182,400
II) Number of shares at the end of the year	3,955,990	632,090	632,090	529,300	529,300
III) Weighted average number of Equity Shares outstanding during the year	3,955,990	3,160,450	2,807,020	2,646,500	1,478,720
IV) Weighted average number of Potential Equity Shares outstanding during the year	-	-	-	-	-
V) Weighted average number of Equity Shares for calculating diluted EPS	3,955,990	3,160,450	2,807,020	2,646,500	1,478,720
B) Net Profit/(Loss) after tax adjustments available for equity shareholders	(80.52)	17.08	147.91	28.42	15.60
C) Basic earning per share (in rupees) {B/A (III)}*	(2.04)	0.54	5.27	1.07	1.05
D) Diluted earning per share (in rupees) {B/A (V)} *	(2.04)	0.54	5.27	1.07	1.05
The Company does not have any dilutive potential equity shares. Consequently the basic and diluted profit / earning per share of the company remain the same.					
Earning per share (EPS) is calculated after adjusting for bonus equity shares issued, with retrospective effect as provided in Accounting Standard (AS –20) – Earning Per Share, issued by the Institute of Chartered Accountant of India.					

**ANNEXURE - XVII**

**SUMMARY OF ACCOUNTING RATIOS**

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
Net Profit Attributable to Equity Shareholders	(80.52)	17.08	147.91	28.42	15.60
Earning Per Share (EPS) (Rs.) [a/b]					
- Basic [a/b]	(2.04)	0.54	5.27	1.07	1.05

- Diluted [a/d]	(2.04)	0.54	5.27	1.07	1.05
Cash Earning Per Share (Rs.) [f/b]	3.69	5.89	9.02	2.31	2.02
Return on Net Worth (%) [a/g %]	-13.92%	3.21%	28.70%	9.23%	5.90%
Net Asset Value Per Share (Rs.) [h/e]	14.62	84.24	81.51	58.11	49.89
Weighted Average No. of Equity Shares	3,955,990	3,160,450	2,807,020	2,646,500	1,478,720
No. of Equity Shares outstanding	3,955,990	632,090	632,090	529,300	529,300

**Notes :**

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
Net Profit after tax adjustments [a]	(80.52)	17.08	147.91	28.42	15.60
Weighted Average No. of Equity Shares [b]	3,955,990	3,160,450	2,807,020	2,646,500	1,478,720
Weighted Average No. of Potential Equity Shares [c]	-	-	-	-	-
Total No. of Equity Share for Calculating Diluted EPS [d]	3,955,990	3,160,450	2,807,020	2,646,500	1,478,720
No. of Equity Shares at the end of the year/period [e]	3,955,990	632,090	632,090	529,300	529,300
Cash Earning [f]	145.80	186.06	253.28	61.05	29.88
Net Worth [g]	578.44	532.48	515.40	307.87	264.45
Net Asset [h]	578.44	532.48	515.20	307.57	264.05



1	Earnings Per Share (Rs.)	$\frac{\text{Net Profit attributable to Equity Shares}}{\text{Weighted Average Number of Equity Shares Outstanding during the period}}$
2	Return on Net Worth (%)	$\frac{\text{Net Profit after Tax Adjustments}}{\text{Net worth at the end of the year/ period}}$
3	Net Asset Value Per Share (Rs.)	$\frac{\text{Net Worth excluding Revaluation Reserve at the end of the period}}{\text{Total Number of Equity Shares Outstanding at the end of the year/period}}$
4	Cash Earning (Rs.)	Net Profit after tax adjustments add Depreciation, Preliminary Expenses written off and Deferred Tax Liability, diminution in value of investments, Earlier year depreciation.
5	Net Assets (Rs.)	Equity Share Capital plus reserves and Surplus less Misc. Expenditure to the extent

#### ANNEXURE – XVIII

#### STATEMENT OF FINANCIAL INDEBTNESS

Name of Bank	Loan No.	Facility Key term			Outstanding as on March 31, 2015 (Rs. in Lakhs)	Security
		Loan Amount (Rs. in Lakhs)	Rate of Interest (%)	Total Term (Months)		
Corporation Bank	Term Loan No.110006	551.07	15.45	80	225.91	Hypothecation / EMG of the Assets acquired out of Bank Finance
Corporation Bank	Term Loan No 130001	398.00	15.45	80	298.44	Hypothecation / EMG of the Assets acquired out of Bank Finance
Corporation Bank	Term Loan No 140004	138.00	15.25	60	128.49	Hypothecation / EMG of the Assets acquired out of Bank Finance
Corporation Bank	Cash Credit	300.00	14.85		399.52	First Charge by way of Hypothecation of Inventory & Book Debts & Other Current Assets both present & future

Corporation Bank	PCL / PCFC / FDBP	200.00	10.75		139.69	Hypothecation of Inventory & Book Debts
Corporation Bank	Overdraft	161.50	10.25		161.50	OD against FD
	<b>Total</b>				<b>1353.55</b>	

**Collateral Security for above Loans:**

1. EMG / First charge on factory land admeasuring 4724 Sq. Yds. and building thereon at Plot No. 160, Devraj Industrial Estate, Pirana Road, Village-Piplaj, Ahmedabad owned by company.
2. EMG / First charge on commercial property i.e. office at No. 12, 2<sup>nd</sup> Floor, Sakar V, Behind Natraj Cinema, Off Ashram Road, Ahmedabad, owned by company.
3. EMG / First charge on office at No. 102, 1<sup>st</sup> Floor, Iscon Elegance, Nr. Divya Bhaskar, S.G. Road, Ahmedabad, owned by company.
4. EMG / First charge on residential flat situated at C-4, “426”, Bodakdev, Ahmedabad, owned by Mr. Ashutosh D Gandhi and Mrs. Sneha A Gandhi.
5. Hyp / First charge on entire P&M and other moveable assets of the company except vehicle financed by other Banks / FIs both existing and proposed.

**Accompanying Notes to the restated Financial Statements**

**1. Background**

- a. Ahimsa Industries Limited (the “Company”) is a limited company domiciled in India and incorporated under the provisions of the Companies Act 1956. The company is engaged in manufacturing PET of preform & trading of sugar confectionary machinery, plastic processing machinery, injection moulds and textiles. The Company’s registered office is in Ahmedabad and its factory is situated at Devraj Industrial Area. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

The Restated Statements of Assets and Liabilities as at 31<sup>st</sup> March 2011, 2012, 2013 2014 and 2015 and the related Restated statement of Profit and Loss and Restated statement of Cash Flow for the period ended 31<sup>st</sup> March 2011, 2012, 2013, 2014 and 2015 (hereinafter collectively referred to as – Restated Financial Statements) related to the company have been prepared specifically for inclusion in the offer document to be filed by the company with Securities Exchange Board of India (SEBI) in connection with proposed initial public offering of equity shares of the Company.

- b. The Restated Financial statements have been prepared to comply in all material respects with accordance to sub-clause (i) and (iii) of clause (b) of sub-section (1) of section of the Companies Act, 2013 (‘the Act’) read with Rule 4 of Companies ( prospectus and Allotment of Securities ) Rules, 2014 and the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended (the SEBI Regulations) issued by SEBI in pursuance of Section 11 of Securities and Exchange Board of India Act, 1992.

**2. Material Regroupings**

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of



income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

### Restatement Adjustments

(Rs. in Lakhs)

Particulars	Period Ending March 31, 2015	Period Ending March 31, 2014	Period Ending March 31, 2013	Period Ending March 31, 2012	Period Ending March 31, 2011
<b>Net Profit (as per Audited accounts)</b>	(81.53)	17.08	147.91	28.42	15.60
Adjustments on account of					
Change in depreciation rate	1.01	-	-	-	-
Preliminary expenses written off	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>Tax Impact**</b>	-	-	-	-	-
Adjusted Net Profit	(80.52)	17.08	147.91	28.42	15.60

### CONTINGENT LIABILITY

(Rs. In Lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011
On account of EPCG License	212.54	212.54	212.54	96.21	-
VAT demand	Amount Unascertainable	Amount Unascertainable	Amount Unascertainable	-	-

3. Some of the loans and advances are subject to confirmation and reconciliation. Consequential adjustment thereof, if any, will be given effect in the books of account in the year of such adjustments.
4. Dividend: The Company has not paid/declared any dividend to its shareholders for the period / years ended 31 March 2014, 2013, 2012, 2011. It has paid a dividend of Rs 5 per share for the year March 31 2010.
5. Micro, Small & Medium Enterprises Development Act, 2006 :

Under the Micro, Small & Medium Enterprises Development Act, 2006 which came into force from 2<sup>nd</sup> October, 2006, certain disclosures are require to be made relating to Micro, Small & Medium Enterprises. The Company has not compiled data for supplier who is covered under the said Act.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our standalone restated financial statements as of and for the years ended March 31, 2011, 2012, 2013, 2014 and 2015 prepared in accordance with the Companies Act, 2013 and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in "Financial Statements" beginning on page 136 of this Prospectus.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. 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 the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "**Risk Factors**" and "**Forward-Looking Statements**" beginning on pages 20 and 19 respectively, of this Prospectus.

### BUSINESS OVERVIEW

Our Company was established in the year 1996. Initially, we were engaged in focusing on export of sugar confectionery machinery, plastic processing machinery & injection moulds. In the year 2010, we decided to go for Indian beverage market offering world class **PET preforms** made on latest Husky equipment. We started our commercial production of PET preforms in December 2011 with state of art technology under Greenpet brand.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:-

1. We have passed the special resolution for conversion of private limited to public limited company dated April 27, 2015 and Registrar of Companies issued the fresh certificate of incorporation dated May 25, 2015.
2. We have passed the special resolution for change in main objects of the Company vide shareholders resolution dated April 27, 2015
3. We have passed the special resolution for approval for our IPO. vide shareholders resolution dated April 27, 2015.

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factor" beginning on page 20 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Increase in the rate of interest which will affect cost of borrowings.
- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Volatility in the Indian and global capital market;



- Company's results of operations and financial performance;
- Performance of Company's competitors,
- Significant developments in India's economic and fiscal policies;
- Significant developments in India's environmental regulations.

## DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for years ended March 31, 2011, 2012, 2013, 2014 and 2015.

### Overview of Revenue & Expenditure

#### Revenues

Our Company's revenue is derived from

1. Sale of PET Preform, both domestic and exports,
2. Sale confectionery machinery, moulds etc., mainly for exports
3. Sale of textile items
4. Sale of DEPB license
5. Job work

(Rs. in Lakhs)

Particulars	As at March 31				
	2011	2012	2013	2014	2015
Income					
Revenue from Operations	724.34	673.93	1467.91	2138.25	3206.56
Increase/Decrease in %	NA	-6.96	117.81	45.67	49.96
Other Income	27.07	17.97	38.02	38.56	70.10
Increase/Decrease in %	NA	-33.62	111.55	1.42	81.82
<b>Total Revenue</b>	<b>751.41</b>	<b>691.90</b>	<b>1505.93</b>	<b>2176.80</b>	<b>3276.68</b>

The following is the Income mix in terms of value of total income of our Company for different services.

(Rs. in Lakhs)

Particulars	As at March 31				
	2011	2012	2013	2014	2015
<b>Revenue from Operation</b>					
Export Sales	721.61	600.85	675.15	580.69	511.21
Domestic Sales	1.05	67.07	790.38	1549.93	2679.47
Sale of DEPB Licence	0.00	3.99	1.49	0.00	0.00
Duty Drawback	1.68	2.02	0.89	7.63	0.21
Job Work	0.00	0.00	0.00	0.00	15.67
<b>Total Revenue from Operation</b>	<b>724.34</b>	<b>673.93</b>	<b>1467.91</b>	<b>2138.25</b>	<b>3206.57</b>

The following is the Income mix in terms of percentage of total income of our Company for different services.

(Rs. in Lakhs)

Particulars	As at March 31				
	2011	2012	2013	2014	2015
<b>Revenue from Operation</b>					
Export Sales	99.62%	89.16%	45.99%	27.16%	15.94%
Domestic Sales	0.15%	9.95%	53.85%	72.48%	83.56%
Sale of DEPB Licence	0.00%	0.59%	0.10%	0.00%	0.00%
Foreign Exchange	0.23%	0.30%	0.06%	0.36%	0.01%
Branch Sales outside Gujarat	0.00%	0.00%	0.00%	0.00%	0.49%
Other	0.00%	0.00%	0.00%	0.00%	0.65%
<b>Total Revenue from Operation</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

#### Other Income

Other operating revenue recognized is from Interest on FDRs , write off of credit balances, subsidy on term loan interest & other receipts.

(Rs. In Lakhs)

Particulars	As at March 31				
	2011	2012	2013	2014	2015
Interest Income	0.48	1.01	2.75	7.80	10.48
Subsidy on Term Loan Interest	0.00	0.00	11.82	13.15	13.30
Rent	0.00	0.00	3.18	3.50	3.85
Dividend Income	0.57	0.04	0.00	0.00	0.00
Commission on Sales	0.29	0.65	0.00	0.00	0.00
Foreign Exchange fluctuation	21.83	14.12	20.23	9.22	5.76
Net Gain/(Loss) on Sale of Investments/Property	3.49	0.10	0.00	0.00	0.00
Written Off Credit Balance	0.00	0.00	0.00	4.64	30.85
Other Non-Operating Income	0.40	2.05	0.03	0.25	5.86
<b>Total Other Income</b>	<b>27.07</b>	<b>17.97</b>	<b>38.02</b>	<b>38.56</b>	<b>70.10</b>

The following is the other income mix in terms of value of other income of our Company for other incomes

Particulars	As at March 31				
	2011	2012	2013	2014	2015
Interest Income	1.81%	5.62%	7.24%	20.24%	14.94%
Subsidy on Term Loan Interest	0.00%	0.00%	31.10%	34.11%	18.98%
Rent	0.00%	0.00%	8.36%	9.07%	5.49%
Dividend Income	2.11%	0.22%	0.00%	0.00%	0.00%
Commission on Sales	1.07%	3.62%	0.00%	0.00%	0.00%



Foreign Exchange fluctation	80.64%	78.58%	53.22%	23.90%	8.22%
Net Gain/(Loss) on Sale of Investments/Property	12.89%	0.56%	0.00%	0.00%	0.00%
Written Off Credit Balance	0.00%	0.00%	0.00%	12.03%	44.01%
Other Non-Operating Income	1.48%	11.40%	0.08%	0.65%	8.36%
<b>Total Other Income</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

### Trade Receivables

The following table presents the details of our Company's trade receivables.

(Rs. in Lakhs)

Particulars	As at March 31				
	2011	2012	2013	2014	2015
<b>Unsecured and Considered Good</b>					
Outstanding for a period not exceeding six months	34.89	36.73	95.80	131.90	1342.57
As a % of total Trade receivables	100.00%	100.00%	100.00%	61.26	98.10
Outstanding for a period exceeding six months	0.00	0.00	0.00	83.41	25.96
As a % of total Trade receivables	0.00%	0.00%	0.00%	38.74	1.90
Less: Provision for doubtful debts	Nil	Nil	Nil	Nil	Nil
As a % of total Trade receivables	0.00%	0.00%	0.00%	0.00	0.00%
<b>Total –Trade receivables</b>	<b>34.89</b>	<b>36.73</b>	<b>95.80</b>	<b>215.31</b>	<b>1368.54</b>
Avg. Trade receivables	31.94	35.81	66.26	155.56	791.92
Trade receivables Turnover Ratio	20.76	18.52	15.47	16.22	2.35
Average Collection Period ( in days)	16.09	19.39	16.48	26.55	90.14

### Expenditure

Our Company's operating expenditure consists of following

Material consumed, Finance Cost i.e Interest paid on borrowings from banks & others, Depreciation ,Employees Benefit Expenses, Other expenses, etc.

## RESULTS OF OPERATIONS

### Statement of profits and losses

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue.

(Rs. in Lakhs)

Particulars	For The Year Ended March 31,				
	2011	2012	2013	2014	2015
<b>INCOME</b>					
Revenue from Operations					
Revenue	724.34	673.93	1467.91	2138.25	3206.56
Increase/Decrease in %	NA	-6.96	117.81	45.67	49.96
Other Income	27.07	17.97	38.02	38.56	70.10
Increase/Decrease in %	NA	-33.61	111.56	1.42	81.82
<b>Total Revenue</b>	<b>751.41</b>	<b>691.90</b>	<b>1505.93</b>	<b>2176.81</b>	<b>3276.67</b>
<b>EXPENDITURE</b>					
Changes in Stock					
Cost of material Consumed	0.00	99.54	785.73	1374.73	1296.14
As a % of Total Revenue	NA	14.39	52.18	63.15	39.56
Purchases	521.77	464.21	553.01	92.21	1309.87
As a % of Total Revenue	NA	67.09	36.72	4.24	39.98
Changes in inventories of Finished goods, work-in-progress	48.79	-31.44	-381.98	142.90	16.35
As a % of Total Revenue	NA	-4.54	-25.37	6.56	0.50
Employee benefit expenses	33.51	34.61	51.16	51.50	85.41
As a % of Total Revenue	-	5.00	3.40	2.37	2.61
Finance costs	4.49	10.94	53.74	100.30	135.94
As a % of Total Revenue	NA	1.58	3.57	4.61	4.15
Depreciation and amortization expense	14.28	32.63	105.37	168.98	226.32
As a % of Total Revenue	NA	4.72	7.00	7.76	6.91
Other expenses	103.20	73.47	159.75	239.38	281.36
As a % of Total Revenue	NA	10.62	10.61	11.00	8.59
<b>Total Expenditure</b>	<b>726.04</b>	<b>683.97</b>	<b>1326.78</b>	<b>2170.00</b>	<b>3551.40</b>
As a % of Total Revenue	NA	98.85	88.10	99.69	102.28
<b>Profit before prior period items</b>	<b>25.37</b>	<b>7.93</b>	<b>179.15</b>	<b>6.81</b>	<b>-74.73</b>
Exceptional Items	Nil	Nil	Nil	Nil	Nil
<b>Profit before tax</b>	<b>25.37</b>	<b>7.93</b>	<b>179.15</b>	<b>6.81</b>	<b>-74.73</b>
<b>PBT Margin</b>					
<b>Tax expense :</b>					
(i) Current tax Provision	-8.70	-1.43	-35.85	-1.30	0.00
(ii) MAT Credit	0.00	0.00	25.26	0.00	0.00





(iii) Prior Period Tax	0.00	0.05	-0.21	0.01	0.00
(iv) Deferred Tax Provision	-1.07	21.87	30.08	11.56	-5.79
(v) Fringe Benefit Tax	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>-9.77</b>	<b>20.49</b>	<b>-31.24</b>	<b>10.27</b>	<b>-5.79</b>
As a % of Total Revenue	-1.30%	2.96%	-2.07%	0.47%	-0.18%
<b>Profit for the year</b>	<b>15.60</b>	<b>28.42</b>	<b>147.91</b>	<b>17.08</b>	<b>-81.52</b>
<b>PAT Margin</b>	<b>2.08%</b>	<b>4.14%</b>	<b>9.82%</b>	<b>0.78%</b>	<b>-2.46%</b>

## FISCAL YEAR ENDED MARCH 31, 2015 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2014

### Income

Total revenue increased by 49.96% by Rs. 1,068.32 Lakhs from Rs. 2,138.25 Lakhs in the fiscal year ended March 31, 2014 to Rs. 3,206.57 lakhs in the fiscal year ended March 31, 2015. The revenue has increased due to market expansion and opening of a new branch in Mumbai for trading .

### Expenditure

Total Expenditure increased by Rs. 1,381.40 Lakhs, or 63.66%, from Rs. 2,170.00 Lakhs in the fiscal year ended March 31, 2014 to Rs. 3,551.40 Lakhs in the fiscal year ended March 31, 2015. Overall expenditure has increased mainly due to increase in cost of material consumed, interest outflow on term loans and working capital loans, depreciation and other expenses

### Cost of material consumed and Purchases

Cost of material consumed and purchases in terms of value and percentage increased by Rs.1,139.07 Lakhs and 77.65%, from Rs. 1,466.94 Lakhs in the fiscal year ended March 31, 2014 to Rs. 2,606.01 Lakhs in the fiscal year ended March 31, 2015. Increase in Cost of material consumed and purchases is due to corresponding increase in sales and material prices.

### Finance Costs

Finance Costs in terms of value and percentage increased by Rs. 35.64 Lakhs and 35.53%, from Rs. 100.30 Lakhs in the fiscal year ended March 31, 2014 to Rs. 135.94 Lakhs in the fiscal year ended March 31, 2015. Overall finance cost has increased mainly due to increase in term loans and working capital borrowings.

### Employee Benefit Expenses

Employee benefit expenses in terms of value and percentage increased by Rs. 33.91 Lakhs and 65.84% from Rs. 51.50 Lakhs in the fiscal year ended March 31, 2014 to Rs. 85.41 Lakhs in the fiscal year ended March 31, 2015. Overall employee cost has increased mainly due to increased no. of personnel, payment to gratuity fund, and higher payout to Directors..

### Depreciation & Amortization

Depreciation in terms of value increased to 57.34 lakhs or 33.93% from Rs 168.98 Lakhs in the fiscal year ended March 31, 2014 to Rs. 226.32 Lakh in the fiscal year ended March 31, 2015. Increase in Depreciation was due to additions to machinery & other assets. Also depreciation has been higher due to charge of depreciation in terms of Schedule II of companies Act 2013.

### Other Expenses

Other Expenses in terms of value and percentage increased by Rs. 41.98 Lakhs and 17.54%, from Rs. 239.38 Lakhs in the fiscal year ended March 31, 2014 to Rs. 281.36 Lakhs in the fiscal year ended March 31, 2015. Other expenses increased mainly due to increase in Electricity charges, Professional Charges and rental charges.

### **Net Loss after Tax and Extraordinary items**

Net Loss has increased by Rs. 98.61 Lakhs and 577.28 % from profit of Rs. 17.08 Lakhs in the fiscal year ended March 31, 2014 to loss of Rs. 81.52 Lakhs in the fiscal year ended March 31, 2015. Net loss has been incurred due to increase in operating expenses, finance costs, depreciation and other expenses..

### **FISCAL YEAR ENDED MARCH 31, 2014 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2013**

#### **Income**

Total revenue increased by Rs. 670.88 Lakhs or 44.55%, from Rs. 1,505.93 Lakhs in the fiscal year ended March 31, 2013 to Rs. 2,176.81 lakhs in the fiscal year ended March 31, 2014. The revenue has increased by market expansion & company product being accepted by customers.

#### **Expenditure**

Total Expenditure increased by Rs. 843.22 Lakhs, or 63.55%, from Rs. 1,326.78 Lakhs in the fiscal year ended March 31, 2013 to Rs. 2,170.00 Lakhs in the fiscal year ended March 31, 2014. Overall expenditure has increased mainly due to increase in cost of material consumed, Finance Cost & Depreciation.

#### **Cost of material consumed and purchases**

Cost of material consumed and purchases in terms of value and percentage increased by Rs.128.20 Lakhs and 9.58%, from Rs. 1,338.74 Lakhs in the fiscal year ended March 31, 2013 to Rs. 14.66.94 Lakhs in the fiscal year ended March 31, 2014. Increase in Cost of material consumed is attributable to increase of sales.

#### **Finance Costs**

Finance Costs in terms of value and percentage increased by Rs. 46.56 Lakhs and 86.64%, from Rs. 53.74 Lakhs in the fiscal year ended March 31, 2013 to Rs. 100.30 Lakhs in the fiscal year ended March 31, 2014. Overall finance cost has increased mainly due to increased working capital borrowings.

#### **Depreciation & Amortization**

Depreciation in terms of value increased to 63.61 lakhs or 60.37% from Rs 105.37 Lakhs in the fiscal year ended March 31, 2013 to Rs. 168.98 Lakh in the fiscal year ended March 31, 2014. Increase in Depreciation was due to new machineries and other assets purchased during the year.

#### **Other Expenses**

Other Expenses in terms of value and percentage increased by Rs. 79.63 Lakhs and 49.85%, from Rs. 159.75 Lakhs in the fiscal year ended March 31, 2013 to Rs. 239.38 Lakhs in the fiscal year ended March 31, 2014. Other expenses increased mainly due to increase in power & fuel, packing expenses, job work charges and factory expenses.

#### **Net Profit after Tax and Extraordinary items**

Net Profit has decreased by Rs. 130.83 Lakhs and 88.45 % from Rs. 147.91 Lakhs in the fiscal year ended March 31, 2013 to Rs. 17.08 Lakhs in the fiscal year ended March 31, 2014. Net profit has decreased due to increase in operating expenses, higher interest outflow, other expenses and depreciation..

### **FISCAL YEAR ENDED MARCH 31, 2013 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2012**

#### **Income**

Total revenue increased by Rs. 814.03 Lakhs or 117.65%, from Rs. 691.90 Lakhs in the fiscal year ended March 31, 2012 to Rs. 1,505.93 lakhs in the fiscal year ended March 31, 2013. The revenue has increased as this was the full year of sale of PET preform



## **Expenditure**

Total Expenditure increased by Rs. 642.81 Lakhs, or 93.98%, from Rs. 683.97 Lakhs in the fiscal year ended March 31, 2012 to Rs. 1,326.78 Lakhs in the fiscal year ended March 31, 2013. Overall expenditure has increased mainly due to increase in cost of material consumed, Employee benefit expenses, Finance Cost & Depreciation.

### **Cost of material consumed**

Cost of material consumed in terms of value and percentage increased by Rs.774.99 Lakhs and 137.47%, from Rs. 563.75 Lakhs in the fiscal year ended March 31, 2012 to Rs. 1,338.74 Lakhs in the fiscal year ended March 31, 2013. Increase in Cost of material consumed is due to increase of sales

### **Finance Costs**

Finance Costs in terms of value and percentage increased by Rs. 42.80 Lakhs and 391.22%, from Rs. 10.94 Lakhs in the fiscal year ended March 31, 2012 to Rs. 53.74 Lakhs in the fiscal year ended March 31, 2013. Overall finance cost has increased mainly due to increase in term loan and working capital borrowings.

### **Employee Benefit Expenses**

Employee benefit expenses in terms of value and percentage increased by Rs. 16.54 Lakhs and 47.78% from Rs. 34.62 Lakhs in the fiscal year ended March 31, 2012 to Rs. 51.16 Lakhs in the fiscal year ended March 31, 2013. Overall employee cost has increased mainly due to increased no. of personnel for factory and general increments.

### **Depreciation & Amortization**

Depreciation in terms of value increased to 72.74 lakhs or 222.92% from Rs 32.63 Lakhs in the fiscal year ended March 31, 2012 to Rs. 105.37 Lakh in the fiscal year ended March 31, 2013. Increase in Depreciation was due to full year depreciation charged after commercial production.

### **Other Expenses**

Other Expenses in terms of value and percentage increased by Rs. 86.28 Lakhs and 117.44%, from Rs. 73.47 Lakhs in the fiscal year ended March 31, 2012 to Rs. 159.75 Lakhs in the fiscal year ended March 31, 2013. Other expenses increased mainly due to increase in power & fuel charges at factory, freight and forwarding charges and packing charges.

### **Net Profit after Tax and Extraordinary items**

Net Profit has increased by 119.49 Lakhs and 420.44 % from Rs. 28.42 Lakhs in the fiscal year ended March 31, 2012 to Rs. 147.91 Lakhs in the fiscal year ended March 31, 2013. Net profit has been increased due to higher realisation of PET preform and increase in business operations.

## **NOTE ON FLUCTUATION IN PROFIT/(LOSS)**

The Company was into export of plastic recycling machines, moulds & dies etc till the Year 2010-2011. The Company conceived project of manufacturing 1200 Ton per annum of PET Preform in the year 2011 by installing 1 Husky Machine. The total project cost including Land cost, Building machinery was Rs.879.33lacs, which was funded through term loan of Rs. 566 lakhs & promoters equity of Rs.313.33. The project commenced production in December 2011. Till the year 2011-12, the Company was predominantly was a trader of machines and Moulds & dies.

The first full year of production of PET Preform was 2012-13. The Company achieved a turnover of Rs. 1461 Lakhs and made a Profit before tax of Rs. 179 Lakhs due to better realization in product mix. The Company also installed second husky machine by March 2013 end and manufacturing capacity was increased to 3000 MT p.a. The idea was to capture booming Indian market with better quality product.

The year 2013-14 was a bad year for the Company as Company could utilize only 50% of its installed capacity. There was a general slowdown in Indian & global economy. The Company had to bear additional interest on term loans and working capital loans, which doubled from Rs. 54 Lakhs to Rs. 100 Lakhs. Also depreciation incurred increase by 61% from Rs. 105 Lakhs to Rs. 169 Lakhs. Power expense also increased from Rs. 62 lacs to Rs. 104 lacs since both machines were operational. As a result the profit dipped to Rs. 7 lacs only

The year 2014-15 also did not see any major changes in utilization of capacity, which was 53% as compared to last year of 50% due to slow down in economy. Also due to continuous reduction in crude prices, the customers were taking long time to take decisions. The prices of both - realizations & raw material fell, but realization prices fell sharply in terms of percentage.

The buyer credit liability was completely crystallized in the current year, which was converted into term loan @ 15.45%. The rate of interest of term loan was also raised by banks from 12.95% to 15.45% which along with more working capital requirement led to higher outflow of interest to the tune of Rs. 47 Lakhs. CC rates are 14.85%

The depreciation was also higher by Rs. 59 Lakhs due to change as envisaged by Schedule II of Companies Act, 2013.

The power cost per unit also increased during the year & as result, Company had to shell out Rs. 27 Lakhs extra. The Cost of power was increased from 5.84 to 6.88 per unit in current year, an increase of over 17%. The Company had increased the power load also.

The employee cost also increased by Rs. 34 Lakhs out of which of Rs. 11 Lakhs was on account of payment to Directors & their relatives. The balance of Rs. 23 increased due to payment of gratuity liability (16 Lacs) & increase in manpower & general increments.

In order to offset the downtrend in economy, the Company also entered into trading of textile items (like suiting & shirting, dyed & grey fabric etc.) during this year from its Bhiwandi Branch. The Company achieved a turnover of Rs. 1114.38 Lakhs from this trading activity. The margins were in the range of 5%-10%.

As a result of above, the company incurred a loss of Rs. 76 lacs during the year.

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled "*Risk Factors*" beginning on page 20 of this Prospectus respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the section titled "*Risk Factors*" beginning on page 20 of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.



#### **4. Future relationship between Costs and Income**

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and interest rates quoted by banks & others.

#### **5. The extent to which material increases in net revenue are due to increased loan volume, introduction of new products, increased rates**

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

#### **6. Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in plastic industry and is also a merchant exporter. Relevant industry data, as available, has been included in the chapter titled "*Our Industry*" beginning on page 86 of this Prospectus.

#### **7. Status of any publicly announced new products or business segments**

Our Company has not announced any new product and segment / scheme, other than through the Prospectus.

#### **8. The extent to which the business is seasonal**

Our Company business is not seasonal in nature.

#### **9. Any significant dependence on a single or few suppliers or customers**

The Company's business is not dependent on few suppliers or customers.

#### **10. Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "Our Business" on page 95 of this Prospectus.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against/by our Company, our Directors, our Promoters and our Group Entities and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions by our Company, default in creation of full security as per terms of issue/other liabilities, no amounts owed to small scale undertakings or any other creditor exceeding Rs. 1 lakh, which is outstanding for more than 30 days, no proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part 1 of Schedule V to the Companies Act) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against our Company, our Promoters, our Directors and Group Entities.*

*Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, our Promoters, our Directors or our Promoter Group Entities, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of our Company. Further, there are no cases of litigation, defaults etc. in respect of companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.*

*Further, apart from those as stated below, there are no show-cause notices / claims served on our Company, our Promoters, our Directors or our Group Entities from any statutory authority / revenue authority that would have a material adverse effect on our business.*

#### I. LITIGATION RELATING TO THE COMPANY

##### **Cases filed against the Company**

###### ***Civil proceedings***

Nil

###### ***Criminal Cases***

Nil

##### **Cases filed by the Company**

###### ***Civil proceedings***

Nil

###### ***Criminal Proceedings***

- Ahimsa Industries Pvt Ltd served notice dated 22.05.2015 under Section 138 of the Negotiable Instrument Act 1881 to M/s Sahyadri Food and Agro Industries for demanding the due amount of Rs 21,23,403/-along with interest @ 24% per annum till the time of actual payment within a period of 15(fifteen) days from the date of receipt of above notice in respect of supplies made hereunder.



DATE OF INVOICE	NO. OF INVOICE	DUE AMOUNT OF INVOICE (IN Rs)
24/09/2014	39	36403/- out of 940060/-
12/10/2014	45	655098/-
19/10/2014	48	888865/-
04/03/2015	85	545513/-
<b>Total</b>		<b>21,25, 879/-</b>

- Sahyadri Foods issued three cheques as mentioned below towards payment for supplies:

Cheque No.	Date	Rupees	Drawn on Bank (Bank Name)
017291	11/05/2015	700000/-	Bank of Maharashtra
017292	12/05/2015	700000/-	Bank of Maharashtra
017293	13/05/2015	723403/-	Bank of Maharashtra

When the aforesaid cheques were presented by M/s. AHIMSA INDUSTRIES PRIVATE LIMITED to their Bankers i.e. Bank of Maharashtra, the same were returned unpaid by the Bank with the remarks/reasons "insufficient Funds" in Bank Account of M/s Sahyadri Food and Agro Industries. Sahyadri Food requested to deposit the Cheques again but to be returned unpaid. The Company is in the process of filing case against of M/s Sahyadri Food and Agro Industries under section 138 of Negotiable Instruments Act.

## II. LITIGATION RELATING TO THE PROMOTER OF THE COMPANY

### Cases filed against the Promoter

Nil

### Cases filed by the Promoter

Nil

## III. LITIGATION RELATING TO THE DIRECTORS OTHER THAN PROMOTERS OF THE COMPANY

### Cases filed against the Directors

Nil

### Cases filed by the Directors

Nil

## IV. LITIGATION RELATING TO THE GROUP COMPANIES

### Cases filed against the Group Companies

Nil

### Cases filed by the Group Companies

Nil

## V. LITIGATION RELATING TO SUBSIDIARY COMPANIES

### Cases filed against the Subsidiary Companies

NA

### Cases filed by the Subsidiary Companies

NA

## VI. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY

### (i) VAT matters

- M/s Ahimsa Industries Pvt Ltd has sold PET Preform on 23.08.2012 vide Tax Invoice No.106. Company file an application inquiring about the applicable rate of tax on the sale of this product to be used as packing material. The appellant has contended that the PET Preform is a packing material and it falls under Entry 55 of Schedule II to the Gujarat Value Added Tax Act, 2003 on 30.08.2012. However, the learned Joint Commissioner of Commercial Tax (Legal) Vide Order No. VAT/Sec. 80/2012/D/237/J.504/507 had determined dated on 20/11/2012 held that PET preform is not a Packing Material and its included as Residuary Goods. He held that it is covered under Entry 87 of Schedule II to the Act and it is accordingly taxable at the rate of 12.5% plus 2.5% additional tax. Instead of 4%+1% as charged by Company.
- In against the order No. VAT/K-80/2012/D/237/J.504/507, dated 20.11.2012 of the learned Joint Commissioner of Commercial Tax, Company filed appeal, dated 28.11.2012 in the Gujarat Value Added Tax Tribunal, Ahmedabad. The Hon'ble Bench vide in its Order No. B-1718/2013/First Appeal No.9/12 dated 24.04.2013 of Tribunal held that a PET Preform is convenient form of packing and strictly used as end product for packing purposes only. Therefore it is held to be declared as polythene packing material falling under Entry 55 of Schedule II to the GVAT Act and liable to be taxed accordingly and the same cannot be treated under residuary Entry 87 of Schedule II to the Act. The order of the determining authority is therefore, not just and proper and the appellant is not liable to be taxed @ 12.5% plus 2.5% by way of additional tax.
- Being aggrieved and dissatisfied by the Judgement and order dated 24/04/2013, passed in First appeal no. 9 of 2012 by Hon'ble Gujarat Value Added Tax tribunal at Ahmedabad the State of Gujarat through the Commissioner of Commercial tax (Applicant) filed appeal against M/S Ahimsa Industries Pvt. Ltd. (Respondent) under the Tax appeal No.1354 of 2014 dated on 13/05/2014 before the Hon'ble High Court of Gujarat at Ahmedabad.. Now the proceeding of this case are pending in the Hon'ble High Court of Gujarat.

## VII. LITIGATIONS RELATING TO THE DIRECTORS OF GROUP COMPANIES

### Cases Filed Against the Directors of Group Companies

Nil

### Cases Filed By the Directors of Group Companies

Nil

### Cases Pending with Income Tax Authorities against our Whole Time Director(s) and Whole Time Director(s) of our Group Entities:

Nil





## PAST CASES IN WHICH PENALTIES HAVE BEEN IMPOSED ON THE COMPANY

There are no cases in the last five years in which penalties have been imposed on the Company.

## CREDITORS OF THE COMPANY FOR THE AMOUNT EXCEEDING RS. 1 LAKHS OUTSTANDING FOR MORE THAN 30 DAYS

The Company has total five creditors as on March 31, 2015 for the total amount of Rs. 1,76,39,780 which is outstanding for more than 30 days.

## MATERIAL DEVELOPMENTS

Except as stated in the chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page 171 of this Prospectus, no material developments have taken place after March 31, 2015, the date of the latest balance sheet, that would materially adversely affect the performance of prospectus of the Company. In accordance with SEBI requirements, our Company and the Lead Manager shall ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the NSE Emerge..

We certify that except as stated herein above:

- a. There are no pending proceedings for offences for non-payment of statutory dues by the promoters of the Company.
- b. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c. There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences except as stated above.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the Promoters / Directors in their personal capacity.
- g. The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.
- h. As per audited balance sheet as at March 31, 2015, and Management representation following are the Creditors to whom Company owes sum exceeding Rs. 1,00,000 which is outstanding for more than 30 days.

Sr. No.	Name of Creditors	Amount (Rs.)
1.	Leo Precision Products	7,36,570
2.	Esem Plast	16,52,500
3.	J.B. Packaging	1,37,800
4.	Shiv Packaging	1,42,969
5.	B.K. Polimax India Pvt Ltd.	1,49,69,941
	<b>Total</b>	<b>1,76,39,780</b>

## GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, and no further approvals are required for carrying on our present business or to undertake the Issue. Unless otherwise stated, these approvals are all valid as on the date of this Prospectus.

### I. APPROVALS FOR THE ISSUE

#### Corporate Approvals

1. Our Board has, pursuant to a resolution passed at its meeting held on March 31, 2015 authorized the Issue.
2. Our shareholders have pursuant to a Special resolution passed at their meeting dated April 27, 2015 under Section 62(1)(c) of the Companies Act 2013, authorized the Issue.

#### Approvals from Lenders

1. The Company has obtained approval vide letter dated June 16, 2015 from its lender i.e. Corporation Bank, S G Highway Branch for the proposed issue of Shares.

### II. INCORPORATION DETAILS

1. Corporate Identity Number: U25200GJ1996PLC028679
2. Fresh Certificate of Incorporation dated March 06, 1996 issued by the Registrar of Companies Ahmedabad, Gujarat pursuant to change in name to Ahimsa Industries Private Limited
3. Fresh Certificate of Incorporation dated May 25, 2015 issued by the Registrar of Companies Ahmedabad, Gujarat, consequent upon conversion to public limited company.

### III. APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

#### A. Under Direct and Indirect Laws

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Registration in Income Tax Department	Income Tax Department, Govt. of India	PAN: AABCA6186F	Perpetual	-
2.	Allotment of Tax Deduction Account Number (TAN)	National Securities Depository Limited	TAN: AHMA00252A	Perpetual	-
3.	Registration under Central Sales Tax Act, 1956	Commercial Tax Officer unit-6, Ahmedabad	Reg. No:- 24573301419	Perpetual	-
4.	Value Added Tax Registration, Gujarat	Commercial Tax Officer unit-6, Ahmedabad	Reg. No. 24073301419	Perpetual	-

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
5.	Registration under Central Sales Tax Act, 1956	Sales Tax Officer, Kalyan	Reg. No. 27781052357C	Perpetual	-
6.	Value Added Tax Registration, Kalyan	Sales Tax Officer, Kalyan	Reg. No. 27781052357V	Perpetual	-
7.	Registration under Central Excise.	Central Board of Excise and Customs, Division-IV, Narol, Ahmedabad.	Registration Number-AABCA6186FEM001	Perpetual	-
8.	Service Tax Registration	Office of The Assistant Commissioner Service Tax, Div-II, AHMEDABAD	ST Code: AABCA6186FSD001	Perpetual	Taxable Service-Business Auxiliary Services, Transport of Goods By Road.

**B. Under Industrial And Labour Law**

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Registration under Employees State Insurance Act, 1948.	Regional Office Employees State Insurance Corporation, Ahmedabad, Gujarat	Code.: 37-00-103227-000-0205	Perpetual	-

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
2.	Registration under Gujarat State Tax on profession, Trade, Calling and Employments Act, 1976	Ahmedabad Municipal Corporation, Ahmedabad.	Registration No. PRC016280459	Perpetual	The Tax shall be payable monthly with the return and receipt of payment of the tax
3.	Registration Under Employees Provident Funds and Miscellaneous Provisions Act, 1952	Office of the Regional Provident Fund Commissioner, Ahmedabad, Gujarat.	Code.: GJ/AHD/ENF/II/59771/T.04/4605 Dated : March 03, 2014	Perpetual	-
4.	Factory License	Directorate Industrial Safety & Health	Reg. No. 5229/22209/2013	December 31, 2015	Maximum Number of workers to be employed on any day during the year 50. And Maximum installed power in B.H.P. on any day during the year is 500.
5	Pollution Control under Hazardous Waste (M & H) Rules 2008	Gujarat Pollution Control Board	PCB-ID:32923	February 08, 2018	-

**C. Other Registration And Licenses**

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Registration under Plastics Export Promotion Council.	The Plastics Export Promotion Council	Reg. No. PLEPC/A/706/2014-2015	March 31, 2019	Company registered as a merchant Exporter of All Plastic Products.
2.	Sanction of Power Load 350KW.	Torrent Power Limited, Ahmedabad	BS/HT-100050519/1099 Dated December 29, 2011	Perpetual	Variation in Voltage must be within the permissible limits as per Indian Electricity Rules.
3.	Membership under Federation of Indian Export Organizations.	Federation of Indian Export Organizations. Ahmedabad, Gujarat.	RCMC No: AHD/47/2014-2015	March 31, 2019	-
4.	Registration under Importer-Exporter Code.	Office of Joint Director General of Foreign Trade, Ahmedabad.	IEC no. 0895008688, Dated February 15, 1996.	Perpetual	-
5.	Registration under Ahmedabad Municipal Corporation.	Office of the Municipal Commissioner	Registration no. PII/VEJ/22/0000210	Perpetual	Nature of Business is Plastic Products and Export of Injection Moulding..

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
6.	Entrepreneurs Memorandum for Setting Up MSME Enterprises.	District Industries Center, Ahmedabad	Entrepreneurs Memorandum Number: 24-007-11-03001, dated December 06, 2010.	Perpetual	-

### INTELLECTUAL PROPERTY

Our Company has applied for Logo **GREENPET** which is under process for registration, under the Trademark Act 1999 and The Trademark Rule 2003.

Sr. No.	Logo	Date of Application	Application No.	Class	Current Status
1.		September 06, 2012	2391186	99	Pending for approval



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on March 31, 2015 and by the shareholders of our Company by a special resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013, passed at the Extra Ordinary General Meeting of our Company held on April 27, 2015 at registered office of the Company.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Directors, our Promoter Group and our Group Entities, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

The companies with which our Promoters, our Directors or persons in control of our Company are / were associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

### PROHIBITION BY RBI

Neither our Company, nor our Promoters, or the relatives (as defined under the Companies Act) of our Promoters or Group Entities have been identified as willful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or no proceedings thereof are pending against them.

### ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in terms of Regulation 106M(1) of chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, as the post issue capital does not exceed Rs. 1,000 lakhs. Our Company also complies with the eligibility conditions laid by the NSE-EMERGE Platform for listing of our Equity Shares.

#### **We confirm that:**

1. In accordance with regulation 106(P) of the SEBI ICDR Regulations, this Issue will be 100% underwritten and that the LM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 45 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 is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, than our 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 u/s 40 of the Companies Act, 2013
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits 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.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled "General Information" beginning on page 45 of this Prospectus.
5. The Company has Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results.

6. The Company shall mandatorily facilitate trading in demat securities and has entered in to an agreement with both the depositories.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court of competent jurisdiction or a liquidator has been appointed against the Company.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. The Company has a website: [www.greenpet.in](http://www.greenpet.in)
11. There has been no change in the Promoter(s) of the Company in the preceding one year from the date of filing application to NSE-EMERGE Platform.

We further confirm that we shall be complying 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) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, 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

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, SARTHI CAPITAL ADVISORS PRIVATE LIMITED HAVE 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, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MANAGER, SARTHI CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SARTHI CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 14, 2015 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992.**

**“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS 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, 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 73 OF THE COMPANIES ACT, 1956\* 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, SUBJECT TO COMPLIANCE WITH REGULATION 56 OF THE SEBI REGULATIONS
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\*\*
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.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF 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 BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”**

**17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.”**

*\*Section 40(3) of the Companies Act, 2013 has been notified by the Ministry of Corporate Affairs, Government of India.*

*\*\*Section 29 of the Companies Act, 2013 provides inter alia that every company making public offers shall issue securities only in dematerialised form by complying with the provisions of the Depositories Act, 1996 and the regulations made thereunder.*

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING NSE-EMERGE 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. – NOTED FOR COMPLIANCE.**
- (5) **WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO TO SUB-REGULATION 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.**
- (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. - NOTED FOR COMPLIANCE.”**

**Note:**

The filing of this Prospectus does not, however, absolve our Company from any liabilities under section 34, section 35, section 36 OR section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead manager any irregularities or lapses in the 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 Ahmedabad, Gujarat in terms of sections 26, 32 and 33 of the Companies Act, 2013.

#### **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, [www.greenpet.in](http://www.greenpet.in) would be doing so at his or her own risk.

#### **Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Lead Manager and our Company dated June 06, 2015, the Underwriting Agreement dated June 06, 2015 entered into among the Underwriter and our Company.

Our Company and the Lead Manager shall make all information available 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 or at collection centers, *etc.*

**Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager 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 Equity Shares.**

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to 'Annexure A' to this Prospectus and the website of the Lead Manager at [www.sarthiwm.in](http://www.sarthiwm.in)

#### **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 not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative 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 Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Prospectus does not, however, constitute an invitation to purchase 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 the jurisdiction of appropriate court(s) in Ahmedabad 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, except that this Prospectus has been filed with NSE for its observations and NSE shall give its observations in due course. 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 since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE NSE-EMERGE PLATFORM**

National Stock Exchange of India Limited (NSE) has given permission vide letter dated September 03, 2015, to use its name in the offer document in respect of the proposed public issue of equity shares. The disclaimer clause of stock exchange is as given below:

“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 Ref.: NSE/LIST/40955 dated September 03, 2015 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 the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, 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.”

#### **FILING**

This Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in term of Regulation 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the SEBI Western Regional Office, Unit No. 002, Ground Floor, Sakar I, Near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad. A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Ahmedabad, ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013.

#### **LISTING**

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in- principle approval from NSE-EMERGE Platform. However application will be made to the NSE-EMERGE Platform for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The NSE-EMERGE Platform has given its in-principal approval for using its name in our Prospectus vide its letter dated September 03, 2015.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE-EMERGE Platform, our Company will forthwith repay, without interest, all moneys received from the

applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE-EMERGE Platform mentioned above are taken within twelve Working Days from the Issue Closing Date

## CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary and Compliance Officer, Chief Financial Officer, Chief Executive Officer, the Auditors, Peer Review Auditor, the Banker to the Issue; and (b) Lead manager, Underwriters, Market Makers Registrar to the Issue, Legal Advisor to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 32 of Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of this Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Prospectus and such consent and report is not withdrawn up to the time of delivery of this Prospectus with NSE.

## EXPERT OPINION TO THE ISSUE

Except as stated below, our Company has not obtained any expert opinions:

1. Report of the Statutory Auditor on Statement of Tax Benefits

## EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, see the chapter “Objects of the Issue” beginning on page 72 of this Prospectus.

## DETAILS OF FEES PAYABLE

### Fees Payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the Mandate Letter dated November 13, 2014 issued by our Company to the Lead Manager, the copy of which is available for inspection at our Registered Office.

### Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated June 06, 2015, a copy of which shall be available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

### Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor and Advertiser, *etc.* will be as per the terms of their respective engagement letters.

## UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.



## **PREVIOUS RIGHTS AND PUBLIC ISSUES DURING THE LAST FIVE YEARS**

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

## **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 54 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

## **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT 1956/ SECTION 186 OF COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:**

None of the equity shares of our Group Entities are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years

## **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us.

## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Agreement between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

## DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationships Committee Shareholders of the Board *vide* resolution passed at the Board Meeting held on June 24, 2015. For further details, please refer to the chapter titled “*Our Management*” beginning on page 116 of this Prospectus.

Our Company has appointed Ms. Gajara Jagirambhai Joshi as the Company Secretary and Compliance Officer and She may be contacted at the following address:

**Ahimsa Industries Limited**

102, Iscon Elegance, NR. Shapath-5,  
Prahlad Nagar Junction,  
S.G. Highway, Ahmedabad,  
Gujarat-380051, India

**Tel:** +91 79 27445901/02

**Email:** legal@greenpet.in

**Website:** www.greenpet.in

Investors can contact the Company Secretary and 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 or refund orders, *etc.*

## CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

There have been no changes in the statutory auditors of our Company in the last three financial years.

## CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 54 of this Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

## REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

## PURCHASE OF PROPERTY

Other than as disclosed in this 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 this Prospectus.

Except as stated elsewhere in this Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made thereunder.

## SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.





## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') 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, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE Emerge, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, QIB applicants, Non-Institutional applicants and other applicants whose application amount exceeds Rs. 2 lakhs can participate in the Issue only through the ASBA process. The Retail Individual Applicants can participate in the Issue either through the ASBA process or the non ASBA process. ASBA Applicants should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process.*

### RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, 1956 along with notified provisions of Companies Act, 2013, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares 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 the section titled, 'Main Provisions of the Articles of Association of the Company' on page 225 of this Prospectus.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders 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, 2013. For further details, please refer to the chapter titled 'Dividend Policy' on page 135 of this Prospectus.

### FACE VALUE AND ISSUE PRICE

The Equity Shares having a Face Value of Rs. 10/- each are being offered in terms of this Prospectus at the price of Rs. 25/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled 'Basis for Issue Price' beginning on page 76 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

As per the provisions of the Depositories Act, the shares of a body corporate can 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. The trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity Shares and the same may be modified by the NSE Emerge from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 6,000 Equity Shares subject to a minimum allotment of 6,000 Equity Shares to the successful Applicants.

#### **MINIMUM NUMBER OF ALLOTTEES**

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 monies collected shall be refunded within 12 working days of closure of Issue.

#### **JOINT HOLDERS**

Where 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 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. In case the allotment of Equity Shares 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.

#### **MINIMUM SUBSCRIPTION**

In the event our Company does not receive a minimum subscription of 100% of the Issue, subject to the Issue being made for at least 25% of the post-Issue paid up Indian Equity Share capital of our Company, in accordance with Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, including devolvement to the Underwriters within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received not later than 70 days from the Bid/Issue Closing Date. If there is a delay beyond eight days after the expiry of 70 days from the Bid/Issue Closing Date, the Directors of our Company who are officers in default shall jointly and severally be liable to repay the money with such interest as prescriber under section 39(3) of the Companies Act, 2013 and Companies (Prospectus and Allotment of Securities) Rules, 2014.



Further Section 39(5) states that in case of default under section 39(3), the Company and its officers who are in default shall be liable to a penalty of Rs.1,000 for each day during which the default continues or Rs. 100,000, whichever is less

Additionally, section 40(3) of the 2013 Act requires application money to be refunded in the event of failure to Allot Equity Shares for any other reason. If a default is made in complying with the provisions of this section the Company shall be punishable with a fine which shall not be less than Rs. 500,000, but which may extend to Rs. 5,000,000 and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 300,000 or with both.

#### **MIGRATION TO MAIN BOARD**

Our company may migrate to the main board of NSE Emerge Exchange at a later date subject to the following:

- a) If the Paid up Capital of our 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), our Company shall apply to NSE 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 our company is more than 10 crores but below Rs. 25 crores, our 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.

#### **MARKET MAKING**

The shares offered through this issue are proposed to be listed on the NSE Emerge (Emerge Platform) wherein the Lead Manager to the issue shall ensure compulsory Market Making through registered Market Makers of the NSE Emerge Exchange for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the Market Making arrangement see chapter titled "General Information" beginning on page 45 of this Prospectus.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 6,000 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 Exchange platform of NSE.

#### **RESTRICTIONS, IF ANY, 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's minimum contribution as detailed in chapter titled "Capital Structure" beginning on page 54 of this Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer to the section "Main Provisions of the Articles of Association" beginning on page 225 of this Prospectus.

## **ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM**

Our Company shall issue shares only in dematerialized. Investors making application in dematerialized form may get the specified securities rematerialized subsequent to allotment.

## **NEW FINANCIAL INSTRUMENTS**

The Issuer Company is not issuing any new financial instruments through this Issue.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Ahmedabad, Gujarat 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 or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and 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 face value capital is less than Rs. 1,000 Lakhs shall issue shares to the public and propose to list the same on the Emerge Platform of NSE ('NSE Exchange', in this case being the Emerge Platform of NSE). For further details regarding the salient features and terms of such an Issue please refer to the chapters titled 'Terms of the Issue' and 'Issue Procedure' beginning on page 200 and 206 of this Prospectus.

### FOLLOWING IS THE ISSUE STRUCTURE:

Public Issue of 15,18,000 Equity shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. 25/- per Equity Share aggregating Rs. 379.50 Lakhs ('the Issue') by our Company.

The Issue comprises a Net Issue to Public of 14,40,000 Equity Shares ('the Net Issue') and a reservation of 78,000 Equity Shares for subscription by the designated Market Maker ('the Market Maker Reservation Portion').

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	14,40,000 Equity Shares	78,000 Equity Shares
Percentage of Issue Size available for allocation	94.86 % of the Issue size	5.14 % of the Issue size
Basis of Allotment	Proportionate subject to minimum allotment of 6,000 Equity Shares and further allotment in multiples of 6,000 Equity Shares each. For further details please refer to the "Basis of Allotment" on page 212 of this Prospectus.	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/-  For Retail Individuals: 6,000 Equity Shares	78,000 Equity Shares

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Maximum Application Size	For QIB and NII: Such number of equity shares in multiples of 6,000 Equity Shares such that the Application Size does not exceed 14,40,000 Equity Shares.  For Retail Individuals: 6,000 Equity Shares	Application size shall be 78,000 equity shares since there is a firm allotment
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	6,000 Equity Shares	6,000 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.	

\*50% of the shares offered are reserved for applications below Rs. 2 lakh and the balance for higher amount applications.

ISSUE OPENING DATE	SEPTEMBER 24, 2015
ISSUE CLOSING DATE	OCTOBER 01, 2015

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches.

Standardization of cut-off time for uploading of bids on the issue closing date:

- A standard cut-off time of 3.00 PM for acceptance of bids.
- A standard cut-off time of 4.00 PM for uploading of bids received from non-retail applicants i.e. QIBs, HNIs and employees (if any).

A standard cut-off time of 5.00 PM for uploading of bids received from only retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by BRLMs to the Exchange within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



## ISSUE PROCEDURE

### FIXED PRICE ISSUE PROCEDURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit them to the Registrar to the Issue. In case of QIB Applicants, the 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.

As per the provisions Section 29 of the Companies Act, 2013, the Allotment of Equity Shares in the Issue shall be only in a de-materialized form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).The Equity Shares on Allotment shall, however, be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

### APPLICATION FORM

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

ASBA 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.

The prescribed color of the Application Form for various categories is as follows:

Category	Color of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs applying on a repatriation basis	Blue

In accordance with the SEBI (ICDR) Regulations, in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

### WHO CAN APPLY?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines:-

- Indian nationals resident in India who are not incompetent to contract 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 applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*. Applications by HUFs would be considered at par with those from individuals;
- Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;

- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional applicants category;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 2,500 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 or air force of the Union of India

As per the existing regulations, OCBs cannot participate in this Issue.

#### **PARTICIPATION BY ASSOCIATES OF LM**

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum Form 2A containing the salient features of the Prospectus together with 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 and the collection Centres of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE limited i.e. [www.nseindia.com](http://www.nseindia.com).





#### OPTION TO SUBSCRIBE IN THE ISSUE

- a) Investors will get the allotment of Equity Shares in dematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) A single Application From any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

#### APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON REPATRIATION

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 (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 HUF's 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.

#### APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

**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.**

**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.**

#### APPLICATIONS BY ELIGIBLE NRIS/FII'S ON REPATRIATION BASIS

Application Forms have been made available for Eligible NRIs at our registered Office. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and should not use the forms meant for the reserved category. Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's 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 permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws. The Company does not require approvals from FIPB or RBI for the issue of equity shares to eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

#### AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FIIS:

- The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital of the Company or 5% of the total issued capital, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not

exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As on the date of this Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.

- Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ('SEBI FII Regulations'), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the LM that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

#### **APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment Funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

#### **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 Limited Liability Partnership 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 the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company 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) Regulations, 2000, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- (a) equity shares of a company: the least 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: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); 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 ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors on December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

## APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, 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 attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

## APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, 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.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, 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 reasons thereof.
- (b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c) With respect to applications made by 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 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, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

**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 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.**

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

**a) For Retail Individual Applicants**

The Application must be for a minimum of 6,000 Equity Shares. As the Application Price payable by the Applicant cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for 6,000 Equity Shares.

**b) 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. 2,00,000 and in multiples of 6,000 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 in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

#### **INFORMATION FOR THE APPLICANTS:**

- a) Our Company will file the Prospectus with the Registrar of Companies Ahmedabad, Gujarat at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office or from the office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of



refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

#### **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. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand payable at Mumbai.

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 1, 2013. The list of Broker Centre is available on the websites of NSE Limited i.e. [www.nseindia.com](http://www.nseindia.com).

#### **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

**Please note that, providing bank account details 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, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. 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.

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the NSE Emerge Platform (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:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 6,000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 6,000 equity shares; and

- b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 6,000 equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 equity shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 6,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - a) 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.
  - b) The balance net offer of shares to the public shall be made available for allotment to
    - i. individual applicants other than retails individual investors and
    - ii. other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c) The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

‘Retail Individual Investor’ means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## REFUNDS

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant’s identity (DP ID) and the beneficiary’s identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.



Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee s purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **TERMS OF PAYMENT / PAYMENT INSTRUCTIONS**

The entire Issue Price of Rs. 25/- per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand drawn on any Bank (including a Cooperative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque / Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
  - Indian Public including eligible NRIs applying on non-repatriation basis: 'Ahimsa Industries Limited – Public Issue – R'.
  - In case of Non Resident Retail Applicants applying on repatriation basis: 'Ahimsa Industries Limited – Public Issue – NR'
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupees purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 12 days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

## **PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## **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 Depository Participant and 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 (as defined herein below) 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.

### ***Don'ts:***

- Do not apply for lower than the minimum Application size;
- Do not apply at 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 Bankers of the Issue.
- 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 same to the Selected Branches / Offices of the Banker to the Issue.
- 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.

## **OTHER INSTRUCTIONS**

### ***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### ***Multiple Applications***

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- (i) All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications





- (ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- (iii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

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.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of 'know your client' norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

#### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ('PAN') to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### **GROUND FOR REJECTIONS**

Applicants are advised to note that 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, Equity Shares may be registered in the names 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 persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than 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;

- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stockinvest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications 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;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date;

#### **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of section 38(1) 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 of Companies Act, 2013 and shall be treated as Fraud.**



## **SIGNING OF UNDERWRITING AGREEMENT**

Vide an Underwriting agreement dated June 06, 2015 this issue is 100% Underwritten.

## **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the Registrar of Companies Ahmedabad, Gujarat in terms of Section 32 of Companies Act, 2013.

## **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI 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.

## **DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 working days of the Issue Closing Date.

In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within two months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment. Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 working days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demands drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demands at other centres will be payable by the Applicants.

## **PAYMENT OF REFUND**

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ('MICR') code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

### **Mode of making refunds**

The payment of refund, if any, would be done through various modes as given hereunder:

1. **ECS (Electronic Clearing System)** – Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
2. **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
3. **RTGS (Real Time Gross Settlement)** – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds Rs. 10.00 Lakhs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand s drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand s at other centres will be payable by the Applicants.

### **DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 working days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge Platform where the Equity Shares are proposed to be listed are taken within seven working days of Allotment.



In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment of Equity Shares shall be made within 12 ( Twelve) working days of the Issue Closing Date;
2. Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 (Twelve) working days of the Issue Closing Date would be ensured; and
3. The Company shall pay interest at 15% p.a. for any delay beyond the 15 (Fifteen) working days time period from the Issue Closing Date, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 12 (Twelve) working days prescribed above.

#### **UNDERTAKINGS BY OUR COMPANY**

The Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by us expeditiously;
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 seven working days of finalization of the basis of Allotment;
3. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 working days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time; and
6. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
7. that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non- ASBA applications while finalizing the basis of allotment

#### **UTILIZATION OF ISSUE PROCEEDS**

Our Board 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 Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of Clause 52 of the NSE Emerge Listing Agreement 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.

#### **WITHDRAWAL OF THE ISSUE**

In accordance with the SEBI (ICDR) Regulations, the Company in consultation with Lead Manager, reserve the right not to proceed with this Issue any time after the Issue Opening Date, without assigning the reasons thereof.

However, if our Company withdraws the Issue after the Issue Closing Date but before allotment, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. The LM, through

the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh prospectus with stock exchange(s).

#### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) We have entered into tripartite agreement between NSDL, the Company and the Registrar to the Issue;
- (b) We have entered into tripartite agreement between CDSL, the Company and the Registrar to the Issue;

The Company's Equity shares bear an ISIN No. INE136T01014

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

#### **COMMUNICATIONS**

All future communications in connection with the 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 Banker to the Issue where the Application was submitted and cheque or number and issuing bank 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, refund orders etc.



## ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

**This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1365051213899.html](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html). For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

### ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ('ASBA Account') is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. 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 bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

#### **Who can apply?**

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

#### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, , money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

#### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account as per the provisions of section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.





## **RESTRICTION 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 circular No. D/o IPP F. No. 5(1)/2014-FC.I, with effect from April 17, 2014, consolidates and supersedes 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, this circular will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a Non-resident does not require the prior approval of the FIPB or the 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.

**The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. 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), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. However 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. 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 this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

## SECTION VIII – MAIN PROVISION OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of our Articles relating to, *inter alia*, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

### CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Article No.	Contents	Title of Article
<b>3.</b>	a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V (a) of Memorandum of Association of the Company from time to time.	Authorized Capital.
	b) The minimum paid up Share capital of the Company shall be Rs.5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.	
<b>4.</b>	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	Increase of capital by the Company how carried into effect
<b>5.</b>	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	New Capital same as existing capital
<b>6.</b>	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	Non Voting Shares

Article No.	Contents	Title of Article
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	Redeemable Preference Shares
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	Voting rights of preference shares
9.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions-shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	Provisions to apply on issue of Redeemable Preference Shares

Article No.	Contents	Title of Article
10.	<p>The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	Reduction of capital
11.	<p>Any debentures, debenture-stock or other securities may be issued at a discount (subject to the compliance with the provision of Section 53 of the Companies Act, 2013), premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>	Debentures
12.	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>	Issue of Sweat Equity Shares
13.	<p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.</p>	ESOP
14.	<p>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.</p>	Buy Back of shares
15.	<p>Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the</p>	Consolidation, Sub-Division And Cancellation

Article No.	Contents	Title of Article
	Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	Issue of Depository Receipts
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	Issue of Securities

#### MODIFICATION OF CLASS RIGHTS

Article No.	Contents	Title of Article
18.	<p>(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>	Modification of rights
19.	(c) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	New Issue of Shares not to affect rights attached to existing shares of that class.

Article No.	Contents	Title of Article
20.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being 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 and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	Shares at the disposal of the Directors.
21.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	Power to issue shares on preferential basis.
22.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	Shares should be Numbered progressively and no share to be subdivided.
23.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	Acceptance of Shares.
24.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	Directors may allot shares as full paid-up

Article No.	Contents	Title of Article
25.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	Deposit and call etc. to be a debt payable immediately.
26.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	Liability of Members.
27.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	Registration of Shares.

#### RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT

Article No.	Contents	Title of Article
28.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	

#### CERTIFICATES

Article No.	Contents	Title of Article
29.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several	Share Certificates.

Article No.	Contents	Title of Article
	<p>persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
30.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the</p>	<p>Issue of new certificates in place of those defaced, lost or destroyed.</p>



Article No.	Contents	Title of Article
	<p>Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	
31.	<p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>	The first named joint holder deemed Sole holder.
	<p>(b) The Company shall not be bound to register more than three persons as the joint holders of any share.</p>	Maximum number of joint holders.
32.	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.</p>	Company not bound to recognize any interest in share other than that of registered holders.
33.	<p>If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.</p>	Installment on share to be duly paid.

## UNDERWRITING AND BROKERAGE

Article No.	Contents	Title of Article
34.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	Commission
35.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	Brokerage

## CALLS

Article No.	Contents	Title of Article
36.	<p>(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.</p> <p>(2) A call may be revoked or postponed at the discretion of the Board.</p> <p>(3) A call may be made payable by installments.</p>	Directors may make calls
37.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	Notice of Calls
38.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	Calls to date from resolution.
39.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares	Calls on uniform basis.

	falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	
40.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	Directors may extend time.
41.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	Calls to carry interest.
42.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	Sums deemed to be calls.
43.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	Proof on trial of suit for money due on shares.
44.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to	Judgment, decree, partial payment <i>suo motto</i> proceed for forfeiture.

	time be due from any Member of 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 thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	
<b>45.</b>	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	Payments in Anticipation of calls may carry interest

**LIEN**

<b>Article No.</b>	<b>Contents</b>	<b>Title of Article</b>
<b>46.</b>	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	Company to have Lien on shares / debentures.

47.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	As to enforcing lien by sale.
48.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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.	Application of proceeds of sale.

#### FORFEITURE AND SURRENDER OF SHARES

Article No.	Contents	Title of Article
49.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	If call or installment not paid, notice may be given.

<p><b>50.</b></p>	<p>The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>	<p>Terms of notice.</p>
<p><b>51.</b></p>	<p>If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.</p>	<p>On default of payment, shares to be forfeited.</p>
<p><b>52.</b></p>	<p>When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.</p>	<p>Notice of forfeiture to a Member</p>
<p><b>53.</b></p>	<p>Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.</p>	<p>Forfeited shares to be property of the Company and may be sold etc.</p>
<p><b>54.</b></p>	<p>Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.</p>	<p>Members still liable to pay money owing at time of forfeiture and interest.</p>
<p><b>55.</b></p>	<p>The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.</p>	<p>Effect of forfeiture.</p>

<p><b>56.</b></p>	<p>A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.</p>	<p>Evidence of Forfeiture.</p>
<p><b>57.</b></p>	<p>The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.</p>	<p>Title of purchaser and allottee of Forfeited shares.</p>
<p><b>58.</b></p>	<p>Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.</p>	<p>Cancellation of share certificate in respect of forfeited shares.</p>
<p><b>59.</b></p>	<p>In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.</p>	<p>Forfeiture may be remitted.</p>
<p><b>60.</b></p>	<p>Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of 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 the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, 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 and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.</p>	<p>Validity of sale</p>

<b>61.</b>	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	Surrender of shares.
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#### TRANSFER AND TRANSMISSION OF SHARES

Article No.	Contents	Title of Article
<b>62.</b>	<p>(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.</p>	Execution of the instrument of shares.
<b>63.</b>	<p>The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.</p> <p>The instrument of transfer shall be in a common form approved by the Exchange;</p>	Transfer Form.
<b>64.</b>	<p>The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.</p>	Transfer not to be registered except on production of instrument of transfer.
<b>65.</b>	<p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—</p> <p style="padding-left: 40px;">(a) any transfer of shares on which the company has a</p>	Directors may refuse to register transfer.



	<p>lien.</p> <p>Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.</p>	
<b>66.</b>	<p>If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.</p>	<p>Notice of refusal to be given to transferor and transferee.</p>
<b>67.</b>	<p>No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.</p>	<p>No fee on transfer.</p>
<b>68.</b>	<p>The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.</p>	<p>Closure of Register of Members or debenture holder or other security holders.</p>
<b>69.</b>	<p>The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.</p>	<p>Custody of transfer Deeds.</p>
<b>70.</b>	<p>Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.</p>	<p>Application for transfer of partly paid shares.</p>
<b>71.</b>	<p>For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.</p>	<p>Notice to transferee.</p>

<p><b>72.</b></p>	<p>(a) 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 person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognizing any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<p>Recognition of legal representative.</p>
<p><b>73.</b></p>	<p>The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.</p>	<p>Titles of Shares of deceased Member</p>
<p><b>74.</b></p>	<p>Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.</p>	<p>Notice of application when to be given</p>
<p><b>75.</b></p>	<p>Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the</p>	<p>Registration of persons entitled to share otherwise</p>

	<p>death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.</p>	<p>than by transfer. (transmission clause).</p>
76.	<p>Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.</p>	<p>Refusal to register nominee.</p>
77.	<p>Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.</p>	<p>Board may require evidence of transmission.</p>
78.	<p>The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.</p>	<p>Company not liable for disregard of a notice prohibiting registration of transfer.</p>

79.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in form SH4 hereof as circumstances permit.	Form of transfer Outside India.
80.	No transfer shall be made to any minor, insolvent or person of unsound mind.	No transfer to insolvent etc.

#### NOMINATION

Article No.	Contents	Title of Article
81.	<ul style="list-style-type: none"> <li>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</li> <li>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</li> <li>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</li> <li>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</li> </ul>	Nomination
82.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <ul style="list-style-type: none"> <li>(i) to be registered himself as holder of the security, as the case may be; or</li> <li>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</li> <li>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</li> <li>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he</li> </ul>	Transmission of Securities by nominee

	<p>were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further 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 or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	
<b>DEMATERIALIZATION OF SHARES</b>		
<b>83.</b>	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	Dematerialisation of Securities
<b>JOINT HOLDER</b>		
<b>84.</b>	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	Joint Holders
<b>85.</b>	(a) The Joint holders of any share 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.	Joint and several liabilities for all payments in respect of shares.
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	Title of survivors.
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	Receipts of one sufficient.
	(d) 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 relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	Delivery of certificate and giving of notices to first named holders.

SHARE WARRANTS		
<b>86.</b>	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (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 a share warrant.	Power to issue share warrants
<b>87.</b>	<p>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in 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 clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>	Deposit of share warrants
<b>88.</b>	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a 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 holder of the Share included in the warrant, and he shall be a Member of the Company.</p>	Privileges and disabilities of the holders of share warrant
<b>89.</b>	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	Issue of new share warrant coupons
CONVERSION OF SHARES INTO STOCK		
<b>90.</b>	The Company may, by ordinary resolution in General Meeting. <p>a) convert any fully paid-up shares into stock; and</p>	Conversion of shares into stock or reconversion.

	b) re-convert any stock into fully paid-up shares of any denomination.	
91.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation 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.	Transfer of stock.
92.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Rights of stock holders.
93.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	Regulations.

#### BORROWING POWERS

Article No.	Contents	Title of Article
94.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, anybody corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting 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 specified purpose.	Power to borrow.
95.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount (subject to the compliance with the	Issue of discount etc. or with special privileges.

	provision of Section 53 of the Companies Act, 2013), premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	
<b>96.</b>	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	Securing payment or repayment of Moneys borrowed.
<b>97.</b>	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	Bonds, Debentures etc. to be under the control of the Directors.
<b>98.</b>	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	Mortgage of uncalled Capital.
<b>99.</b>	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	Indemnity may be given.



### RELATED PARTY TRANSACTIONS

Article No.	Contents	Title of Article
100.	<p><b>A.</b> Subject to the provisions of the Act, the Company may enter into contracts with the Related Party which are at arm's length and are in ordinary course of business of the company with approval of the Audit Committee and subsequently Board.</p> <p><b>B.</b> Subject to the provisions of the Act, the Company may enter into contracts with the related parties which are of such nature wherein it requires consent of shareholders in terms of Act or Listing Agreement or any other law for the time being in force, with approval of the shareholders in the general meeting.</p>	

### MEETINGS OF MEMBERS

Article No.	Contents	Title of Article
101.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	Distinction between AGM & EGM.
102.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of	Extra-Ordinary General Meeting by Board and by requisition
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	When a Director or any two Members may call an Extra Ordinary General Meeting
103.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	Meeting not to transact business not mentioned in notice.

<p><b>104.</b></p>	<p>The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.</p>	<p>Chairman of General Meeting</p>
<p><b>105.</b></p>	<p>No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.</p>	<p>Business confined to election of Chairman whilst chair is vacant.</p>
<p><b>106.</b></p>	<p>a) 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>b) 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>c) 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>d) 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>	<p>Chairman with consent may adjourn meeting.</p>
<p><b>107.</b></p>	<p>In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.</p>	<p>Chairman's casting vote.</p>
<p><b>108.</b></p>	<p>Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.</p>	<p>In what case poll taken without adjournment.</p>
<p><b>109.</b></p>	<p>The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.</p>	<p>Demand for poll not to prevent transaction of other business.</p>

**VOTES OF MEMBERS**

Article No.	Contents	Title of Article
110.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum 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 or lien.	Members in arrears not to vote.
111.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	Number of votes each member entitled.
112.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	Casting of votes by a member entitled to more than one vote.
113.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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.	Vote of member of unsound mind and of minor
114.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	Postal Ballot
115.	A member may exercise his vote at a meeting by electronic	E-Voting

	means in accordance with section 108 and shall vote only once.	
<b>116.</b>	<p>a) 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. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	Votes of joint members.
<b>117.</b>	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorized as mentioned in Articles	Votes may be given by proxy or by representative
<b>118.</b>	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorize such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	Representation of a body corporate.
<b>119.</b>	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	Members paying money in advance.
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	Members not prohibited if share not held for any specified period.
<b>120.</b>	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 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 transfer such shares and give such	Votes in respect of shares of deceased or insolvent members.

	indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	
<b>121.</b>	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorized under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	No votes by proxy on show of hands.
<b>122.</b>	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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.	Appointment of a Proxy.
<b>123.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	Form of proxy.
<b>124.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	Validity of votes given by proxy notwithstanding death of a member.
<b>125.</b>	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.	Time for objections to votes.
<b>126.</b>	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	Chairperson of the Meeting to be the judge of validity of any vote.

## DIRECTORS

Article No.	Contents	Title of Article
127.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen .Provided that a company may appoint more than fifteen directors after passing a special resolution	Number of Directors
128.	The following shall be the First Directors of the Company: a. <b>Lalit C. Shah</b> b. <b>Ashutosh D. Gandhi</b>	First Directors
129.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	Qualification shares.
130.	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	Nominee Directors.

<p><b>131.</b></p>	<p>The Board may appoint an Alternate Director to act for a Director (hereinafter called “The Original Director”) during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.</p>	<p>Appointment of alternate Director.</p>
<p><b>132.</b></p>	<p>Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.</p>	<p>Additional Director</p>
<p><b>133.</b></p>	<p>Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.</p>	<p>Directors’ power to fill casual vacancies.</p>
<p><b>134.</b></p>	<p>Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.</p>	<p>Sitting Fees.</p>
<p><b>135.</b></p>	<p>The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.</p>	<p>Travelling expenses Incurred by Director on Company's business.</p>

**PROCEEDING OF THE BOARD OF DIRECTORS**

<b>Article No.</b>	<b>Contents</b>	<b>Title of Article</b>
<p><b>136.</b></p>	<p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.</p> <p>(b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p> <p>(c) In terms of the Companies Act or other applicable laws, to permit the participation of Directors in meetings of the Board otherwise through physical presence, the Board or its members, may from time to time decide to conduct discussions through audio conferencing, video conferencing or net conferencing and directors shall be allowed to participate from multiple locations through modern communication equipments for ascertaining the views of such Directors as have indicated their willingness to participate by audio conferencing, video conferencing or net conferencing, as the case may be.</p>	<p>Meetings of Directors.</p> <p>Board Meeting through video/audio</p>
<p><b>137.</b></p>	<p>a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.</p> <p>b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>	<p>Chairperson</p>
<p><b>138.</b></p>	<p>Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.</p>	<p>Questions at Board meeting how decided.</p>
<p><b>139.</b></p>	<p>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.</p>	<p>Continuing directors may act notwithstanding any vacancy in the Board</p>
<p><b>140.</b></p>	<p>Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every</p>	<p>Directors may appoint committee.</p>



	Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	
<b>141.</b>	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	Committee Meetings how to be governed.
<b>142.</b>	<ul style="list-style-type: none"> <li>a) A committee may elect a Chairperson of its meetings.</li> <li>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.</li> </ul>	Chairperson of Committee Meetings
<b>143.</b>	<ul style="list-style-type: none"> <li>a) A committee may meet and adjourn as it thinks fit.</li> <li>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.</li> </ul>	Meetings of the Committee
<b>144.</b>	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	Acts of Board or Committee shall be valid notwithstanding defect in appointment.

## RETIREMENT AND ROTATION OF DIRECTORS

Article No.	Contents	Title of Article
145.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	Power to fill casual vacancy

## POWERS OF THE BOARD

Article No.	Contents	Title of Article
146.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	Powers of the Board
147.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	Certain powers of the Board
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorized to carry on, in any part of India.	To acquire any property, rights etc.
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	To take on Lease.
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter,	To erect & construct.

	<p>extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.</p>	
	<p>(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share 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 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>	To pay for property.
	<p>(5) 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 buildings, 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>	To insure properties of the Company.
	<p>(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.</p>	To open Bank accounts.
	<p>(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.</p>	To secure contracts by way of mortgage.
	<p>(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.</p>	To accept surrender of shares.
	<p>(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.</p>	To appoint trustees for the Company.
	<p>(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or</p>	To conduct legal proceedings.

	against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	Bankruptcy & Insolvency
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	To issue receipts & give discharge.
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	To invest and deal with money of the Company.
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	To give Security by way of indemnity.
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	To determine signing powers.
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	Commission or share in profits.
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	Bonus etc. to employees.
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any	Transfer to Reserve Funds.

	<p>special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.</p>	
	<p>(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>	<p>To appoint and remove officers and other employees.</p>
	<p>(20) At any time and from time to time by power of attorney under the seal of the Company, 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 Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of</p>	<p>To appoint Attorneys.</p>

	any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	To enter into contracts.
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	To make rules.
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	To effect contracts etc.
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	To apply & obtain concessions licenses etc.
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40of the Act and of the provisions contained in these presents.	To pay commissions or interest.
	(26) To redeem preference shares.	To redeem preference shares.
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	To assist charitable or benevolent institutions.
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.	

	<p>(29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.</p>	
	<p>(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p>	
	<p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely</p>	

	<p>or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
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#### MANAGING AND WHOLE-TIME DIRECTORS

Article No.	Contents	Title of Article
<b>148.</b>	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	Powers to appoint Managing/ Whole-time Directors.
<b>149.</b>	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	Remuneration of Managing or Whole-time Director.
<b>150.</b>	(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.	Powers and duties of Managing Director or Whole-time Director.



	<p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	
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**Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

Article No.	Contents	Title of Article
<b>151.</b>	<p>a) Subject to the provisions of the Act,—</p> <p style="padding-left: 20px;">i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p style="padding-left: 20px;">ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or</p>	Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer

	authorizing a thing to be done by or to a director and chief executive officer, 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.	
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#### THE SEAL

Article No.	Contents	Title of Article
152.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	The seal, its custody and use.
153.	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 authorized 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.	Deeds how executed.

#### DIVIDEND AND RESERVES

Article No.	Contents	Title of Article
154.	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) 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</p>	Division of profits.

	as from a particular date such share shall rank for dividend accordingly.	
<b>155.</b>	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	The company in General Meeting may declare Dividends.
<b>156.</b>	<p>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 equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	Transfer to reserves
<b>157.</b>	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.	Interim Dividend.
<b>158.</b>	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	Debts may be deducted.
<b>159.</b>	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	Capital paid up in advance not to earn dividend.
<b>160.</b>	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 dividends as from a particular date such share shall rank for dividend accordingly.	Dividends in proportion to amount paid-up.
<b>161.</b>	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	Retention of dividends until completion of transfer under Articles .

<b>162.</b>	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.
<b>163.</b>	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	Effect of transfer of shares.
<b>164.</b>	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	Dividend to joint holders.
<b>165.</b>	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	Dividends how remitted.
<b>166.</b>	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.	Notice of dividend.
<b>167.</b>	No unclaimed dividend shall be forfeited and no unpaid dividend shall bear interest as against the Company.	No interest on Dividends.

#### CAPITALIZATION

Article No.	Contents	Title of Article
<b>168.</b>	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize 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</p> <p>(b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p>	Capitalization.

	<p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	
<p><b>169.</b></p>	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorize 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 capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the</p>	<p>Fractional Certificates.</p>

	Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.	
<b>170.</b>	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	Inspection of Minutes Books of General Meetings.
<b>171.</b>	<p>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.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.</p>	Inspection of Accounts

#### FOREIGN REGISTER

Article No.	Contents	Title of Article
<b>172.</b>	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	Foreign Register.

#### DOCUMENTS AND SERVICE OF NOTICES

Article No.	Contents	Title of Article
<b>173.</b>	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorized by the Board for such purpose and the signature may be written or printed or lithographed.	Signing of documents & notices to be served or given.
<b>174.</b>	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be	Authentication of documents and proceedings.

	signed by a Director, the Manager, or Secretary or other Authorized Officer of the Company and need not be under the Common Seal of the Company.	
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#### WINDING UP

Article No.	Contents	Title of Article
175.	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	

#### INDEMNITY

Article No.	Contents	Title of Article
176.	<p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p>	Directors' and others right to indemnity.

<p><b>177.</b></p>	<p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p>	<p>Not responsible for acts of others</p>
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**SECRECY**

Article No.	Contents	Title of Article
<p><b>178.</b></p>	<p>(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors 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 contained.</p>	<p>Secrecy</p>
	<p>(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.</p>	<p>Access to property information etc.</p>





## 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 our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of Prospectus to be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 102, Iscon Elegance, Nr. Shapath-5, Prahlad Nagar Junction, S.G. Highway, Gujarat-380051, Ahmedabad, India, from date of filing Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### MATERIAL CONTRACTS

1. Mandate letter dated November 13, 2014 issue by our Company to the Lead manager.
2. Issue Agreement dated June 06, 2015 between our Company and the Lead Manager.
3. Agreement dated June 06, 2015 between our Company and the Registrar to the Issue.
4. Escrow agreement dated August 24, 2015 among our Company, the Lead Manager, the Escrow Collection Banks, and the Registrar to the Issue.
5. Underwriting agreement dated June 06, 2015 between our Company and Lead Manager.
6. Market Making Agreement dated August 27, 2015 between our Company, the Lead Manager and the Market Maker.
7. Agreement among NSDL, our Company and the Registrar to the Issue dated July 20, 2015.
8. Agreement among CDSL, our Company and the Registrar to the Issue dated July 08, 2015

#### MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
2. Resolution of the Board dated March 31, 2015 authorizing the Issue.
3. Special Resolution of the shareholders passed at the Extraordinary General Meeting dated April 27, 2015 authorizing the Issue.
4. Statement of Tax Benefits dated July 15, 2015, issued by Statutory Auditor, K.H. Trivedi & Co.
5. Report of the Peer Review Auditor, RPMD & Associates., Chartered Accountants on the Restated Financial Statements for the Financial Year ended as on March 31, 2015, 2014, 2013, 2012 and 2011 of our Company.
6. Consents of Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Chief Executive Officer, Statutory Auditors, Bankers to our Company, the Lead Manager, the Underwriter, Registrar to the Issue, Market Maker to the Issue, Peer review Auditor, Legal Advisor, Bankers to the Issue/Escrow Collection Banks, Refund Banker to the Issue, to act in their respective capacities.
7. Copy of approval from NSE *vide* letter dated September 03, 2015 to use the name of NSE in this offer document for listing of Equity Shares on Emerge Platform of NSE.
8. Due Diligence Certificate dated September 14, 2015 from the Lead Manager.
9. Copy of Managing Director Agreement with Mr. Ashutosh Damubhai Gandhi and our Company dated December 18, 2014 for his appointment.



10. Copy of Whole-time Director Agreement with Mrs. Sneha Ashutosh Gandhi and our Company dated December 18, 2014 for her appointment.
11. Copy of the Special Resolution dated December 18, 2014 for the detailed terms of appointment of Mr. Ashutosh Damubhai Gandhi as Managing Director of the Company.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



## DECLARATION

We, the Directors, hereby certify and declare that, all relevant provisions of the Companies Act, 1956, notified provisions of Companies Act, 2013 and the guidelines issued by the Government of India or the regulations / 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 and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956, notified provisions of Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

### Signed by the Directors of our Company

Name	DIN	Designation	Signature
Ashutosh Damubhai Gandhi	00654563	Managing Director	
Sneha Ashutosh Gandhi	00654675	Whole-time Director	
Jignesh Anubhai Shah	00006339	Non-Executive Director	
Ashish Navnitlal Shah	00089075	Non-Executive and Independent Director	
Bhadresh Arvindbhai Trivedi	07218969	Non-Executive and Independent Director	

### Signed by Company Secretary, Chief Executive Officer and Chief Financial Officer

Gajara Jagirambhai Joshi	Sanjay Bholashanker Agrawal	Shrenikbhai Madhuarbai Khatwala
<b>Company Secretary &amp; Compliance Officer</b>	<b>Chief Executive Officer</b>	<b>Chief Financial Officer</b>

**Date:** September 14, 2015

**Place:** Ahmedabad

**Annexure A**

**FORMAT FOR DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY SARTHI CAPITAL ADVISORS PRIVATE LIMITED**

Sr. N	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	Closing price on listing date	% change in price on listing date (closing) vs issue price	Benchmark index on listing date (closing)	Closing price as on 10 <sup>th</sup> calendar day from listing day	Benchmark index as on 10 <sup>th</sup> calendar day from listing day (closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day	Benchmark index as on 20 <sup>th</sup> Calendar day from listing day (closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day	Benchmark index as on 30 <sup>th</sup> Calendar day from listing day (closing)
1	Bothra Metals & Alloys Limited	12.21	25.00	March 25, 2013	25.50	25.00	0.00	18,681.42	25.75	18,509.70	26.50	18,357.80	27.75	19,406.85
2	Tiger Logistics (India) Limited	7.52	66.00	September 12, 2013	69.20	69.10	4.70	19,781.88	65.85	19,900.96	67.40	19,902.07	60.00	20,607.54
3	R J Bio-Tech Limited	5.00	20.00	September 25, 2013	21.00	22.05	5.00	19,856.24	25.50	19,895.10	44.35	20,547.62	42.55	20,683.52
4	RCI Industries & Technologies Limited	11.52	40.00	January 21, 2014	41.00	38.05	(4.87)	21,251.12	31.05	20,513.85	28.80	20,334.27	28.01	20,536.54
5	B.C. Power Controls Limited	10.36	18.00	March 14, 2014	17.15	18.10	0.55	21,809.80	17.30	22,055.48	18.30	22,509.07	18.30	22,484.93
6	Starlit	2.95	18.00	October	18.10	18.95	5.28	26,787.23	19.00	27,860.38	19.00	27,910.06	18.20	28,334.63



	Power Systems Limited		0	22, 2014										
7	JLA Infraville Shoppers Limited	2.00	10.00	November 12, 2014	11.05	11.60	16.00	28,008.90	13.35	28,499.54	14.10	28,444.01	12.20	27,350.68
8	Akme Starhousing Finance Limited	4.80	30.00	March 20, 2015	32.00	31.75	5.83	28,261.08	30.50	27,975.86	34.75	28,885.21	30.50	27,886.21
9	Mahabir Metallex Limited	3.90	10.00	March 27, 2015	10.30	10.10	1.00	27,248.64	10.45	28,504.46	12.50	28,666.04	12.40	27,176.99
10	Pecos Hotels And Pubs Limited	2.29	50.00	August 11, 2015	56.00	53.25	6.50	27,866.09	52.50	25,741.56	50.00	26,283.09	50.00	25,610.21

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com)

Note:-

1. The BSE Sensex is considered as the Benchmark Index
2. Price on BSE is considered for all of the above calculations
3. In case 10<sup>th</sup>/20<sup>th</sup>/30<sup>th</sup> day is not a trading day (trading holiday), closing price on BSE of the next trading day has been considered
4. In case 10<sup>th</sup>/20<sup>th</sup>/30<sup>th</sup> day there is no trade then the closing price of the next day when trading has taken place has been considered

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPO	Total funds raised (Rs.Cr)	Nos of IPOs trading at discount on listing date			Nos of IPOs trading at Premium on listing date			Nos of IPOs trading at discount on 30 <sup>th</sup> Calender day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calender day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
12-13	1	12.21	-	-	-	-	-	-	-	-	1	-	-	-
13-14	4	34.39	-	-	1	-	-	3	-	-	1	-	2	-
14-15	4	13.65	-	-	-	-	-	4	-	-	-	-	-	4
15-16	1	2.29	-	-	-	-	-	1	-	-	-	-	-	-

As on the listing day, the price of Bothra Metals & Alloys Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.