



## POLYMAC THERMOFORMERS LIMITED

Our Company was originally incorporated in Kolkata as "Polymac Thermoformers Private Limited" on 17<sup>th</sup> December, 1999 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Kolkata, West Bengal. Our Company was converted in to a public limited company and consequently name was changed to "Polymac Thermoformers Limited" vide fresh certificate of incorporation dated 26<sup>th</sup> August, 2013 issued by the Registrar of Companies, Kolkata, West Bengal. For further details in relation to the changes to the name of our Company, please refer to the section titled "Our History and Corporate Structure" beginning on page 66 of this Prospectus.

**Registered office & Corporate Office:** 29A, Weston Street, 3<sup>rd</sup> Floor, Room no. C5, Kolkata-700012;

Tel: 91-33- 4004 1400 Fax: 91-33- 4004 1400

Email: polymacthermo@gmail.com; Website: [www.polymacthermoformers.com](http://www.polymacthermoformers.com)

**Contact Person & Compliance Officer:** Mr. Anuj Jalan, Company Secretary & Compliance Officer;

**PROMOTERS OF THE COMPANY:** MR. PUSPJEET KUMAR & M/S. YADUKA COACHING CENTRE PVT. LTD.

**PUBLIC ISSUE OF 22,00,000 EQUITY SHARES OF RS. 10/- EACH ("EQUITY SHARES") OF POLYMAC THERMOFORMERS LIMITED ("PTL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 35/- PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. 770.00 LACS ("THE ISSUE"), OF WHICH, 1,20,000 EQUITY SHARES OF RS. 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 20,80,000 EQUITY SHARES OF RS. 10/- EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 46.01% AND 43.50%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

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

*For Further Details See "Issue Related Information" Beginning On Page 121 of this Prospectus.*

All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 127 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.

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE IS 3.50 (THREE & HALF) TIMES OF THE FACE VALUE**

### RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first issue of our Company, there has been no formal market for the securities of the Company. The face value of the Equity Shares is Rs. 10/- and the issue price is at 3.50 times of face value. The issue price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter titled on "Basis For Issue Price" beginning on page 44 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 or sustained trading in the shares of the Company or regarding the price at which the equity shares will be traded after listing.

### GENERAL RISKS



Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the BSE SME Platform nor does BSE SME Platform guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 8 of this Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

The 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 the 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 Prospectus are proposed to be listed on the BSE SME 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-principal listing approval for the shares being offered in this issue. However, our company has received an approval letter dated 3<sup>rd</sup> January, 2014 from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER		REGISTRAR TO THE ISSUE	
	<b>GUINNESS CORPORATE ADVISORS PVT. LTD.</b> 18, Deshapriya Park Road, Kolkata-700 026 Tel : +91-33-3001 5555 Fax: +91-33-3001 5531 Email: <a href="mailto:gmbpl@guinnessonline.net">gmbpl@guinnessonline.net</a> Website: <a href="http://www.16anna.com">www.16anna.com</a> Contact Person: Ms. Alka Mishra SEBI Regn. No: INM 000011930		<b>LINK INTIME INDIA PVT. LTD</b> C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078 Tel: +91-22-2596 7878 Fax: +91-22-2596 0329 Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> E-mail ID: <a href="mailto:ptl.ipo@linkintime.co.in">ptl.ipo@linkintime.co.in</a> Contact Person: Mr. Sachin Achar SEBI Registration No: INR000004058

### ISSUE PROGRAMME

ISSUE OPENS ON	THURSDAY, 6 <sup>TH</sup> FEBRUARY, 2014	ISSUE CLOSES ON	MONDAY, 10 <sup>TH</sup> FEBRUARY, 2014
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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### DEFINITIONS

TERMS	DESCRIPTION
"our Company", "the Company", "PTL", 'Polymac' "we", "us" or "the Issuer"	Polymac Thermoformers Limited, a public limited company incorporated under the Companies Act, 1956

#### CONVENTIONAL/GENERAL TERMS

TERMS	DESCRIPTION
AOA/Articles/ Articles of Association	Articles of Association of Polymac Thermoformers Limited
Bankers to our Company	Union Bank of India, Ballygunge Branch, 26/6, Hindustan Park, Gariahat, Kolkata
Banker to the Issue	Axis Bank Limited, Shop No. 5, 6 & 7, Ground Floor, Link House, Link Road, Malad (W), Mumbai - 400 064
Board of Directors / Board/Director(s)	The Board of Directors of Polymac Thermoformers Limited
BSE / Exchange	BSE Limited (the designated stock exchange)
Companies Act	The Companies Act, 1956, as amended from time to time
Depositories Act	The Depositories Act, 1996 as amended from time to time
CIN	Company Identification Number
DIN	Directors Identification Number
Depositories	NSDL and CDSL
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time.
Director(s)	Director(s) of Polymac Thermoformers Limited, unless otherwise specified
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
EPS	Earnings Per Share
GIR Number	General Index Registry Number
Gol/ Government	Government of India
Statutory Auditor / Auditor	M/s. A. K. Pathak & Co., Chartered Accountants the statutory auditors of our Company.
Promoters	Promoter of the Company being Mr. Puspjeet Kumar & M/s. Yaduka Coaching Centre Pvt. Ltd.
Peer Review Auditor	M/s. Ramanand & Associates, Chartered Accountants the peer review auditors of our Company.
Promoter Group Companies /Group Companies / Group Enterprises	Unless the context otherwise specifies, refers to those entities mentioned in the section titled "Our Promoter Group / Group Companies / Entities" on page 84 of this Prospectus.
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Key Managerial Personnel / Key Managerial Employees	The officers vested with executive powers and the officers at the level immediately below the Board of Directors as described in the section titled "Our Management" on page 79 of this Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Polymac Thermoformers Limited
Non Resident	A person resident outside India, as defined under FEMA
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or

TERMS	DESCRIPTION
	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. <b>OCBs are not allowed to invest in this Issue.</b>
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability 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
Registered office of our Company	29, Weston Street, 3 <sup>rd</sup> Floor, Room no. C5, Kolkata-700012
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME Platform of BSE/Stock Exchange	The SME platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations
SWOT	Analysis of strengths, weaknesses, opportunities and threats
RoC	Registrar of Companies, West Bengal
TFT	Trade for Trade

#### ISSUE RELATED TERMS

TERMS	DESCRIPTION
Allotment/Allot	Issue of Equity Shares pursuant to the Issue to the successful applicants as the context requires.
Allottee	The successful applicant to whom the Equity Shares are being / have been issued
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount (ASBA)	Means an application for subscribing to an issue containing an authorization to block the application money in a bank account
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the appropriate application Amount of the ASBA applicant, as specified in the ASBA Application Form
ASBA Applicant(s)	Prospective investors in this Issue who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, non- retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.
ASBA Location(s)/Specified Cities	Location(s) at which ASBA Application can be uploaded by the Brokers, namely Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat
ASBA Public Issue Account	An Account of the Company under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Investors
Basis of Allotment	The basis on which Equity Shares will be allotted to the Investors under the Issue and which is described in "Issue Procedure-Basis of Allotment" on page 133 of the Prospectus
Designated Market Maker	Guinness Securities Limited having registered office at 216, 2 <sup>nd</sup> Floor, P.J. Towers, Dalal Street, Mumbai- 400 001 and correspondence office at Guinness House, 18, Deshapriya Park Road, Kolkata-700 026
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein

TERMS	DESCRIPTION
Issue/Issue size/ initial public issue/Initial Public Offer/Initial Public Offering	Public issue of 22,00,000 Equity Shares of Rs. 10/- each ("Equity Shares") of Polymac Thermoformers Limited ("PTL" or the "Company" or the "Issuer") for cash at a price of Rs. 35/- per share (the "Issue Price"), aggregating to Rs. 770.00 Lacs ("the Issue")
Issue Opening date	The date on which the Issue opens for subscription
Issue Closing date	The date on which the Issue closes for subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application
Lead Manager/LM	Lead Manager to the Issue being Guinness Corporate Advisors Private Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.
Market Maker Reservation Portion	The Reserved portion of 1,20,000 Equity shares of Rs. 10/- each at Rs. 35/- per Equity Share aggregating to Rs. 42.00 Lacs for Designated Market Maker in the Initial Public Issue of Polymac Thermoformers Limited
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 20,80,000 Equity Shares of Rs.10/- each at Rs. 35/- per Equity Share aggregating to Rs. 728.00 Lacs by Polymac Thermoformers Limited
Business Day	Any day on which commercial banks in Mumbai are open for the business
GSL	Guinness Securities Limited
GMBPL	Guinness Corporate Advisors Private Limited
Depository Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant	A depository participant as defined under the Depositories Act, 1956
Designated Market Maker	Guinness Securities Limited
Escrow Account	Account opened/to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement entered / to be entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof
Escrow Bankers to the Issue / Escrow Collection Bank (s)	Being Axis Bank Limited, Shop No. 5, 6 & 7, Ground Floor, Link House, Link Road, Malad (W), Mumbai - 400 064
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Bankers to the Issue at which bank the Escrow Account of our Company, will be opened
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 35/-
Mutual Funds	A mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996
Memorandum of Understanding	The arrangement entered into on 12 <sup>th</sup> November, 2013 between our Company, and Lead Manager pursuant to which certain arrangements are agreed in relation to the Issue
Non - resident	A person resident outside India, as defined under FEMA including eligible NRIs and FIIs
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Issue Account / Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date
Qualified Institutional Buyers or QIBs	The term "Qualified Institutional Buyers" or "QIBs" shall have the meaning ascribed to such term under the SEBI ICDR Regulations and shall mean and include (i) a Mutual Fund, VCF and FVCI registered with SEBI; (ii) an FI and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; (iii) a public financial institution as defined in Section 4A of the Companies Act; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of Rs. 250 million; (ix) a pension fund with

TERMS	DESCRIPTION
	minimum corpus of Rs. 250 million; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and (xii) insurance funds set up and managed by the Department of Posts, India eligible for applying in this Issue.
Registrar/Registrar to the Issue	Registrar to the Issue being Link Intime India Private Ltd. having office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078
Retail Individual Investor(s)	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000
Refund Account	The account opened / to be opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of application Amount (excluding to the ASBA Applicants) shall be made.
Refund bank	Being Axis Bank Limited, Shop No. 5, 6 & 7, Ground Floor, Link House, Link Road, Malad (W), Mumbai - 400 064
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, RTGS or the ASBA process, as applicable
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.pdf">www.sebi.gov.in/pmd/scsb.pdf</a> or at such other website as may be prescribed by SEBI from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
Underwriters	Guinness Corporate Advisors Private Limited
Underwriting Agreement	The Agreement among the Underwriters and our Company
Working Days	All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Application period a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday
Market Maker	A market maker is a company, or an individual, that quotes both a buy and a sell price in a financial instrument or commodity held in inventory, hoping to make a profit on the bid-offer spread, or turn. Market makers are net sellers of an option to be adversely selected at a premium proportional to the trading range at which they are willing to provide liquidity.

#### COMPANY/INDUSTRY RELATED TERMS/TECHNICAL TERMS

TERM/ABBREVIATION	DESCRIPTION/FULL FORM
PP	Polypropylene
HPIS	High Impact Polystyrene
GPPS	General Purpose Polystyrene
Group Company/(ies)	Yaduka Coaching Centre Pvt. Ltd., Parijat Tradecom Pvt. Ltd.
KL	Kilo Liters
KVA	Kilo Volts Ampere
Project	Expansion of Manufacturing Unit and Funding Working Capital
RCC	Reinforced Cement Concrete
TPD or T/Day	Tonnes Per Day
TPH	Tonnes Per Hour
Pcs.	Pieces

#### ABBREVIATIONS

ABBREVIATION	FULL FORM
AGM	Annual General Meeting

ABBREVIATION	FULL FORM
ACS	Associate Company Secretary
AMBI	Association of Merchant Bankers of India
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B.A	Bachelor of Arts
B.Com	Bachelor of Commerce
BG/LC	Bank Guarantee / Letter of Credit
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CC	Cubic Centimeter
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
C.S.	Company Secretary
Cum	Cubic meter
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
ESOP	Employee Stock Option Plan
EMD	Earnest Money Deposit
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIs	Financial Institutions.
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India
FY / Fiscal	Financial Year
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FCA	Fellow Member of Institute of Chartered Accountants of India
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/ Government	Government of India
HUF	Hindu Undivided Family
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
ICWAI	Institute of Cost & Works Accountants of India
M. A.	Master of Arts
M.B.A.	Master of Business Administration
SME	Small And Medium Enterprises
M. Com.	Master of Commerce
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC/Registrar of Companies	The Registrar of Companies, West Bengal
RONW	Return on Net Worth
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America

## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **FINANCIAL DATA**

Unless stated otherwise, the financial data in this Prospectus is extracted from the financial statements of our Company for the fiscal years 2013, 2012, 2011, 2010, 2009 and period ended 30<sup>th</sup> November, 2013 and the restated financial statements of our Company for Fiscal Years 2013, 2012, 2011, 2010, 2009, and period ended 30<sup>th</sup> November, 2013 prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Auditors and the SEBI Regulations and set out in the section titled – Financial Information on page 88. 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 Regulations. Our fiscal years commence on April 1 and end on March 31. 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, US GAAP and IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

### **CURRENCY OF PRESENTATION**

All 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. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

In this Prospectus, throughout all figures have been expressed in Lacs, except as otherwise stated. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One hundred thousand".

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

### **INDUSTRY & MARKET DATA**

Unless otherwise stated, Industry & Market data used throughout this Prospectus has been obtained from internal Company reports and Industry publications and 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.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

For additional definitions, please refer the section titled "Definitions and Abbreviations" on page 1 of this Prospectus.



## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business, plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others General economic conditions, political conditions, conditions in the plastic and thermoplastic sector, fuel prices, inclement weather, interest rates, inflation etc. and business conditions in India and other countries.

- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and Globally.
- Changes in foreign exchange rates or other rates or prices;
- Our failure to keep pace with rapid changes in agri sector;
- The monetary and interest policies of India, unanticipated turbulence in interest rates;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Changes in political condition in India.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Government approvals;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter;
- Conflicts of interest with affiliated companies, the Group Entities and other related parties;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page 8 of this Prospectus. By their nature, certain 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. Our Company, the Lead Manager, and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

## SECTION II

### RISK FACTORS

*An Investment in equity involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Prospectus before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment.*

*Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Prospectus, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Financial Information" included in this Prospectus beginning on pages 56, 103 & 88 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.*

*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.*

#### INTERNAL RISK FACTORS

1. The Registered Office of our Company is not owned by us.

The Registered Office of our Company situated at 29A, Weston Street, 3<sup>rd</sup> floor, Room no.C5, Kolkata-700012 belongs to one of our Promoter i.e. M/s. Yaduka Coaching Centre Pvt. Ltd. and they have permitted us to use this premises as rent free.

2. We have reported negative cash flows.

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

(Rs. In Lacs)

Particulars	30.11.2013	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Net Cash flow from Operative activities	(167.04)	(10.34)	75.81	(154.60)	50.15	(99.25)
Net Cash Flow from investing activities	3.39	(9.66)	(26.89)	42.18	(134.05)	(20.82)
Net Cash Flow from Financing activities	163.31	19.49	(55.12)	119.07	83.65	86.05
Net Cash Flow for the Year	(0.34)	(0.51)	(6.20)	6.65	(0.25)	(34.02)

3. We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

4. In the 12 months prior to the date of filing the Prospectus, the Company had issued Equity Shares at a price, which is lower than the Issue Price.

Date of Allotment	Number of Equity Shares	Issue Price (Rs.)	Consideration	Reasons for Allotment
12/07/2013	2,30,000	Nil	Other than Cash	Conversion of Preference Shares into Equity Shares
08/08/2013	20,65,280	Nil	Other than Cash	Bonus Issue in ratio of 4:1

5. We have substantial indebtedness and will continue to have debt service obligations following the Issue. The total amounts outstanding and payable by our Company as principal and interest were Rs. 292.76 Lacs as on 30<sup>th</sup> November, 2013.

The total amounts outstanding and payable by us as principal and interest on account of the loan arrangements with banks, financial institutions, promoters and other body corporate as on 30<sup>th</sup> November, 2013 are Rs. 292.76 Lacs. For further information on the financing and loan agreements along with the total amounts outstanding and the details of the repayment schedule, see Annexure 9 & 10 of section titled “Financial Information of Our Company” on pages 100 & 101 of this Prospectus.

6. Our lenders have charge on over our movable properties in respect of finance availed by us.

We have secured our lenders by creating charge over our properties. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited by lenders. For further information on the financing and loan agreements along with the total amounts outstanding; please refer to Annexure 9 of section titled “Financial Information of our Company” on page 100 of this Prospectus.

7. We have taken unsecured loan of Rs. 254.06 Lacs as on 30<sup>th</sup> November, 2013, which is repayable on demand. In case of untimely demand, we will have to arrange these funds which may carry higher cost of funding, which may have an impact on our financial operations.

We have taken unsecured loan of Rs. 254.06 Lacs as on 30<sup>th</sup> November, 2013 which can be recalled at any time and in that event, it may affect the financial operations of our Company to that extent.

8. Our indebtedness and the conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.

We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings. Some of these agreements contain restrictive covenants, including, but not limited to, requirements that we obtain written consent from lenders prior to issuing new shares, incurring further debt, creating further encumbrances on our assets, effecting any scheme of amalgamation or restructuring, undertaking guarantee obligations, declaring dividends, undertaking new projects or making investments. There can be no assurance that we will be able to comply with these covenants or that we will be able to obtain the consents necessary to take the actions we believe are required to operate and grow our business. Certain of our loans may be called at any time by our lenders pursuant to terms of the relevant agreements. An event of default under any of these loan arrangements, if not cured or waived, could have a material adverse effect on us.

9. Our Company does not have any long term supply contracts with our customers which may adversely affect our results of operations.

Our Company does not have any long term commitments with our customers for purchases of our products. As a result, we may be dependent on the recurring purchase orders received from time to time. There is no assurance that our Company will continue to receive purchase orders for our products either on substantially the same terms or at all, which could have an adverse effect on our Company’s operations and profitability. Further, any change in the buying pattern of our end users can adversely affect the business and results of operations of our Company.

10. Raw materials constitute a significant percentage of our Company’ s total expenditure. Any material increase in the prices of raw material or any shortfall in its supply could have a material adverse affect on our Company’ s business and financial condition.

The Raw materials like HPIS, GPPS, PP, constitute a significant percentage of the total expenditure of our Company. Although the impact of cost of raw materials is entirely passed on to our clients, any increase in the price of these raw materials, which our Company is unable to pass on the impact of, would have a material adverse effect on our Company's business and financial condition. Further, any material shortage or interruption in the supply of these raw materials due to natural causes or other factors may also adversely affect our Company's business and financial condition.

**11. The loss of or shutdown of operations at our manufacturing units could have a material adverse effect on our business, financial condition and results of operations.**

We operate a manufacturing unit to carry out our manufacturing activities. Our plant is subject to operating risks, such as shutdowns due to the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, adequate utilisation rates, obsolescence of equipment, industrial accidents or any other reason and the need to comply with the directives and applicable regulations. Although, we have had no such occurrences in the past and we take precautions to minimize the risk of any significant operational problems at our facilities, the occurrence of any of the aforementioned operating risks could significantly affect our business, financial condition and results of operations.

**12. Accidents in the existing and proposed assembly line may lead to public liability consequences. Further, our revenue could be diminished if we are associated with negative publicity**

Occurrence of accidents at our plant may expose our Company to pay compensation and penalty to our workmen and third parties for any losses or damage to human life/health or the environment. Further, our revenue could be diminished if we are associated with negative publicity.

**13. We may not be successful in implementing our business strategies effectively or at all.**

The success of our business will depend greatly on our ability to implement our business strategies effectively. We plan to expand the existing range of our products, increase our client base, explore inorganic growth opportunities and maintain high quality standards. Our ability to execute our business strategy is subject to a variety of risks. Besides, in the event we are unable to execute our business strategy fully or successfully, our development might be hindered. As such, we cannot assure you that we will be able to execute our business strategy successfully or at all, or we will be able to manage our growth effectively, and any failure to do so could have a material adverse effect on our business, prospects, financial condition or results of operations.

**14. Competition from other domestic producers particularly in the unorganised sector may adversely affect our profitability.**

We face competition from other existing domestic producers and potential entrants to the industry in which we operate that may adversely affect our competitive position and our profitability. Loss of market share and competition may also adversely affect our profitability. We also face competition for customers from other players in the organised and unorganised markets. We expect competition could increase with new entrants coming into this industry and existing players consolidating their positions. Some of our competitors may have access to significantly greater resources and hence our inability to compete more effectively may adversely affect our profitability.

**15. We are dependent on third party transportation providers for the delivery of raw materials and products. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition and results of operations.**

We use third party transportation providers for the supply of most of our raw materials and for delivery of our products to our customers. Non-availability of adequate means of transport could adversely affect our receipt of raw materials and the delivery of our products. While, the end consumer bears the freight cost presently, we cannot assure that same arrangements will continue in view of the increase in transport costs. In such an event, our business, financial condition and results of operation may be adversely affected.

- 16. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.**

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 50,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

- 17. Delay in raising funds from the IPO could adversely impact the implementation schedule.**

The proposed expansion, as detailed in the section titled "*Objects of the Issue*" is to be largely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

- 18. The Company has not appointed any independent agency for the appraisal of the proposed Project.**

The Project, for which we intend to use our Issue proceeds as mentioned in the objects of the Issue, has not been appraised by any bank or financial institution. The total cost of Project is our own estimates based on current conditions and are subject to changes in external circumstances or costs. Our estimates for total cost of Project has been based on various quotations received by us from different suppliers and our internal estimates and which may exceed which may require us to reschedule our Project expenditure and may have an adverse impact on our business, financial condition and results of operations.

- 19. The Company has not yet placed orders for some of the capital equipments.**

Our Company has identified the equipments/machineries to be acquired but has not yet identified the suppliers or placed orders for these. The estimated cost of acquisition of plant & machinery is as mentioned in chapter "Objects of the Issue" on page 39, and the actual cost of equipments / machineries may differ from the estimated price at the time of actual placement of orders. Since the Company has set up similar facilities in the past, it will have an advantage in identifying and selecting the right supplier at competitive rates.

- 20. We face competition in our business from both domestic and international competitors. Such competition would have an adverse impact on our business and financial performance.**

We operate in a highly competitive environment. Principal products of our Company include disposable plastic glasses, cups. Players in this market generally compete with each other on key attributes such as technical competence, quality of products, pricing and track record. We compete against our competitors on quality, technical competence, distribution channels and customer relationships. There is no assurance that we will continue to compete successfully in future. Some of our competitors may be able to price their products more attractively or may be able to distribute their products more effectively through establishing better distribution networks, or may have greater access to capital, superior research and development, marketing and other resources. Our inability to remain sufficiently competitive will adversely and materially affect our business and operating results. In addition, should there be any significant increase in global competition or if we are unable to meet the requirements of the changing market conditions, our business and operating results could be adversely affected. The occurrence of any of those events could have a material adverse effect on our ability to compete against our competitors, which would have an adverse impact on our business and financial performance.

- 21. Our Insurance coverage may not adequately protect us against certain operating risks and this may have a material adverse impact on our business.**

We have maintained insurance coverage of our assets to the tune of Rs. 267.35 Lacs as specified in section titled Insurance Policies on page 61 of the Prospectus. We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. In the event we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

**22. Our trademark is not registered under the Trade Marks Act our ability to use the trademark may be impaired.**

Our company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection. If our trademarks are not registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease.

**EXTERNAL RISK FACTORS**

**23. Political, economic and social changes in India could adversely affect our business.**

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

**24. Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.**

The revenues recorded and income earned is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year.

**25. Natural calamities and force majeure events may have an adverse impact on our business.**

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

**26. Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.**

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. 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 IFRS 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.

**27. Restrictions on foreign investment limit our ability to raise debt or capital outside India.**

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to invest in us. Foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Board of India and the Foreign Investment Promotion Board.

**28. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.**

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

**29. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

**30. Third party statistical and financial data in this Prospectus may be incomplete or unreliable.**

We have not independently verified any of the data from industry publications and other sources referenced in this Prospectus and therefore cannot assure you that they are complete or reliable. Discussions of matters relating to India, its economies or the industries in which we operate in this Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

**RISKS RELATING TO THE EQUITY SHARES**

**31. Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters 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 Promoters 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.

**32. 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.

**33. The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.**

Prior to the offer, there has been no public market for our Equity Shares, and an active trading market on the SME Platform of BSE. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the fire fighting industry, crushing industry, developments relating to India and volatility in the Exchange and securities markets elsewhere in the world. However, the LM will arrange for compulsory market making for a period of 3 years from the date of listing as per the regulations applicable to the SME Platforms under SEBI (ICDR) Regulations, 2009.

**34. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner, or at all.**

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of shares issued. We have only applied to BSE Limited to use its name as the Stock Exchange in this offer document for listing our shares on the SME Platform of BSE. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**35. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.**

Prior to this Issue, there has been no public market for our Equity Shares. Guinness Securities Limited is acting as Designated Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers please refer to the section titled "*General Information - Details of the Market Making Arrangement for this Issue*" on page 27 of this Prospectus.

**36. 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 BSE, 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. The BSE may not



inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. 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.

#### PROMINENT NOTES:

1) **SIZE OF THE ISSUE:**

Public Issue of 22,00,000 Equity Shares of Rs. 10/- each (the “Equity Shares”) for cash at a price of Rs. 35/- per Equity Share aggregating to Rs.770.00 Lacs (“the Issue”) by Polymac Thermoformers Limited (“PTL” or the “Company” or the “Issuer”). Out of the Issue, 1,20,000 Equity Shares of Rs. 10 each at a price of Rs. 35 each per Equity Share aggregating to Rs.42.00 Lacs, which will be reserved for subscription by Market Makers to the issue (the “market maker reservation portion”) and Net Issue to the Public of 20,80,000 Equity Shares of Rs. 10 each at a price of Rs. 35/- each per Equity Share aggregating to Rs. 728.00 Lacs (hereinafter referred to as the “Net Issue”). The Issue and the Net Issue will constitute 46.01% and 43.50%, respectively, of the post issue paid up Equity Share capital of the Company.

2) The average cost of acquisition of Equity Shares by the Promoters:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Puspjeet Kumar	799750	5.06
M/s. Yaduka Coaching Centre Pvt. Ltd.	270350	39.17

*\*The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares to them. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them, if any. For more information, please refer to the section titled “Capital Structure” on page 30.*

- 3) Our Net worth as on 30<sup>th</sup> November, 2013 is Rs. 301.51 Lacs as per Restated Financial Statements.
- 4) The Book -Value per share as on 30<sup>th</sup> November, 2013 is Rs. 12.86 as per Restated Financial Statements.
- 5) There was no change in the name of the Company at any time during last three years except the fact the constitution of our Company has been changed from Private Limited to Public Limited company on 26<sup>th</sup> August, 2013 and consequently name was changed to “Polymac Thermoformers Limited”.
- 6) Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the BSE Limited, the Designated Stock Exchange. For more information, please refer to “Basis of Allotment” on page 133 of the Prospectus. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
- 7) Investors are advised to refer to the paragraph on “Basis for Issue Price” on page 44 of this Prospectus before making an investment in this Issue.
- 8) No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, key management employee, associate companies, or Group Companies.
- 9) Investors may contact the Lead Manager or the Compliance Officer for any complaint/clarifications/information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, refer the front cover page.
- 10) Other than as stated in the section titled “Capital Structure” beginning on page 30 of this Prospectus, our Company has not issued any Equity Shares for consideration other than cash.

- 11) Except as mentioned in the sections titled "*Capital Structure*" beginning on page 30 of this Prospectus, we have not issued any Equity Shares in the last twelve months.
- 12) Except as disclosed in the sections titled "*Our Promoters*" or "*Our Management*" beginning on pages 81 and 69 respectively of this Prospectus, none of our Promoters, our Directors and our Key Managerial Employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.
- 13) Any clarification or information relating to the Issue shall be made available by the LM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the LM for any complaints pertaining to the Issue. Investors are free to contact the LM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.
- 14) For transactions in Equity Shares of our Company by the Promoter Group and Directors of our Company in the last six (6) months, please refer to paragraph under the section titled "*Capital Structure*" on page 30 of this Prospectus.
- 15) The company has not given any guarantee to bank or corporate, however there is a claim of the WBSEDCL amounting to Rs. 2,50,59,848/- against which a case is pending in the High Court.
- 16) For details of any hypothecation, mortgage or other encumbrances on the movable and immovable properties of our Company please refer to the section titled "*Financial Information*" on page 88 of this Prospectus.
- 17) Except as disclosed in the section titled "*Our Promoter Group / Group Companies / Entities*" on page 84, none of our Group Companies have business interest in our Company.
- 18) For interest of Promoters/Directors, please refer to the section titled "*Our Promoters*" beginning on page 81 of this Prospectus.
- 19) There are no transactions with the Group Companies/ Group Enterprises and other related party transactions in the preceding five (5) financial years.

## SECTION III: INTRODUCTION

### SUMMARY

*This is only the summary and does not contain all information that you shall consider before investing in Equity Shares. You should read the entire Prospectus, including the information on "Risk Factors" and related notes on page 8 of this Prospectus before deciding to invest in Equity Shares.*

### INDUSTRY OVERVIEW

#### The Indian Economy

India is the world's largest democracy in terms of population with Gross Domestic Production (GDP) of US\$ 4,060 billion in 2010 in purchasing power parity (PPP) terms. This makes India the fifth largest economy in the world after the European Union, the United States of America, China and Japan in PPP terms, (Source: CIA World Factbook). India is also amongst the fastest growing economies globally and its real GDP has grown at an average compounded rate of 8.4% per annum during the last five years up to FY 2011. (Source- Central Statistics Office, Government of India)

#### Manufacturing

Manufacturing is the production of goods for use or sale using labor and machines, tools, chemical and biological processing, or formulation. The term may refer to a range of human activity, from handicraft to high tech, but is most commonly applied to industrial production, in which raw materials are transformed into finished goods on a large scale. Such finished goods may be used for manufacturing other, more complex products, such as aircraft, household appliances or automobiles, or sold to wholesalers, who in turn sell them to retailers, who then sell them to end users - the "consumers".

Manufacturing takes turns under all types of economic systems. In a free market economy, manufacturing is usually directed toward the mass production of products for sale to consumers at a profit. In a collectivist economy, manufacturing is more frequently directed by the state to supply a centrally planned economy. In mixed market economies, manufacturing occurs under some degree of government regulation.

#### PLASTIC INDUSTRY IN INDIA:

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). 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 moulded 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.

In 2011-12, exports of Indian plastics stood at US\$ 7.19 billion, registering a growth of approximately 47 per cent over the previous year. 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: India Brand Equity Foundation (IBEF).*

#### DISPOSABLE PRODUCTS

A disposable is a product designed for cheapness and short-term convenience rather than medium to long-term durability, with most products only intended for single use. The term is also sometimes used for products that may last several months to distinguish from similar products that last indefinitely. The disposable products include kitchen & dining products like disposable dishware, plastic cutlery, cans, bottles, cups, plates, glasses etc.

medical & hygiene products such as toilet paper, plastic syringes, blood bags, paper napkins, facial paper & toilet rolls, baby and adult diapers etc. Plastic disposable packaging material is widely used in hotels and catering Industries.

With India rising, the outlook of Indians is changing too. Consumer spending India on personal care products is very less. Further, the penetration levels are low too. With growing urbanization and higher disposable incomes, consumers are now spending higher on personal care products. Higher growth will be seen in premium range of such products. While rural areas will drive the growth of mass consumption products, urban consumers will be targeted for the premium segments. The shift from unorganized to organized and from unbranded to brand will add further impetus to growth in this segment. India's immense population of one billion-plus people offers tremendous market potential. Outlining the growth areas for this segment, disposable paper shopping bags, sanitary napkins, diapers, wipes, kitchen dishware, glasses, cups etc. will be the key drivers of growth. The presence of major players in this field will carve out niche for India in exports as well.

## **BUSINESS OVERVIEW**

Our Company was originally incorporated in Kolkata as "Polymac Thermoformers Private Limited" on 17<sup>th</sup> December, 1999 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, West Bengal. Our Company was converted in to a public limited company and consequently the name was changed to "Polymac Thermoformers Limited" vide fresh certificate of incorporation dated 26<sup>th</sup> August, 2013 issued by the Registrar of Companies, Kolkata, West Bengal.

### **Manufacturing of Disposable Plastic Products**

We are engaged in the business of manufacturing disposable plastic products such as plastic glasses, cups, bowls. We have been evolved in 1999 and in 2001 we have set up our manufacturing facility which is situated at Dankuni, P.O.-Dankuni Coal Complex, Dist.-Hoogly-712310.

In modern era of fast food industry, there is a thirst of disposable utensil such as glass, cups, bowls etc which are rapidly replacing conventional utensils. These disposable plastic utensils are fast replacing conventional glasses, cups etc.

These disposable plastic utensils are manufactured by thermoforming technique and are increasingly used in Ice-cream industry, hotels, restaurants, canteens, etc. against conventional glass-ware or ceramic cups. Our manufactured disposable cups, glasses are mainly used for food items and are made out of polypropylene or polystyrene sheets.



Polypropylene Sheets

The polystyrene sheets have thickness of 0.25 mm to 0.75 mm are used for disposable plastic utensils in thermoforming machine. Our disposable products are gaining popularity due to attractive look, low weight for container, ease of transportation and low impermeability. Organizations like Railways, Airlines are using disposable cups for serving coffee, tea etc. now-a-days.

## **SWOT**

### **Strengths**

- In house development of products based on application and client requirement.
- Location advantage of Manufacturing Unit
- Experienced management team

- Experienced and dedicated human resource

#### **Weaknesses**

- Unorganized dealers and distributors base.
- Dependent upon availability of raw materials
- Limited presence in market

#### **Opportunities**

- Growing demand of disposable plastic products.
- Products manufactured have use in diverse industries

#### **Threats**

- Competition threat from new entrants.
- Any change or shift of focus of government from manufacturing industry may adversely impact our financials.

**SUMMARY OF FINANCIAL DATA**

**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(Rs. In Lacs)

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Assets</b>						
Fixed Assets-Net Block	109.20	119.39	129.82	122.43	107.31	63.01
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	109.20	119.39	129.82	122.43	107.31	63.01
Capital Work in Progress	-	-	-	-	-	-
<b>Total (A)</b>	<b>109.20</b>	<b>119.39</b>	<b>129.82</b>	<b>122.43</b>	<b>107.31</b>	<b>63.01</b>
<b>Investments</b>						
Investment in Fixed Deposits	-	4.03	3.34	2.79	2.35	2.35
Investment in Shares & Securities		-	-	-	75.00	-
<b>Total Investments (B)</b>	<b>-</b>	<b>4.03</b>	<b>3.34</b>	<b>2.79</b>	<b>77.35</b>	<b>2.35</b>
<b>Current Assets, Loans and Advances</b>						
Receivables	90.85	34.64	67.36	15.20	4.70	7.80
Inventories	105.17	104.62	169.80	136.37	157.36	99.66
Cash & Bank Balances	0.22	0.55	1.06	7.26	0.60	0.86
Deposits & Advances	299.80	127.14	62.85	137.03	13.15	57.39
Other Assets (TDS, Advance Tax etc.)	0.79	4.16	5.30	5.83	0.20	0.15
<b>Total Current Assets ( C )</b>	<b>496.83</b>	<b>271.11</b>	<b>306.37</b>	<b>301.69</b>	<b>176.01</b>	<b>165.86</b>
<b>Total Assets (D) = (A) + (B) + (C)</b>	<b>606.03</b>	<b>394.53</b>	<b>439.53</b>	<b>426.91</b>	<b>360.67</b>	<b>231.22</b>
<b>Liabilities &amp; Provisions</b>						
<b>Loan Funds :</b>						
Secured Loans	38.70	39.27	24.96	123.68	18.41	36.67
Unsecured Loans	254.06	87.05	75.21	25.48	5.48	22.83
<b>Current Liabilities &amp; Provisions:</b>						
Current Liabilities	1.62	1.28	71.59	12.41	70.92	24.25
Provisions	10.14	0.14	0.89	-	-	-
<b>Total Liabilities &amp; Provisions (E)</b>	<b>304.52</b>	<b>127.74</b>	<b>172.65</b>	<b>161.57</b>	<b>94.81</b>	<b>83.75</b>
<b>Net Worth (D) - (E)</b>	<b>301.51</b>	<b>266.79</b>	<b>266.88</b>	<b>265.34</b>	<b>265.86</b>	<b>147.47</b>
<b>Represented By:</b>						
Share Capital	258.16	51.63	51.63	51.63	51.63	49.16
Reserves & Surplus	43.35	215.17	215.25	213.71	214.24	98.31
Less: Revaluation Reserve	-	-	-	-	-	-
Less: Preliminary / Miscellaneous Expenses to the extent not written off	-	-	-	-	-	-
<b>Total Net Worth</b>	<b>301.51</b>	<b>266.80</b>	<b>266.88</b>	<b>265.34</b>	<b>265.87</b>	<b>147.47</b>

## STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Income</b>						
Sales & Revenue	66.84	152.44	184.66	303.45	253.09	119.12
Increase in stock in trade	1.43	-	33.06	76.70	-	-
<b>Total</b>	<b>68.27</b>	<b>152.44</b>	<b>217.72</b>	<b>380.15</b>	<b>253.09</b>	<b>119.12</b>
<b>Expenditure</b>						
Raw Material consumed	4.48	40.39	135.58	291.06	174.26	70.01
Decrease in Stock in Trade	-	63.18	-	-	3.77	2.11
Manufacturing, Administrative & Selling Expenses	2.74	20.44	49.17	60.59	56.86	32.62
Salaries & Wages	2.38	1.99	5.46	5.57	4.31	2.33
<b>Total</b>	<b>9.60</b>	<b>126.00</b>	<b>190.21</b>	<b>357.22</b>	<b>239.20</b>	<b>107.07</b>
<b>Profit before Depreciation, Interest and Tax</b>	<b>58.67</b>	<b>26.44</b>	<b>27.51</b>	<b>22.93</b>	<b>13.89</b>	<b>12.05</b>
Depreciation	10.83	19.13	18.95	17.26	14.75	5.12
<b>Profit before Interest &amp; Tax</b>	<b>47.84</b>	<b>7.31</b>	<b>8.56</b>	<b>5.67</b>	<b>(0.86)</b>	<b>6.93</b>
Interest & Finance Charges	3.13	6.66	6.13	6.20	4.24	4.56
<b>Net Profit before Tax</b>	<b>44.71</b>	<b>0.65</b>	<b>2.43</b>	<b>(0.53)</b>	<b>(5.10)</b>	<b>2.37</b>
Less: Provision for Taxes	10.00	0.47	0.89	-	-	-
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>34.71</b>	<b>0.18</b>	<b>1.54</b>	<b>(0.53)</b>	<b>(5.10)</b>	<b>2.37</b>
Extra Ordinary Items (Net of Tax)	-	-	-	-	-	-
<b>Net Profit</b>	<b>34.71</b>	<b>0.18</b>	<b>1.54</b>	<b>(0.53)</b>	<b>(5.10)</b>	<b>2.37</b>

**STATEMENT OF CASH FLOW, AS RESTATED**

(Rs. In Lacs)

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net profit before tax	44.71	0.65	2.43	(0.53)	(5.10)	2.37
<b>Adjustment for:</b>						
Add: Depreciation	10.83	19.13	18.95	17.26	14.75	5.12
Add: Interest & Finance Charges	3.13	6.66	6.13	6.20	4.24	4.56
<b>Operating Profit before Working capital changes</b>	<b>58.67</b>	<b>26.44</b>	<b>27.51</b>	<b>22.93</b>	<b>13.89</b>	<b>12.05</b>
<b>Adjustments for:</b>						
Decrease (Increase) in Trade & Other Receivables	(56.21)	32.72	(52.16)	(10.50)	3.10	(4.91)
Decrease (Increase) in Stock in Trade	(0.55)	65.18	(33.43)	20.99	(57.70)	(47.86)
Decrease (Increase) in Loans & Advances	(172.66)	(64.29)	74.18	(123.88)	44.24	(50.36)
Increase (Decrease) in Current Liabilities	0.34	(70.31)	59.18	(58.51)	46.67	(7.91)
Increase (Decrease) in provisions (Other than Taxes)	-	-	-	-	-	-
<b>Net Changes in Working Capital</b>	<b>(229.08)</b>	<b>(36.70)</b>	<b>47.77</b>	<b>(171.90)</b>	<b>36.31</b>	<b>(111.04)</b>
<b>Cash Generated from Operations</b>	<b>(170.41)</b>	<b>(10.26)</b>	<b>75.28</b>	<b>(148.97)</b>	<b>50.20</b>	<b>(98.99)</b>
<b>Taxes</b>	<b>(3.37)</b>	<b>0.08</b>	<b>(0.53)</b>	<b>5.63</b>	<b>0.05</b>	<b>0.26</b>
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(167.04)</b>	<b>(10.34)</b>	<b>75.81</b>	<b>(154.60)</b>	<b>50.15</b>	<b>(99.25)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Sale /(Purchase) of Fixed Assets	(0.64)	(8.97)	(26.34)	(32.38)	(59.05)	(20.82)
Sale /(Purchase) of Investments	4.03	(0.69)	(0.55)	74.56	(75.00)	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>3.39</b>	<b>(9.66)</b>	<b>(26.89)</b>	<b>42.18</b>	<b>(134.05)</b>	<b>(20.82)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	-	-	123.50	55.00
Interest & Finance Charges	(3.13)	(6.66)	(6.13)	(6.20)	(4.24)	(4.56)
Increase / (Repayment) of Secured Loans	(0.57)	14.31	(98.72)	105.27	(18.26)	38.71
Increase / (Repayment) of Unsecured Loans	167.01	11.84	49.73	20.00	(17.35)	(3.10)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>163.31</b>	<b>19.49</b>	<b>(55.12)</b>	<b>119.07</b>	<b>83.65</b>	<b>86.05</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(0.34)</b>	<b>(0.51)</b>	<b>(6.20)</b>	<b>6.65</b>	<b>(0.25)</b>	<b>(34.02)</b>
Cash and cash equivalents at the beginning of the year / Period	0.55	1.06	7.26	0.61	0.86	34.88
<b>Cash and cash equivalents at the end of the year/ Period</b>	<b>0.21</b>	<b>0.55</b>	<b>1.06</b>	<b>7.26</b>	<b>0.61</b>	<b>0.86</b>



## ISSUE DETAILS IN BRIEF

### PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

<b>Equity Shares Offered:</b> Fresh Issue of Equity Shares by our Company	Issue of 22,00,000 Equity Shares of Rs. 10 each at a price of Rs. 35 per Equity Share aggregating Rs.770.00 Lacs
Of Which:	
<b>Issue Reserved for the Market Makers</b>	1,20,000 Equity Shares of Rs. 10/- each at a price of Rs. 35 per Equity Share aggregating Rs. 42.00 Lacs
<b>Net Issue to the Public</b>	20,80,000 Equity Shares of Rs. 10 each at a price of Rs. 35 per Equity Share aggregating Rs. 728.00 Lacs
<b>Equity Shares outstanding prior to the Issue</b>	25,81,600 Equity Shares of face value of Rs. 10 each
<b>Equity Shares outstanding after the Issue</b>	47,81,600 Equity Shares of face value of Rs. 10 each
<b>Objects of the Issue</b>	Please refer section titled “ <i>Objects of the Issue</i> ” on page 39 of this Prospectus

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “*Issue Structure*” on page 125 of this Prospectus.

## GENERAL INFORMATION

### POLYMAC THERMOFORMERS LIMITED

Our Company was originally incorporated in Kolkata as "Polymac Thermoformers Private Limited" on 17<sup>th</sup> December, 1999 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Kolkata, West Bengal. Our Company was converted in to a public limited company and consequently name was changed to "Polymac Thermoformers Limited" vide fresh certificate of incorporation dated 26<sup>th</sup> August, 2013 issued by the Registrar of Companies, Kolkata, West Bengal.

#### REGISTERED OFFICE & CORPORATE OFFICE:

29A, Weston Street, 3<sup>rd</sup> Floor,  
Room no. C5, Kolkata-700012  
Tel: 91-33-40041400,  
Website: [www.polymacthermoformers.com](http://www.polymacthermoformers.com)  
E-Mail: [polymacthermo@gmail.com](mailto:polymacthermo@gmail.com);

**COMPANY REGISTRATION NUMBER:** 090774

**COMPANY IDENTIFICATION NUMBER:** U25201WB1999PTC090774

#### ADDRESS OF REGISTRAR OF COMPANIES

Nizam Palace,  
2<sup>nd</sup> MSO Building, 2<sup>nd</sup> floor,  
234/4, A.J.C.B. Road,  
Kolkata-700020  
Tel:033-22877390,  
Fax:033-22903795,  
Email: [roc.kolkata@mca.gov.in](mailto:roc.kolkata@mca.gov.in)

**DESIGNATED STOCK EXCHANGE:** BSE Limited

**LISTING OF SHARES OFFERED IN THIS ISSUE:** SME platform of BSE

For details in relation to the changes to the name of our Company, please refer to the section titled "Our *History and Corporate Structure*" beginning on page 66 of this Prospectus.

**CONTACT PERSON:** Mr. Anuj Jalan, Company Secretary & Compliance Officer, 29A, Weston Street, 3<sup>rd</sup> Floor, Room no. C5, Kolkata-700012; Tel: 91-33-40041400; E-Mail: [polymacthermo@gmail.com](mailto:polymacthermo@gmail.com)

#### BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

NAME	DESIGNATION	DIN	ADDRESS
Mr. Puspjeet Kumar	Non-Executive Director	00548463	28 Roy Bahadur Road, Block - A, Kolkata, 700053, West Bengal, India
Mr. Shailesh Kumar Mishra	Executive Director	02189510	R.C Bhagwan Room No. 2/27, 34A Ratu Sarkar Lane, Kolkata, 700073, West Bengal, India
Mr. Bharat Yadav	Independent Director	01479001	13, Bonfield Lane, Kolkata, 700001, West Bengal, India
Mr. Chetan Roy	Independent Director	02559371	8, BBD Bag (East), 1 <sup>st</sup> Floor, Room no.-11, Kolkata-700001, West Bengal, India

For further details of Management of our Company, please refer to section titled "Our *Management*" on page 69 of this Prospectus.

## **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Anuj Jalan,  
Company Secretary & Compliance Officer,  
29A, Weston Street, 3<sup>rd</sup> Floor,  
Room no. C5, Kolkata-700012  
Tel: 91-33-40041400  
Website: [www.polymac thermoformers.com](http://www.polymac thermoformers.com)  
E-Mail: [polymac thermo@gmail.com](mailto:polymac thermo@gmail.com)

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

## **STATUTORY AUDITORS**

### **A.K. PATHAK & CO.**

Ashima Kuthi, 4, Aprakash Mukherjee Lane,  
Mandirtala, Howrah-711102  
Tel: +91 9433907112  
**Contact Person:** Mr. Abhay Kumar Pathak  
Firm Registration No.-322816E

## **PEER REVIEW AUDITORS**

### **RAMANAND & ASSOCIATES**

Chartered Accountants  
6/C, Ostwal Park, Building No. 4 CHSL,  
Near Jesal Park, Jain Temple,  
Bhayander (East), Thane - 401105  
Tel : +91-22-28171199  
Telefax: +91-22-28171199  
E-mail: [rg@ramanandassociate.com](mailto:rg@ramanandassociate.com)  
**Contact Person:** Mr. Ramanand Gupta  
Firm Registration No.-117776W

## **LEAD MANAGER**

### **GUINNESS CORPORATE ADVISORS PVT. LTD.**

18, Deshapriya Park Road,  
Kolkata- 700 026  
Tel: +91-33-3001 5555  
Fax: +91-33-3001 5531  
Email: [gmbpl@guinnessonline.net](mailto:gmbpl@guinnessonline.net)  
Website: [www.16anna.com](http://www.16anna.com)  
Contact Person: Ms. Alka Mishra  
SEBI Regn. No: INM 000011930

## **LEGAL ADVISORS TO THE ISSUE**

### **SUNIL SHUKLA**

4, Shanti Sadan,  
Opp. Haweli Poddar Road,  
Malad (East),  
Mumbai- 400 097

## **REGISTRAR TO THE ISSUE**

### **LINK INTIME INDIA PVT. LTD.**

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West),  
Mumbai 400078  
Tel: +91-22-2596 7878  
Fax: +91-22-2596 0329  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
E-mail ID: [ptl.ipo@linkintime.co.in](mailto:ptl.ipo@linkintime.co.in)  
Contact Person: Mr. Sachin Achar  
SEBI Registration No: INR000004058

#### **ESCROW COLLECTION BANK / BANKER TO THE ISSUE AND REFUND BANKER**

**AXIS BANK LIMITED**  
Shop No. 5, 6 & 7, Ground Floor,  
Link House, Link Road,  
Malad (W), Mumbai - 400 064  
Attn: Mr. Babu Gani  
Email: [goregaon.branchhead@axisbank.com](mailto:goregaon.branchhead@axisbank.com)  
Contact No.: +91-22 6141 5400  
Fax No.: +91-22 6141 5444

#### **SELF CERTIFIED SYNDICATE BANKS**

The list 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/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

#### **CREDIT RATING**

As the Issue is of Equity shares, credit rating is not mandatory.

#### **TRUSTEES**

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

#### **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.

#### **BROKERS TO THE ISSUE**

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

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

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 500.00 Crores. Since the Issue size is only of Rs. 770.00 Lacs, our Company has not appointed any monitoring agency for this Issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the equity shares and the corporate governance requirements, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

#### **DETAILS OF THE APPRAISING AUTHORITY**

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

## INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Guinness Corporate Advisors Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager's is not required.

## EXPERT OPINION

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

## UNDERWRITING AGREEMENT

### Underwriting

This Issue is 100% Underwritten. The Underwriting agreement is dated 12<sup>th</sup> November, 2013. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name and Address of the Underwriters	Number of Equity shares Underwritten	Amount Underwritten (Rupees In Lacs)
<b>GUINNESS CORPORATE ADVISORS PVT. LTD.</b> 18, Deshapriya Park Road, Kolkata-700 026 Tel : +91-33-3001 5555 Fax: +91-33-3001 5531 Email: <a href="mailto:gmbpl@guinessonline.net">gmbpl@guinessonline.net</a> Website: <a href="http://www.16anna.com">www.16anna.com</a> Contact Person: Ms. Alka Mishra SEBI Regn. No: INM 000011930	22,00,000	770.00
<b>Total</b>	<b>22,00,000</b>	<b>770.00</b>

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and Lead Manager has entered into a tripartite agreement dated 12<sup>th</sup> November, 2013 with the following Market Maker duly registered with BSE to fulfill the obligations of Market Making.

### NAME AND ADDRESS OF THE MARKET MAKER

#### GUINNESS SECURITIES LTD.

Guinness House  
18, Deshapriya Park Road,  
Kolkata-700 026  
Tel : +91-33-3001 5555  
Fax: +91-33-3001 5531  
Email: [kmohanty@guinessonline.net](mailto:kmohanty@guinessonline.net)  
Website: [www.16anna.com](http://www.16anna.com)  
Contact Person: Mr. Kuldeep Mohanty  
SEBI Regn. No: INB 231146037

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

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall

inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

2. The 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 %. (Including the 5 % of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, 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.
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 Marker 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 or 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 a six months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

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

11. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.

12. **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

13. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, 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.
- iii. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME Exchange/ Platform.

Sr. No.	Market Price Slab (in Rs.)	Proposed spread (in % to sale price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

## CAPITAL STRUCTURE

The share capital of the Company as at the date of this Prospectus, before and after the Issue, is set forth below.  
(Rs. in Lacs, except share data)

Sr. No	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorized Share Capital</b>		
	50,05,000 Equity Shares of face value of Rs.10 each	500.50	
<b>B.</b>	<b>Issued, subscribed and paid-up Equity Share Capital before the Issue</b>		
	25,81,600 Equity Shares of face value of Rs. 10 each	258.16	---
<b>C.</b>	<b>Present Issue in terms of the Prospectus</b>		
	Issue of 22,00,000 Equity Shares of Rs. 10 each at a price of Rs. 35 per Equity Share.	220.00	770.00
	<b>Which comprises</b>		
	1,20,000 Equity Shares of Rs. 10/- each at a price of Rs. 35 per Equity Share reserved as Market Maker Portion	12.00	42.00
	Net Issue to Public of 20,80,000 Equity Shares of Rs. 10/- each at a price of Rs. 35 per Equity Share to the Public	208.00	728.00
	<b>Of which</b>		
	10,40,000 Equity Shares of Rs.10/- each at a price of Rs. 35 per Equity Share will be available for allocation for Investors of up to Rs. 2.00 Lacs	104.00	364.00
	10,40,000 Equity Shares of Rs. 10/- each at a price of Rs. 35 per Equity Share will be available for allocation for Investors of above Rs. 2.00 Lacs	104.00	364.00
<b>D.</b>	<b>Equity capital after the Issue</b>		
	47,81,600 Equity Shares of Rs. 10 each	478.16	---
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue	32.51	
	After the Issue	582.51	

*\*This Issue has been authorized by the Board of Directors pursuant to a board resolution 16<sup>th</sup> October, 2013 and by the shareholders of our Company pursuant to a special resolution dated 19<sup>th</sup> October, 2013 passed at the EGM of shareholders under section 81 (1A) of the Companies Act.*

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

### CHANGES IN THE AUTHORIZED SHARE CAPITAL OF OUR COMPANY:

Sr. No.	Particulars of Change		Date of Shareholders' Meeting	Meeting AGM/EGM
	From	To		
1	-	50,000 Equity Shares of Rs. 10 each	-	Incorporation
2	50,000 Equity Shares of Rs. 10 each	60,000 Equity Shares of Rs. 10 each	31/03/2009	EGM
2	60,000 Equity Shares of Rs. 10 each	2,60,00,000 Equity Shares of Rs. 10 each	05/08/2013	EGM
3	2,60,00,000 Equity Shares of Rs. 10 each	50,05,000 Equity Shares of Rs. 10 each	04/10/2013	EGM



## NOTES FORMING PART OF CAPITAL STRUCTURE

### 1. Equity Share capital history of our Company

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Face value (Rs)	Issue price (Rs.)	Consideration (cash, bonus, consideration on other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
17/12/1999	3000	10	10	Cash	Subscription to MOA	3000	30000	NIL
31/03/2001	1,27,500	10	10	Cash	Further Allotment	1,30,500	13,05,000	--
31/03/2008	76,120	10	100	Cash	Further Allotment	2,06,620	20,66,200	68,50,800
31/03/2009	55,000	10	100	Cash	Further Allotment	2,61,620	26,16,200	1,18,00,800
31/03/2010	24,700	10	500	Cash	Preferential Allotment	2,86,320	28,63,200	2,39,03,800
12/07/2013	2,30,000	10	Nil	Consideration on other than cash	Conversion of Preference share into Equity Share	5,16,320	51,63,200	2,39,03,800
08/08/2013	20,65,280	10	Nil	Consideration on other than cash	Bonus issue (in the ratio of 4:1)	25,81,600	2,58,16,000	32,51,800

- We have not issued any Equity Shares for consideration other than cash except bonus issue in the ratio of 4:1 on 8<sup>th</sup> August, 2013 and conversion of preference shares in to equity shares on 12<sup>th</sup> July, 2013.
- 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, 1956.
- We have not issued any Equity Shares in the last one (1) year.
- Shareholding of our Promoters:

Set forth below are the details of the build-up of shareholding of our Promoters

1. MR. PUSPJEET KUMAR							
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
31/03/2001	Cash	90250	10	1	Acquisition		
31/03/2008	Cash	7000	10	100	Allotment		
05/08/2013	Cash	62700	10	52	Acquired from Parijat Tradecom Pvt. Ltd.		
08/08/2013	Consideration other than cash	639800	10	Nil	Bonus issue (in the ratio of 4:1)		
<b>Total</b>		<b>799750</b>				<b>30.98</b>	<b>16.73</b>

2. M/S. YADUKA COACHING CENTRE PVT. LTD.							
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
05/05/2011	Cash	189070	10	93.50	Acquisition		
08/08/2013	Consideration other than cash	756280	10	Nil	Bonus issue (in the ratio of 4:1)		
21/08/2013	Cash	(675000)	10	10.50	Transfer		
<b>Total</b>		<b>270350</b>				<b>10.47</b>	<b>5.65</b>

#### 6. Details of Promoters' contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations 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 20% of the post-Issue Equity Share capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified above.

Name of Promoter	No. of shares locked in	Date of Allotment/ Acquisition/Transfer	Issue Price / Purchase Price /Transfer Price(Rs. per share)	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
1.Mr. Puspjeet Kumar	31/03/2001	90250	1		
	31/03/2008	7000	100		
	05/08/2013	62700	52		
	08/08/2013	639800	Nil		
2. M/s. Yaduka Coaching Centre Private Limited	08/08/2013	200250	Nil		
<b>TOTAL</b>		<b>10,00,000</b>		<b>38.74</b>	<b>20.91</b>

We further confirm that the 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.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

- The Equity Shares held by the Promoters and offered for minimum 20% 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 Promoters on conversion of partnership firms into limited companies.

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post -Issue paid-up Equity Share Capital from the date of allotment in the proposed public Issue. Promoters' Contribution does not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

All Equity Shares, which are to be locked-in, are eligible for computation of Promoters' Contribution, in accordance with the SEBI (ICDR) Regulations, 2009. Accordingly we confirm that the Equity Shares proposed to be included as part of the Promoters' Contribution:

- have not been subject to pledge or any other form of encumbrance; or
- have not been acquired, during preceding three years, for consideration other than cash and revaluation of assets or capitalization of intangible assets is not involved in such transaction;
- is not resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters' Contribution;
- have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Prospectus at a price lower than the Issue Price.

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 Code, as applicable.

## **7. Details of share capital locked in for one year:**

In addition to 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, 2009, the entire pre-Issue share capital of our Company (including the Equity Shares held by our Promoters) 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, 2009, 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 the hands of transferees for the remaining period and compliance with the Takeover Code.

## **8. Shareholding pattern of our Company:**

**A:** The following table presents the shareholding pattern of Our Company

Category of Shareholder	No. of Shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity	Number of shares	As a %
Shareholding of Promoters and Promoter group							
INDIAN							
Individuals/HUFs Directors/Relatives	1	799750	30.98	799750	16.73	---	---
Central Govt. / State Govts.	-	---	---	---	---	---	---
Bodies Corporate	1	270350	10.47	270350	5.65	---	---
Financial Institutions/Banks	-	---	---	---	---	---	---
Sub Total A (1)	2	1070100	41.45	1070100	22.38	---	---
FOREIGN							
Bodies Corporate	-	---	---	---	---	---	---
Individual	-	---	---	---	---	---	---
Institutions	-	---	---	---	---	---	---
Any others (specify)	-	---	---	---	---	---	---
Sub Total A (2)	-	---	---	---	---	---	---
Total Shareholding of Promoter group A (1) + A (2)	2	1070100	41.45	1070100	22.38	---	---
PUBLIC SHAREHOLDING							
Institutions							
Central Govt./ State Govts.	-	---	---	[•]	[•]	---	---
Financial Institutions/Banks	-	---	---	[•]	[•]	---	---
Mutual Funds/UTI	-	---	---	[•]	[•]	---	---
Venture Capital Funds	-	---	---	[•]	[•]	---	---
Insurance Companies	-	---	---	[•]	[•]	---	---
Foreign Institutions Investors	-	---	---	[•]	[•]	---	---
Foreign Venture Capital Investors	-	---	---	[•]	[•]	---	---
Any Others (Specify)	-	---	---	[•]	[•]	---	---
Sub Total B (1)	-	---	---	[•]	[•]	---	---
Non Institutions	-						
Bodies Corporate	7	1511500	58.55	[•]	[•]	---	---
Individuals-shareholders holding normal share capital up to Rs. 1 Lac	-	---	---	[•]	[•]	---	---
Individuals-shareholders holding normal Share capital in excess of Rs.1 Lac	-	---	---	[•]	[•]	---	---
Trust	-	---	---	[•]	[•]	---	---
Any Other (i) Clearing Member	-	---	---	[•]	[•]	---	---
Directors/Relatives	-	---	---	[•]	[•]	---	---
Employees	-	---	---	[•]	[•]	---	---
Foreign Nationals	-	---	---	[•]	[•]	---	---
NRIs	-	---	---	[•]	[•]	---	---
OCB'S	-	---	---	[•]	[•]	---	---
Person Acting in Concert	-	---	---	[•]	[•]	---	---
Sub Total B(2)				[•]	[•]	---	---
Total Public Shareholding	7	1511500	58.55	3591500	75.11	---	---

Category of Shareholder	No. of Shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity	Number of shares	As a %
<b>B(1) + B(2)</b>							
<b>Total A+B</b>	<b>9</b>	<b>2581600</b>	<b>100</b>	<b>3591500</b>	<b>75.11</b>	<b>---</b>	<b>---</b>
Shares held by Custodians and against which Depository receipts have been issued (C)	---	---	---	---	---	---	---
Shares held by Market Makers (D)	-	-	-	1,20,000	2.51		
<b>Grand Total A+B+C+D</b>	<b>9</b>	<b>2581600</b>	<b>100</b>	<b>4781600</b>	<b>100.00</b>	<b>---</b>	<b>---</b>

#### [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) as per clause 37 of the SME Listing Agreement.

Sr. No.	Name of the shareholder	Pre-Issue		Post-Issue		Shares pledged or otherwise encumbered		
		No. of Equity Shares	As a % of Issued Share Capital	No. of Equity Shares	As a % of Issued Share Capital	Number	As a percentage	As a % of grand Total (a)+(b)+(c) of Sub-clause (i)(a)
<b>A</b>	<b>Promoters</b>							
1	Puspjeet Kumar	799750	30.98	799750	16.73	-	-	-
2	Yaduka Coaching Centre Pvt. Ltd.	270350	10.47	270350	5.65	-	-	-
<b>B</b>	<b>Promoter Group, Relatives and other Associates</b>							
	-	-	-	-	-	-	-	-
	<b>TOTAL (A+B)</b>	<b>1070100</b>	<b>41.45</b>	<b>1070100</b>	<b>22.38</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### [C] Shareholding of persons belonging to the category 'Public' and holding more than 1% of our Equity Shares

S.No.	Name of shareholder	Pre-Issue		Post-Issue	
		No. of Shares	Shares as % of total no. of shares	No. of Shares	Shares as % of total no. of shares
1.	Parijat Tradecom Pvt. Ltd.	176500	6.84	200000	3.69
2	Kalimata Comtrade Pvt. Ltd.	225000	8.72	200000	4.71
3	Shivam Vincom Pvt. Ltd.	225000	8.72	120000	4.71
4	Prince Mercantile Pvt. Ltd.	225000	8.72	120000	4.71
5	Disha Vincom Pvt. Ltd.	220000	8.52	200000	4.60
6	Vindhywasini Vanijya Pvt. Ltd.	220000	8.52	200000	4.60
7	Dayanidhi Comtrade Pvt. Ltd.	220000	8.52	200000	4.60

9. 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.)
Puspjeet Kumar	799750	5.06
Yaduka Coaching Centre Pvt. Ltd.	270350	39.17

10. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as follows:

Name of the shareholder	No. of Equity Shares	Pre-Issue percentage Shareholding
Puspjeet Kumar	799750	30.98
<b>TOTAL</b>	<b>799750</b>	<b>30.98</b>

#### 11. Equity Shares held by top ten shareholders

(a) Our top ten shareholders and the number of Equity Shares held by them as on date of the Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1	Puspjeet Kumar	799750	30.98
2	Yaduka Coaching Centre Pvt. Ltd.	270350	10.47
3	Parijat Tradecom Pvt. Ltd.	176500	6.84
4	Kalimata Comtrade Pvt. Ltd.	225000	8.72
5	Shivam Vincom Pvt. Ltd.	225000	8.72
6	Prince Mercantile Pvt. Ltd.	225000	8.72
7	Disha Vincom Pvt. Ltd.	220000	8.52
8	Vindhywasini Vanijya Pvt. Ltd.	220000	8.52
9	Dayanidhi Comtrade Pvt. Ltd.	220000	8.52
	<b>Total</b>	<b>2581600</b>	<b>100</b>

(b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of the Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
1	Puspjeet Kumar	799750	30.98
2	Yaduka Coaching Centre Pvt. Ltd.	270350	10.47
3	Parijat Tradecom Pvt. Ltd.	176500	6.84
4	Kalimata Comtrade Pvt. Ltd.	225000	8.72
5	Shivam Vincom Pvt. Ltd.	225000	8.72
6	Prince Mercantile Pvt. Ltd.	225000	8.72
7	Disha Vincom Pvt. Ltd.	220000	8.52
8	Vindhywasini Vanijya Pvt. Ltd.	220000	8.52
9	Dayanidhi Comtrade Pvt. Ltd.	220000	8.52
	<b>Total</b>	<b>2581600</b>	<b>100</b>

(c) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of the Prospectus are as under:

Sr. No.	Name of shareholder	No. of Shares	% age of then pre-Issue capital
1	Puspjeet Kumar	97250	18.84
2	Yaduka Coaching Centre Pvt. Ltd.	189070	36.62
3	Parijat Tradecom Pvt. Ltd.	230000	44.55

Sr. No.	Name of shareholder	No. of Shares	% age of then pre-Issue capital
	<b>Total</b>	<b>516320</b>	<b>100.00</b>

12. 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 the Prospectus.

13. There have been no purchase or sell of Equity Shares by the Promoters, Promoter Group and the Directors during a period of six months preceding the date on which the Prospectus is filed with BSE except the details mentioned below:-

Date of Transfer	Transferor	Transferee	No. of Shares
21/08/2013	Yaduka Coaching Centre Private Limited	Kalimata Comtrade Pvt. Ltd.	225000
21/08/2013	Yaduka Coaching Centre Private Limited	Shivam Vincom Pvt. Ltd.	225000
21/08/2013	Yaduka Coaching Centre Private Limited	Prince Mercantile Pvt. Ltd.	225000

14. Our Company has not raised any bridge loans against the proceeds of this Issue.

15. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on "Basis of Allotment" on page 133 of this Prospectus.

16. 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.

17. As on date of filing of this Prospectus with SEBI, 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.

18. On the date of filing the Prospectus with SEBI, 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.

19. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.

20. Lead Manager to the Issue viz. Guinness Corporate Advisors Private Limited does not hold any Equity Shares of our Company.

21. Our Company has not revalued its assets since incorporation.

22. Our Company has not made any public issue since incorporation.

23. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.

24. 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 SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

25. 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.

26. At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.

27. 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.

28. 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.

29. 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.

30. Our Company has Nine (9) members as on the date of filing of this Prospectus.



## OBJECTS OF THE ISSUE

The objects of the Issue are to finance our business expansion plans and achieve the benefits of listing on the SME platform of BSE Ltd. We believe that listing will provide liquidity to existing and future shareholders of Company and enhance corporate image of our Company.

**The objects of the Issue are as stated below:**

The main objects of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

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.

The details of the proceeds of the Issue are summarized in the table below: -

		(Rs. In Lacs)
No.	Particulars	Amount
I	Capital Expenditure on Existing Manufacturing Capacity	400.00
II	Meet the margin for working capital requirement	200.00
III	Brand Building & General Corporate purposes	110.00
IV	Issue Expenses	60.00
	<b>TOTAL</b>	<b>770.00</b>

## MEANS OF FINANCE

		(Rs. In Lacs)
Particulars	Amount	
Initial Public Offering	770.00	
Internal Accruals	Nil	
<b>Total</b>	<b>770.00</b>	

We propose to meet the entire requirement of funds for the Objects from the Net Proceeds of the Issue. Accordingly, the requirement under Regulation 4(2)(g) of the SEBI ICDR Regulations of firm arrangements of finance through verifiable means for the 75% of the stated means of finance excluding the Issue Proceeds is not applicable.

In the event of a shortfall in raising the requisite capital from the proceeds of the Issue, towards meeting the Objects of the Issue, the extent of the shortfall will be met by internal accruals and/or from fresh debt.

## DETAILS OF THE OBJECTS OF THE ISSUE

### I. EXPANSION PLAN OF EXISTING MANUFACTURING UNIT

Our Company currently manufactures 72 MT/per month. Our manufacturing unit currently has 18 machines to manufacture plastic glasses, cups, bowls etc. We intend to expand and modernize our manufacturing unit containing a complete production line and increasing our capacity from 72 MT/per month to 162 MT/per month.

The total expenditure for our expansion plan is estimated at Rs. 400.00 Lacs. The details of the total expenditure are as under:

Particulars	Total Amount (Rs. in Lacs)
Site development and building construction	130.00
Plant and machineries	200.00
Electrical installation	20.00
Misc Equipment and sundries	30.00
<b>Sub Total</b>	<b>380.00</b>
Provision for contingencies	20.00
<b>Total</b>	<b>400.00</b>

#### **Site Development and Building Construction**

We intend to deploy Rs. 130.00 lacs out of the Net Proceeds towards the site development, civil work, building construction, construction of factory shed, premises, etc., for our expansion of manufacturing unit.

#### **Plant, Machinery and other Ancillaries**

We intend to purchase the Indigenous and Imported machineries for the expansion plan. Our estimate is around 200.00 Lacs. The new set of well advanced machineries will be capable to perform and enhance the production capacity. The details of machineries are as under:

Sr. No.	Particulars	Purchase Qty	Total Cost (Rs. in Lacs)
1	Automatic Thermoforming Machines	2	125.00
2	Chilling Plant	1	15.00
3	Goods Lift	2	10.00
4	Air Compressor	4	20.00
5	Testing Equipments	---	30.00
	<b>TOTAL</b>		<b>200.00</b>

#### **Electrical installation**

We intend to allocate Rs. 20 Lacs towards electrical installation comprising electric equipments, fittings, and installations etc.

#### **Misc Equipment and sundries**

We intend to allocate Rs. 30 Lacs towards miscellaneous equipments such as computers, furniture, air conditioners and sundry utility equipments.

#### ***Provision for Contingencies***

In the event of any cost overruns due to any escalation in prices of equipments for which orders have not yet been placed, or on account of time variation, transportation cost, insurance, unexpected price rise due to factors beyond our control, contingencies have been provided to cover any such eventuality which may occur. Contingencies of Rs. 20.00 Lacs have been estimated, which is approximately 5% of the total cost..

## **II. MEET THE MARGIN FOR WORKING CAPITAL REQUIREMENT**

We are presently engaged in the business of manufacturing disposable plastic products such as plastic glasses, cups, bowls.

In the usual course of our business we have availed working capital limits from Union Bank of India, Kolkata. As of March 31, 2013, the aggregate amounts outstanding under the fund based working capital facilities was Rs. 32.29 Lacs.

The working capital requirement of the company as per the latest annual financial statements i.e. 31<sup>st</sup> March, 2013 is Rs. 269.69 Lacs. Pursuant to completion of expansion, the working capital of Fiscal 2015 and Fiscal 2016 has been assessed at Rs. 338.00 Lacs and Rs. 469.00 Lacs respectively. This will entail the incremental working capital requirement of Rs. 199.31 Lacs (rounded off to Rs. 200.00 Lacs) which we intend to fund through issue proceeds.

We have estimated the working capital requirement, which is as under:

(Rs. In Lacs)			
Particulars	Basis (Months)	Amount (Fiscal 2015) Estimated	Amount (Fiscal 2016) Estimated
Debtors	3.50	233.00	292.00
Inventories	1.50	100.00	167.00
Other Assets		50.00	70.00
<b>Total (A)</b>		<b>383.00</b>	<b>529.00</b>
<b>Less:</b>			
Creditors	0.75	30.00	45.00
Expenses & Other Liabilities (Except Bank Borrowings)		15.00	15.00
<b>Total (B)</b>		<b>45.00</b>	<b>60.00</b>
<b>Net Working Capital (A-B)</b>		<b>338.00</b>	<b>469.00</b>

The funding pattern of the incremental working capital is tabled as below:

(Rs. In Lacs)			
Particulars	Fiscal 2013	Fiscal 2015	Fiscal 2016
<b>Total Working Capital</b>	<b>269.69</b>	<b>338.00</b>	<b>469.00</b>
<b>Incremental Working Capital</b>	<b>----</b>	<b>68.31</b>	<b>131.00</b>
<b>Funding Pattern :</b>			
Proceeds from the public Issue	N.A.	68.31	131.00
Proceeds from incremental fund based facility	N.A.	-	

#### **Justification of Holding Level**

- **Inventories:**  
The level of inventories are estimated to be maintained at a level of 1.50 months and this level assumed is considered satisfactory.
- **Receivables (Sales):**  
The level of receivables as at 31.03.2013 was over 6 months. The receivables levels for subsequent financial years are estimated at 3.50 months.
- **Creditors:**  
Actual level of creditors as at 31.03.2013 was at negligible. As against the same, creditor levels for subsequent financial years are estimated at 0.75 months.

### **III. BRAND BUILDING AND GENERAL CORPORATE PURPOSES**

Our Company proposes to establish our brand. To support our launch, we propose to initiate adequate brand building exercise and consumer awareness events. Our Company proposes to use various mode of advertising like print media and trade shows etc. to enhance our brand awareness. The total expenditure to be incurred is

estimated to be Rs.60.00 Lacs. Through brand building exercise we will create brand recall value and goodwill, which will get capitalized in future years by increase in demand for our product.

Sr. no.	Particulars	Amount (Rs. In Lacs)
1	Print Media	20.00
2	Trade Shows & Exhibitions	40.00
	<b>Total</b>	<b>60.00</b>

In addition to the brand building exercise, Our Company in accordance with the policies set up by our Board, will have flexibility in applying the remaining Net proceeds of this Issue aggregating 50.00 Lacs, for general corporate purpose towards, financing normal capital expenditure, strategic initiatives, expanding into new geographies, pre-operative expenses, funding routine working capital and strengthening our marketing capabilities.

#### IV. TO MEET THE EXPENSES OF THE ISSUE

The total estimated expenses are Rs. 60.00 Lacs which is 7.80 % of Issue Size. The details of Issue expenses are tabulated below:

No.	Particulars	Amount (Rs. In Lacs)
1.	Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	40.00
2.	Printing & Stationery, Distribution, Postage, etc	5.00
3.	Advertisement & Marketing Expenses	10.00
4.	Regulatory & other expenses	5.00
<b>Total</b>		<b>60.00</b>

#### Proposed year-wise deployment of funds:

The overall cost of the proposed Project and the proposed year wise break up of deployment of funds are as under:

(Rs. In Lacs)					
Particulars	Already Incurred	FY 2013 - 14	FY 2014 - 15	FY 2015 - 16	TOTAL
Capital Expenditure on Existing Manufacturing Capacity	-	250.00	150.00	-	400.00
Meet the margin for working capital requirement	-	-	69.00	131.00	200.00
Brand Building & General Corporate purposes	-	40.00	70.00	-	110.00
Issue Expenses	10.00	50.00	-	-	60.00
<b>TOTAL</b>	<b>10.00</b>	<b>340.00</b>	<b>289.00</b>	<b>131.00</b>	<b>770.00</b>

The status of implementation as per our current business plan is as follows:

No.	Activity	Start Date	Completion Date
<b>EXPANSION PLAN OF EXISTING MANUFACTURING UNIT</b>			
1	Commencement of Construction activities	15.02.2014	31.03.2014
2	Placement of Orders	01.03.2014	31.03.2014
3	Arrival of Machines	01.04.2014	30.04.2014
4	Installation of Machines	01.05.2014	31.05.2014
5	Trail Run	01.06.2014	30.06.2014
6.	Commencement of commercial production	15.07.2014	----

### Details of funds already deployed till date and sources of funds deployed

The funds deployed up to 31<sup>st</sup> October, 2013 pursuant to the object of this Issue on the Project as certified by the Auditors of our Company, viz. M/s A K Pathak & Co., Chartered Accountants pursuant to their certificate dated 11<sup>th</sup> November, 2013 is given below:

(Rs. in Lacs)

Deployment of Funds	Amount
Project related	Nil
Issue Related Expenses	10.00
<b>Total</b>	<b>10.00</b>

(Rs. in Lacs)

Sources of Funds	Amount
Internal Accruals	10.00
Bank Finance	Nil
<b>Total</b>	<b>10.00</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.

### SHORTFALL OF FUNDS

Any shortfall in meeting the Project cost will be met by way of internal accruals.

### INTERIM USE OF FUNDS

The Company in accordance with compliance of section 61 of the Companies Act, 1956 and with the policies established by the Board, will have flexibility in deploying Issue proceeds received by us from the Issue during the interim period pending utilization for the Objects of the Issue as described above. The particular composition, timing and schedule of deployment of the Issue proceeds will be determined by us based upon the deployment of the projects. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in short term readily realizable investments and interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

### MONITORING OF UTILIZATION OF FUNDS

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

The management of the Company will monitor the utilization of funds raised through this public issue. 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.

## BASIS FOR ISSUE PRICE

*Investors should read the following basis with the “Risk Factors” beginning on page 8 and the details about the “Business of our Company” and its “Financial Statements” included in this Prospectus on page 56 & 88 respectively to get a more informed view before making any investment decisions.*

- In house development of products based on application and client requirement.
- Integrated business model
- Location advantage of Manufacturing Unit
- Experienced management team
- Efficient and dedicated human resource

## QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the Issue Price are:

### Leveraging the experience of our Promoters

Our Promoter Mr. Puspjeet Kumar has an experience of more than two decades in different aspects of industry.

### Experienced management team and a motivated and efficient work force

Our Company is managed by a team of experienced and professional personals having knowledge of every aspect of manufacturing activities, marketing and finance. The faith of the management in the staff and their performance has enabled us to build up capabilities to expand our business.

### Suitable manufacturing unit location

The manufacturing unit of our Company is situated at Dankuni, P.O.-Dankuni Coal Complex, Dist.-Hoogly-712310. Man power in the form of skilled and unskilled workers is easily available in the proximity of the unit.

### Strong Customer base:

Our record of timely supply of right quantity and quality products to our customers has helped us to build strong relationships over a number of years with our customers in India.

### Extensive array of Disposable Plastic Products.

We manufacture high quality disposable plastic products which differentiate ourselves from other manufacturer of disposable plastic products. We have product portfolio ranging from glasses, cups, bowls etc.

## QUANTITATIVE FACTORS

Information presented in this section is derived from our restated financial statements certified by the Statutory Auditors of the Company.

### 1. Basic Earning Per Equity Share (EPS) (on Face value of Rs. 10 per share)

Year	Earnings per Share (Rs.)	Weight
FY 2010-11	(0.02)	1
FY 2011-12	0.07	2
FY 2012-13	0.01	3
<b>Weighted Average</b>	<b>0.02</b>	
Period ended 30.11.2013	<b>1.48</b>	

- EPS Calculations have been done in accordance with Accounting Standard 20-“Earning per Share” issued by the Institute of Chartered Accountants of India.

- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- The weighted average number of Equity Shares outstanding during the period is adjusted for events of bonus issue.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

## 2. Price / Earnings Ratio (P/E) in relation to the Issue Price Rs. 35.00

- Based on fiscal year as on 31<sup>st</sup> March, 2013; at EPS of Re. 0.01 as per Restated Financial Statements, the P/E ratio is 3500.
- Based on weighted average EPS of Re. 0.02 as per Restated Financial Statements, the P/E ratio is 1750.
- Industry PE: There is no listed comparable peer group company.

## 3. Return on Net Worth

Year	RONW (%)	Weight
FY 2010-11	(0.20)	1
FY 2011-12	0.58	2
FY 2012-13	0.07	3
<b>Weighted Average</b>	<b>0.20</b>	
Period ended 30.11.2013	11.51	

## 4. Minimum return on post Issue Net Worth to maintain the Weighted Average EPS of Rs. 0.02 is 0.09%.

## 5. Net Asset Value per Equity Share

Sr. No.	Particulars	(Rs.)
a)	As on 31 <sup>st</sup> March, 2013	11.35
b)	As on 30 <sup>th</sup> November, 2013	12.86
c)	After Issue	22.41
d)	Issue Price	35.00

## 6. Peer Group Comparison of Accounting Ratios

We are currently engaged in the business of manufacturing disposable plastic glasses, cups, bowls. There is no listed comparable peer group company.

- The face value of our shares is Rs.10/- per share and the Issue Price is of Rs. 35 per share is 3.5 (three & half) times of the face value.
- The Company in consultation with the Lead Manager believes that the Issue Price of Rs. 35.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment proposition.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors  
Polymac Thermoformers Limited  
29, Weston Street, 3<sup>rd</sup> Floor,  
Kolkata-700012

Dear Sirs,

**Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Public Issue of Shares under the existing tax laws**

We hereby confirm that the enclosed Annexure, prepared by Polymac Thermoformers Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income-tax Act, 1961 ('IT Act') and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

The benefits discussed in the 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 and the interpretation of the current tax laws in force in India.

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

- The Company or its shareholders will continue to obtain these benefits in future; or
- The Conditions prescribed for availing the benefits have been or would be met.

The contents of the annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable to Polymac Thermoformers Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct.

Thanking you,  
Yours faithfully,  
**For A.K. Pathak & Co.**  
**Chartered Accountants**  
Firm Registration No.-322816E  
Sd/-  
**Abhay Kumar Pathak**  
**M. No. 056581**  
**Proprietor**  
**Place: Kolkata**  
**Date: 11<sup>th</sup> November, 2013**



## ANNEXURE

### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

#### **A) SPECIAL TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS**

##### **I. Special Benefits available to our Company**

There is no special tax benefits available to our Company.

##### **II. Special Benefits available to the Shareholders of our Company**

There are no special tax benefits available to the Equity Shareholders.

#### **B) OTHER GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS**

The following tax benefits shall be available to the Company and its Shareholders under Direct tax law

**Under the Income-Tax Act, 1961 (“the Act”):**

##### **I. Benefits available to the Company**

###### **1. Depreciation**

As per the provisions of Section 32 of the Act, the Company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under.

###### **2. Dividend Income**

Dividend income, if any, received by the Company from its investment in shares of another domestic Company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.

###### **3. Income from Mutual Funds / Units**

As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

Income received in respect of units from the Administrator of the specified undertaking; or

Income received in respect of units from the specified company.

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

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

###### **4. Income from Long Term Capital Gain**

As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund -

(i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

(ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profits” under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax as follows-

<b>Book Profit</b>	<b>A.Y.-2012-13</b>	<b>A.Y.-2013-14</b>
If book profit is less than or equal to Rs. 1 Crore	19.055%	19.055%
If book profit is more than Rs. 1 Crore	20.01%	20.01%

5. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

6. As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).

7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

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

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

8. As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess )

## 9. Preliminary Expenses

Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.

## 10. Credit for Minimum Alternate Taxes (“MAT”)

Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

## II. Benefits to the Resident Shareholders of the Company under the Income-Tax Act, 1961:

1. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.

2. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

3. Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.

4. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

5. As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

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

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

7. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family (‘HUF’) on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

8. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock

exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

9. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head –Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

### **III. Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)**

1.Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.

2.As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.

3.Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

4.As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

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

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

5.Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family (‘HUF’) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

6.Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

7. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. “Special Provisions Relating to Certain Incomes of Non-Residents” which are as follows:

(i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionaly taxed at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).

(ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

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

(iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

(v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.

8. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

#### **IV. Foreign Institutional Investors (FIIs)**

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.

3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

##### **Nature of income & Rate of tax (%)**

Nature of Income	Rate of Tax (%)
Long-Term Capital Gain	10

Short-Term Capital Gain (Referred to Section 111A)	15
Short-Term Capital Gain (other than under section 111A)	30

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

4. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

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

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

## **V. Venture Capital Companies/Funds**

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

## **VI. Mutual Funds**

1. As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax,



subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

### **Under the Wealth Tax Act, 1957**

#### **Benefits to shareholders of the Company**

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2 (ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.

#### **Tax Treaty Benefits**

An investor has an option to be governed by the provisions of the Income Tax Act, 1967 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

#### **Notes:**

- The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;
- This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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;
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

**SECTION IV**  
**ABOUT OUR COMPANY**  
**INDUSTRY OVERVIEW**

*(The information in this chapter has been extracted from publicly available documents prepared by various sources etc. This data has not been prepared or independently verified by us or the Lead Manager or any of their or our respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “Risk Factors” on page 8 of this Prospectus. Accordingly, investment decisions should not be based on such information)*

**The Indian Economy**

India is the world's largest democracy in terms of population with Gross Domestic Production (GDP) of US\$ 4,060 billion in 2010 in purchasing power parity (PPP) terms. This makes India the fifth largest economy in the world after the European Union, the United States of America, China and Japan in PPP terms, (Source: CIA World Factbook). India is also amongst the fastest growing economies globally and its real GDP has grown at an average compounded rate of 8.4% per annum during the last five years up to FY 2011. (Source- Central Statistics Office, Government of India)

India is developing into an open-market economy, yet traces of its past autarkic policies remain. Economic liberalization, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, began in the early 1990s and has served to accelerate the country's growth, which has averaged more than 7% per year since 1997. India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Slightly more than half of the work force is in agriculture, but services are the major source of economic growth, accounting for more than half of India's output, with only one-third of its labor force. India has capitalized on its large educated English-speaking population to become a major exporter of information technology services and software workers. In 2010, the Indian economy rebounded robustly from the global financial crisis - in large part because of strong domestic demand - and growth exceeded 8% year-on-year in real terms. Merchandise exports, which account for about 15% of GDP, returned to pre-financial crisis levels. An industrial expansion and high food prices, resulting from the combined effects of the weak 2009 monsoon and inefficiencies in the government's food distribution system, fueled inflation which peaked at about 11% in the first half of 2010, but has gradually decreased to single digits following a series of central bank interest rate hikes. In 2010 government reduced subsidies for fuel and fertilizers, sold a small percentage of its shares in some state-owned enterprises and auctioned off rights to radio bandwidth for 3G telecommunications in part to lower the government's deficit. The Indian Government seeks to hold its budget deficit to 5.5% of GDP in FY 2010-11, down from 6.8% in the previous fiscal year. India's long term challenges include widespread poverty, inadequate physical and social infrastructure, limited non-agricultural employment opportunities, insufficient access to quality basic and higher education, and accommodating rural-to-urban migration.

<https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>

**Manufacturing**

Manufacturing is the production of goods for use or sale using labor and machines, tools, chemical and biological processing, or formulation. The term may refer to a range of human activity, from handicraft to high tech, but is most commonly applied to industrial production, in which raw materials are transformed into finished goods on a large scale. Such finished goods may be used for manufacturing other, more complex products, such as aircraft, household appliances or automobiles, or sold to wholesalers, who in turn sell them to retailers, who then sell them to end users - the "consumers".

Manufacturing takes turns under all types of economic systems. In a free market economy, manufacturing is usually directed toward the mass production of products for sale to consumers at a profit. In a collectivist economy, manufacturing is more frequently directed by the state to supply a centrally planned economy. In mixed market economies, manufacturing occurs under some degree of government regulation.

Modern manufacturing includes all intermediate processes required for the production and integration of a product's components. Some industries, such as semiconductor and steel manufacturers use the term fabrication instead.



## PLASTIC INDUSTRY IN INDIA:

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). 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 moulded 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.

In 2011-12, exports of Indian plastics stood at US\$ 7.19 billion, registering a growth of approximately 47 per cent over the previous year. 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. *Sources India Brand Equity Foundation (IBEF).*

## DISPOSABLE PRODUCTS

Disposable products are designed for cheapness and short-term convenience rather than medium to long-term durability, with most products only intended for single use. The term is also sometimes used for products that may last several months to distinguish from similar products that last indefinitely. The disposable products include kitchen & dining products like disposable dishware, plastic cutlery, cans, bottles, cups, plates, glasses etc. medical & hygiene products such as toilet paper, plastic syringes, blood bags, paper napkins, facial paper & toilet rolls, baby and adult diapers etc. Plastic disposable packaging material is widely used in hotels and catering Industries.

With India rising, the outlook of Indians is changing too. Consumer spending India on personal care products is very less. Further, the penetration levels are low too. With growing urbanization and higher disposable incomes, consumers are now spending higher on personal care products. Higher growth will be seen in premium range of such products. While rural areas will drive the growth of mass consumption products, urban consumers will be targeted for the premium segments. The shift from unorganized to organized and from unbranded to brand will add further impetus to growth in this segment. India's immense population of one billion-plus people offers tremendous market potential. Outlining the growth areas for this segment, disposable paper shopping bags, sanitary napkins, diapers, wipes, kitchen dishware, glasses, cups etc. will be the key drivers of growth. The presence of major players in this field will carve out niche for India in exports as well.

## OUR BUSINESS

*In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Polymac Thermoformers Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 8 and "Industry Overview" on page 54.*

### Overview

#### BUSINESS OVERVIEW

Our Company was originally incorporated in Kolkata as "Polymac Thermoformers Private Limited" on 17<sup>th</sup> December, 1999 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, West Bengal. Our Company was converted in to a public limited company and consequently the name was changed to "Polymac Thermoformers Limited" vide fresh certificate of incorporation dated 26<sup>th</sup> August, 2013 issued by the Registrar of Companies, West Bengal.

#### Manufacturing of Disposable Plastic Products

We are engaged in the business of manufacturing disposable plastic products such as plastic glasses, cups, bowls. We have been evolved in 1999 and in 2001 we have set up our manufacturing facility which is situated at Dankuni, P.O.-Dankuni Coal Complex, Dist.-Hoogly-712310.

In modern era of fast food industry, there is a thirst of disposable utensil such as glass, cups, bowls etc which are rapidly replacing conventional utensils. These disposable plastic utensils are fast replacing conventional glasses, cups etc.

These disposable plastic utensils are manufactured by thermoforming technique and are increasingly used in Ice-cream industry, hotels, restaurants, canteens, etc. against conventional glass-wares or ceramic cups. Our manufactured disposable cups, glasses are mainly used for food items and are made out of polypropylene or polystyrene sheets.



Polypropylene Sheets

The polystyrene sheets have thickness of 0.25 mm to 0.75 mm are used for disposable plastic utensils in thermoforming machine. Our disposable products are gaining popularity due to attractive look, low weight for container, ease of transportation and low impermeability. Organizations like Railways, Airlines are also using disposable cups for serving coffee, tea etc. now-a-days.

#### Market Potential

Due to the recent change in the life style of urban class the demand for disposable cups, glasses etc are increasing at a rapid rate. Plastic disposable cups, glasses are used by Ice-cream industry, hotels, restaurants, canteens etc. Major customer of disposable cups is ice-cream industry. The per capita consumption of ice-cream in India is far below compared to the level of consumption in developed countries. However, the Indian Ice-cream industry is going faster and according to an estimate the annual rate of growth of Indian Ice-cream Industry is approximately 20 - 25%. Considering the above factors, demand of disposable cups is expected to increase faster in future. Huge quantity plastic disposable cups are being used during festivals, functions, party, picnic time. Besides organization like Railways, Airlines are using a good quantity of plastic disposable cups and glasses.

### ***Our Strengths:***

We derive our strengths from following factors:

#### **Leveraging the experience of our Promoters**

Our Promoters Mr. Puspjeet Kumar has an experience of more than two decades in different aspects of industry.

#### **Experienced management team and a motivated and efficient work force**

Our Company is managed by a team of experienced and professional personals having knowledge of every aspect of manufacturing activities, marketing and finance. The faith of the management in the staff and their performance has enabled us to build up capabilities to expand our business.

#### **Suitable Manufacturing Unit location**

The manufacturing unit of our Company is situated at Dankuni, P.O.-Dankuni Coal Complex, Dist.-Hoogly-712310. Man power in the form of skilled and unskilled workers is easily available in the proximity of the unit.

#### **Strong Customer base:**

Our record of timely supply of right quantity and quality products to our customers has helped us to build strong relationships over a number of years with our customers in India.

#### **Extensive array of Disposable Plastic Products.**

We manufacture high quality disposable plastic products which differentiate ourselves from other manufacturer of disposable plastic products. We have product portfolio ranging from glasses, cups, bowls etc.

#### **Plant Capacity:**

We have Annual Production capacity: 380 Tonne based on per day of 8 Hrs single shift for a period of 300 working days.

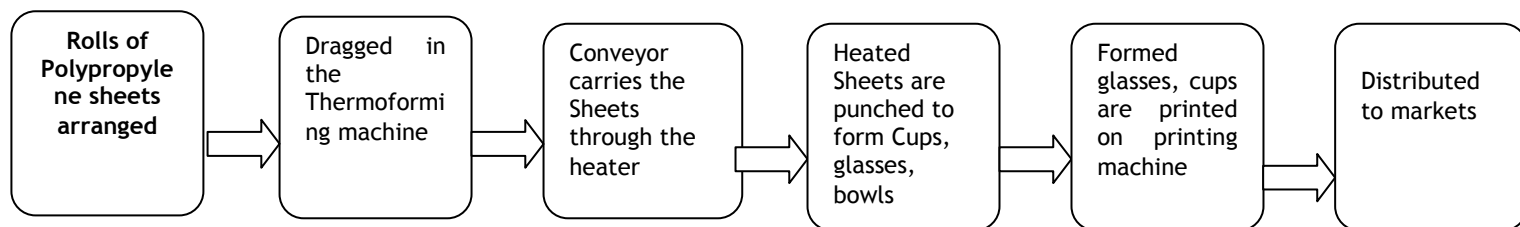
#### **Raw Material:**

The main raw material required for manufacturing plastic disposable cups, glasses, bowls is High Impact Polystyrene (HPIS) Granules (50 Tonne per annum), GPPS (250 Tonne per annum), PP (100 Tonne per annum)

#### **Manufacturing Process:**

Polypropylene/Polystyrene sheet feeding reels of preset length is dragged from bobbin reel in the thermoforming plant. The conveyor chains carry the sheet through the heater assembly to the forming table. The heated sheet is punched to form the shape of the mould. The cups thus formed are stocked and the punched waster sheet is wound on scrap sheet winder. To get printed cups, the cups are printed on printing machine. Taking 90 ml cup as yard stick machine with 21 cavities mould make approximately 1,92,000 cups (24,000 pcs X 8 hours) per shift. In terms of weight, a 90 ml cup made of 0.3 mm thick High Impact Polystyrene sheet is approximately 1.1 gm. Therefore, the total weight of output of a machine per shift is 211Kg (1,92,000 X 1.1). The average weight of sheet required per cup is 2.0 gms. (which implies wastage of approximately 1.1 gms per cup).

### Flow of Manufacturing process:



### Business Strategy:

The business strategy has been consumer centric to bring them value for money by imbibing best practices and processes aiming at all round innovation through use of technology and resources to deliver and contribute maximum and sustained returns to all stakeholders. We intend to pursue the following strategies in order to consolidate our position and grow further:

#### Increase in manufacturing capacities

Our manufacturing capacity presently stands at 72 MT/per month. Further, as a part of the Objects of the Issue, we propose to increase our installed capacity from 72 MT/per month to 162 MT/per month. We also propose to expand and modernize our manufacturing facilities.

#### Brand and Brand Promotion

We propose to commence manufacturing and marketing of our products under a brand. We consider having sufficient experience and technical knowledge in our manufacturing business to launch and market our own brand.

### COLLABORATIONS

The Company has so far not entered into any technical or financial collaboration agreement.

### UTILITIES

#### Power

For our manufacturing operations, requirement of power is met with electricity supply of state government electricity board.

#### Human Resources

The details of manpower employed as on 30<sup>th</sup> September, 2013 are as under:

Sr. no	Category	No. of employees
1.	Unit Manager	1
2.	Accounts, Marketing, Administration & Finance	4
3.	Unit Assistants, Workmen, Security Etc.	15
4.	Company Secretary	1
	<b>TOTAL</b>	<b>21</b>

**Raw Material:**

The raw material required for manufacturing plastic disposable cups, glasses, bowls are High Impact Polystyrene (HPIS) Granules (50 Tonne per annum), GPPS (250 Tonne per annum), PP (100 Tonne per annum), adhesive tapes, colour, optical brightner, papers. These raw material is available in plenty in and around local markets.

**Machinery:**

The major equipments are as follows:

- Automatic thermoforming machine
- Die Punch for cups
- Sheet extruder and scrap grinder
- Testing equipment
- Weighing Machine
- Printing Machinery
- Chilling Machine
- Cooling Plant
- Air Compressor
- Gear Box
- Paper Cup Machine
- Generator

**Application Areas**

- Moving Restaurants
- Dairy
- Sports-Centre
- Railways
- Bus-stands
- Retailers
- Bakers
- Hotels
- Cafeterias
- Food packaging in industries
- Household usages
- Ice cream Parlor
- Public places for tea & coffee
- Water distillery for packaging drinking water

**Major Customers**

Our manufacturing produce is sold to wholesalers and some of our major customers are as under:

1. Maa Mansa Agency
2. A.H. Printers
3. Varun Traders
4. B.P.L. Dumka
5. Bola Store
6. J.P. Plastic
7. Sushil Kumar Kundu
8. Magleshwar Mahadev Store
9. Komal Devi Mukesh Kumar Co.
10. Aditya Sales Agency

## **Competition**

The Indian plastic market is largely fragmented comprising of organized and unorganized sectors. The rates vary depending upon the demand supply pattern prevailing in the market. Geographies also play a vital role in deciding the rates. The produce is marketable in the open market. We face competition from local manufactures. Our wide range of products with better hygiene consideration, low cost provides us an edge in the competition.

## **Marketing Arrangement**

Our Company is primarily focused in East India, predominately in the state of West Bengal. The marketing strategy of the company is the combination of direct marketing, using the existing distribution network and sales force. Conversation with customers on an individual basis, educating them, guiding them and campaigning for the company's products all the year round is part of the strategy. We support our marketing efforts with the activities at the grass root level through field work by maintaining regular contacts and meetings.

## **Quality**

Our driving force has always been the quality of our products, as the same would enable us for long standing relationship with our customers. We ensure that good quality raw materials are used for production of our goods. Our unit manger supervises the every process of our operations.

## **Our Existing Products**

Our product portfolio includes range of plastic disposable products such as glass, cups, bowls etc.

## **EXPORT POSSIBILITY AND OBLIGATION**

Our Company doesn't have any export obligation as we are not exporting any material.

## **SWOT**

### **Strengths**

- In house development of products based on application and client requirement.
- Location advantage of Manufacturing Unit
- Experienced management team
- Experienced and dedicated human resource

### **Weaknesses**

- Unorganized dealers and distributors base.
- Dependent upon availability of raw materials
- Limited presence in market

### **Opportunities**

- Growing demand of disposable plastic products.
- Products manufactured have use in diverse industries

### **Threats**

- Competition threat from new entrants.
- Any change or shift of focus of government from manufacturing industry may adversely impact our financials.

## **Intellectual Property**

We have applied for registration of our corporate logo to the Registrar of Trademarks.

## Our Properties

Our Registered Office is located at 29, Weston Street, 3<sup>rd</sup> floor, room no. C5, Kolkata- 700012. Our manufacturing unit is situated at Dankuni, P.O.-Dankuni Coal Complex, District- Hoogly-712310. The details of property occupied, leased or owned by the Company are as under:

Sr. No.	Location	Title (Leased /Owned)	Agreement Valid from	Agreement Valid till
1.	29, Weston Street, 3 <sup>rd</sup> floor, room no. C5, Kolkata- 700012	Rent free Space	--	--
2.	Dankuni, P.O.-Dankuni Coal Complex, Dist.-Hoogly- 712310	Leased	09/04/2001	Up to 51 years i.e. 09.04.2052

### **Note 1: Interest in Property by our Promoters and Promoter Group**

Our registered office situated at 29, Weston Street, 3<sup>rd</sup> floor, room no. C5, Kolkata-700012 belongs to one of our Promoter i.e. M/s. Yaduka Coaching Centre Pvt. Ltd and they have permitted us to use the said premises free of rent.

### **Note 2: Purchase of Property**

We have not entered into any agreement to buy/sell any property with the promoters or Director or a proposed director who had any interest direct or indirect during the preceding two years.

## Insurance Policies

We have taken insurance policy covering the following:

Sr. No	Policy Type	Insurance Company Name	Policy Number	Premium (Amount in Rs.)	Sum Insured in (Amount in Rs. lakhs )
1.	Industry Protector Policy	Iffco-Tokio General Insurance	47263042	49,201	267.35

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, Government of West Bengal and the respective bye laws framed by the local bodies in West Bengal, and others incorporated under the laws of India.*

*The information detailed in this chapter has been obtained from the various legislations and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice.*

### **The Companies Act, 1956**

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **Regulation of Foreign Investment in India**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the “automatic route” within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

### **Transfer of Property Act, 1882**

The transfer of property is governed by the Transfer of Property Act, 1882 (“T.P. Act”). The T.P. Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

### **Registration Act, 1908**

The Registration Act, 1908 (“Registration Act”) has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.

### **The Easements Act, 1882**

The law relating to easements is governed by the Easements Act, 1882 (“Easements Act”). The right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the



owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land not his own. Under this law an easement may be acquired by the owner of immovable property, i.e. the “dominant owner”, or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom.

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

The Factories Act, 1948 is a social legislation which has been enacted to regulate the occupational safety, health and welfare of workers at work places. This legislation is being enforced by the Government through officers appointed under the Act i.e. Inspectors of Factories, Deputy Chief Inspectors of Factories who work under the control of the Chief Inspector of Factories and overall control of the Labour Commissioner. The ambit of operation of this Act includes the approval of Factory Building Plans before construction/extension, investigation of complaints with regard to health, safety, welfare and working conditions of the workers employed in a factory, the maintenance of registers and the submission of yearly and half-yearly returns.

#### **Workman Compensation Act, 1923**

Workmen's Compensation Act, 1923 aims at providing financial protection to employees (for their dependents in the event of fatal accidents) by means of payment of compensation by the employers, if personal injury is caused to them by accidents arising out of and in the course of their employment. This Act makes it obligatory for the employers brought within the ambit of the Act to furnish, to the State Governments/Union Territory Administrations, annual returns containing statistics relating to the average number of workers covered under the Act, number of compensated accidents and the amount of compensation paid.

#### **Payment of Wages Act, 1936 ("Wages Act")**

Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than Rs 10,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

#### **The Minimum Wages Act, 1948 ("Minimum Wages Act")**

Minimum Wages Act was enacted to provide for minimum wages in certain employments. Under this Act, the Central and the State Governments are the authorities to stipulate the scheduled employment and to fix minimum wages. The Act contains list of Agricultural and Non Agricultural employment where the prescribed minimum rate of wages is to be paid to the workers. The minimum wages are calculated and fixed based on the basic requirement of food, clothing, housing required by an average Indian adult.

#### **Employees State Insurance Act, 1948**

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department.

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

A terminal lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years is referred to as "gratuity". The provisions of the Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority. The Employer is also required to display an abstract of the Act and the rules made there-under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

#### **The Competition Act, 2002**

The Competition Act, 2002 (the “Competition Act”) prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into

effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as 'Individuals' and 'Group'. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

#### **Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 ("Stamp Act") and the relevant State Stamp Acts provide for the imposition of stamp duty at specified rates on instruments listed in Schedule I of the Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are inadmissible in a court of law and have no evidentiary value. Public officials have the power to impound such documents and if the executor wants to rectify them, he may have to pay a penalty of up to 10 times the original stamp value.

#### **State laws governing entry tax**

Entry Tax provides for the levy and collection of tax on the entry of goods into the local areas of the state for consumption, use or sale therein and matters incidental thereto and connected therewith. It is levied at such rate as may be specified by the State Government and different rates may be specified for different goods. The tax leviable under this Act shall be paid by every dealer in scheduled goods or any other person who brings or causes to be brought into a local area such scheduled goods whether on his own account or on account of his principal or customer or takes delivery or is entitled to take delivery of such goods on such entry.

#### **Approvals from Local Authorities**

Setting up of a Factory or Manufacturing/Housing unit entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

#### **Intellectual Property**

##### **Trade Marks Act, 1999**

The Indian law on trademarks is enshrined in the Trade Marks Act, 1999. Under the existing legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The trademark once applied for, is advertised in the trademarks journal, oppositions, if any are invited and after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

##### **Municipality Laws**

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non compliance.

##### **Police Laws**

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same including registering eating houses and obtaining a 'no objection certificate' for operating such eating houses with the police station located in that particular area, along with prescribing penalties for non compliance.

#### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

## OUR HISTORY AND CORPORATE STRUCTURE

### HISTORY & BACKGROUND

Our Company was originally incorporated in Kolkata as "Polymac Thermoformers Private Limited" on 17<sup>th</sup> December, 1999 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, West Bengal. Our Company was converted in to a public limited company and consequently the name was changed to "Polymac Thermoformers Limited" vide fresh certificate of incorporation dated 26<sup>th</sup> August, 2013 issued by the Registrar of Companies, West Bengal.

Our Company is registered under the Companies Act, 1956 with registration no. U25201WB1999PLC090774

Our Company was originally incorporated by Mr. Raj Kumar Agarwala with the intention to venture in to manufacturing operations. At present, the company is predominantly engaged in the manufacturing operations of disposable plastic glasses, cups, bowls etc.

Later on, in the year 2001 Mr. Puspjeet Kumar acquired majority stake in the company and assumed control over the company.

We are engaged in to manufacturing operations, wherein we manufacture disposable plastic glasses, cups, and bowls etc. These are fast replacing conventional glasses, cups etc. and are manufactured by thermoforming technique.

The Registered Office of our Company is situated at 29, Weston Street, 3<sup>rd</sup> floor, room no. C5, Kolkata-700012

### CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY SINCE INCEPTION

FROM	TO	DATE OF CHANGE	REASON FOR CHANGE
-	6-B, Mohit Maitra Sarani, Kolkata-700 003 West Bengal	Since incorporation	-
6-B, Mohit Maitra Sarani, Kolkata-700 003 West Bengal	654, Rabindra Sarani, Kolkata-700003	1 <sup>st</sup> August, 2001	Administrative Purpose
654, Rabindra Sarani, Kolkata-700003	29, Weston Street, 3 <sup>rd</sup> floor, room no. C5, Kolkata-700012	9 <sup>th</sup> April, 2008	Administrative Purpose

### MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

1. To carry on the business as manufacturers, processors, dealers, contractors, agents, suppliers, stockists, representatives, designers, consultants for any or all of plastics such as disposable plastic containers and packaging items by employing thermo pressure forming process, woven sacks, monofilament yarn, ropes, twines, chair cane, household articles, industrial items and/or rubber goods including the business of resins and moulding compounds such as abs, acetal, acrylic, alkyd, cellulose acetate, C.A.B., epoxy, melamine, nylon, polyimide, polycarbonate polyester, polyethylene low density and high density polypropylene, polystyrene, polyurethane, P.V.C., U.F., M.F., P.F., C.P.W., D.O.P., foamed plastics of all kinds, reinforced plastics and composites, plastic film, sheetings and laminates, chemicals, additives, fillers and reinforcement and all other plastic materials of all kinds that may be existence or may be developed in future.

2. To manufacture, design, fabricate, assemble, deal, sell, repair, recondition, service, hire, install, maintain, contract all sorts of plastic machinery, parts of machinery and instruments.

## **CHANGES IN THE MEMORANDUM OF ASSOCIATION**

The following changes have been made in the Memorandum of Association of our Company since inception:

<b>DATE</b>	<b>AMENDMENT</b>
31 <sup>st</sup> March, 2009	Increase in authorized capital of the Company from Rs. 50 Lacs divided into 5,00,000 Equity Shares of Rs. 10 each to Rs. 60 Lacs divided into 6,00,000 Equity shares of Rs. 10 each.
2 <sup>nd</sup> August, 2013	Consolidated its preference shares to equity shares after approval from Registrar of Companies, West Bengal.
5 <sup>th</sup> August, 2013	Increase in authorized capital of the Company from Rs. 60.00 Lacs divided into 6,00,000 Equity Shares of Rs. 10 each to Rs. 260.00 Lacs divided into 26,00,000 Equity shares of Rs. 10 each.
26 <sup>th</sup> August, 2013	Conversion of Company from private limited to public limited company and subsequent change of name of company from "Polymac Thermoformers Private Limited" to " Polymac Thermoformers Limited"
4 <sup>th</sup> October, 2013	Increase in authorized capital of the Company from Rs. 260 Lacs divided into 26,00,000 Equity Shares of Rs. 10 each to Rs. 500.50 Lacs divided into 50,05,000 Equity shares of Rs. 10 each.

## **MAJOR EVENTS AND MILESTONES**

<b>YEAR</b>	<b>PARTICULARS</b>
December, 1999	Incorporation of the Company in the name and style of "Polymac Thermoformers Private Limited"
March, 2001	Control of company acquired by Mr. Puspjeet Kumar
April, 2001	Acquisition of leasehold rights of 23.75 Satak of land situated at Dankuni, P.O.-Dankuni Coal Complex, Dist.-Hoogly-712310.
August, 2013	Conversion of Company from Private Limited to Public Limited

## **HOLDING COMPANY OF OUR COMPANY**

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

## **SUBSIDIARY OF OUR COMPANY**

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

## **SHAREHOLDERS AGREEMENTS**

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

## **COLLABORATION**

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B (1) (c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009.

## **STRATEGIC PARTNER**

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

**FINANCIAL PARTNER**

Our Company does not have any financial partner as on the date of filing of the 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 Nine (9) shareholders on date of the Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has four (4) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
<p>1. Mr. Puspjeet Kumar S/o Mr. Jay Prakash Yaduka 28 Roy Bahadur Road, Block - A, Kolkata-700053, West Bengal, India Occupation: Service Nationality: Indian Tenure: DIN: 00548463</p>	36 Yrs	Non-Executive Non Independent Director	<ul style="list-style-type: none"> <li>• Yaduka Coaching Centre Pvt. Ltd.</li> <li>• Dayanidhi Comtrade Pvt. Ltd.</li> <li>• Prince Mercantile Pvt. Ltd.</li> <li>• Kalimata Comtrade Pvt. Ltd.</li> <li>• Parijat Tradecom Pvt. Ltd.</li> <li>• Shivam Vincom Pvt. Ltd.</li> <li>• Crystal Abasan Pvt. Ltd.</li> <li>• Yaduka Financial Ltd.</li> <li>• Fountain Vanijya Pvt. Ltd.</li> <li>• Disha Vincom Pvt. Ltd.</li> <li>• Ganesh Ceramics Pvt. Ltd.</li> <li>• Jain Tradecom Pvt. Ltd.</li> <li>• Yana Metal Trade Pvt. Ltd.</li> <li>• Dutyal Developer Pvt. Ltd.</li> <li>• Yaduka Agrotech Pvt. Ltd.</li> <li>• PR Vanijya Pvt. Ltd.</li> <li>• PR Tradecom Pvt. Ltd.</li> <li>• PR Vincom Pvt. Ltd.</li> <li>• PR Dealmark Pvt. Ltd.</li> <li>• Vindhywasini Vanijya Pvt. Ltd.</li> <li>• Rampur Agri Fresh Pvt. Ltd.</li> </ul>
<p>2.Mr.Shailesh Kumar Mishra S/o Mr. Subodh Kumar Mishra R.C Bhawan Room No. 2/27, 34A Ratu Sarkar Lane, Kolkata, 700073, West Bengal, India Occupation: Nationality: Indian Tenure: One Year w.e.f. 26.08.2013 DIN: 02189510</p>	37 Yrs	Executive Director	<ul style="list-style-type: none"> <li>• Equipment Commercial Pvt. Ltd.</li> <li>• Trinity Dealers Pvt. Ltd.</li> <li>• Yaduka Financial Services Ltd.</li> <li>• Brilliant Vincom Pvt. Ltd.</li> <li>• Aprameya Tradelink Pvt. Ltd.</li> <li>• Sharayu Tradelink Pvt. Ltd.</li> <li>• Tauras Vincom Pvt. Ltd.</li> <li>• Exclusive Tradelinks Pvt. Ltd.</li> <li>• Salasar Vincom Pvt. Ltd.</li> <li>• Seaside Dealers Pvt. Ltd.</li> <li>• Heritage Sales Pvt. Ltd.</li> <li>• Vinayak Infosoft Pvt. Ltd.</li> <li>• Hard Knox Dealmark Pvt. Ltd.</li> <li>• Suncity Financial Consultants Pvt. Ltd</li> </ul>

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
			<ul style="list-style-type: none"> <li>• Earth Vincom Pvt. Ltd.</li> <li>• Mercury Dealmark Pvt. Ltd.</li> <li>• Printer Deal Com Pvt. Ltd.</li> <li>• Hooghly Tradelinks Pvt. Ltd.</li> <li>• Saturn Vincom Pvt. Ltd.</li> <li>• Silver Vincom Pvt. Ltd.</li> <li>• Liberal Vincom Pvt. Ltd.</li> <li>• Setu Vintrade Pvt. Ltd.</li> <li>• Laurel Dealmark Pvt. Ltd.</li> <li>• Snowdrop Tradecom Pvt. Ltd.</li> <li>• Buttercup Dealcom Pvt. Ltd.</li> <li>• Eternity Dealmark Pvt. Ltd.</li> <li>• Bluebell Tradecom Pvt. Ltd.</li> <li>• Dahlia Tradecom Pvt. Ltd.</li> <li>• Hibiscus Tradelinks Pvt. Ltd.</li> <li>• Rosebud Dealmark Pvt. Ltd.</li> <li>• Rosemary Vincom Pvt. Ltd.</li> <li>• Enhance Dealmark Pvt. Ltd.</li> <li>• Ghanera Vanijya Pvt. Ltd.</li> <li>• Nagkesar Vincom Pvt. Ltd.</li> <li>• Gunna Tradelinks Pvt. Ltd.</li> <li>• Baitarani Dealers Pvt. Ltd.</li> <li>• Budheswar Vintrade Pvt. Ltd.</li> <li>• Markpoint Commotrade Pvt. Ltd.</li> <li>• Shaktimata Dealcom Pvt. Ltd.</li> <li>• Bhuteshwar Dealcom Pvt. Ltd.</li> <li>• Vasundhara Dealmark Pvt. Ltd.</li> <li>• Swetambari Tradecom Pvt. Ltd.</li> <li>• Trident Distributors Pvt. Ltd.</li> <li>• Pluto Vincom Pvt. Ltd.</li> <li>• Nile Vanijya Pvt. Ltd.</li> <li>• Fastflow Suppliers Pvt. Ltd.</li> <li>• Rimjhim Vincom Pvt. Ltd.</li> <li>• SB Vincom Pvt. Ltd.</li> </ul>
3. Mr. Bharat Yadav S/o Mr. Raju Yadav 13, Bonfield Lane, Kolkata-700001, West Bengal, India	32 Yrs	Non-executive Independent Director	<ul style="list-style-type: none"> <li>• Equipment Commercial Pvt. Ltd. (Under process of strike off)</li> <li>• Trinity Dealers Pvt. Ltd.</li> <li>• Yaduka Financial Services</li> </ul>



Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
Occupation: Nationality: Indian Tenure: Retire by rotation DIN: 01479001			Ltd. • Brilliant Vincom Pvt. Ltd. • Aprameya Tradelink Pvt. Ltd. • Sharayu Tradelink Pvt. Ltd. • Taurus Vincom Pvt. Ltd. • Exclusive Tradelinks Pvt. Ltd. • Salasar Vincom Pvt. Ltd. • Hard Knox Dealmark Pvt. Ltd. • Suncity Financial Pvt. Ltd. • Consultants Pvt. Ltd. • Earth Vincom Pvt. Ltd. • Mercury Dealmark Pvt. Ltd. • Printer Dealcomm Pvt. Ltd. • Hooghly Tradelinks Pvt. Ltd. • Saturn Vincom Pvt. Ltd. • Silver Vincom Pvt. Ltd. • Liberal Dealmark Pvt. Ltd. • Setu Vintrade Pvt. Ltd. • Laurel Tradecom Pvt. Ltd. • Snowdrop Tradecom Pvt. Ltd. • Buttercup Dealcomm Pvt. Ltd. • Eternity Dealmark Pvt. Ltd. • Bluebell Tradecom Pvt. Ltd. • Dahlia Vincom Pvt. Ltd. • Hibiscus Tradelinks Pvt. Ltd. • Rosebud Dealmark Pvt. Ltd. • Rosemary Vincom Pvt. Ltd. • Enhance Dealmark Pvt. Ltd. • Ghanera Vanijya Pvt. Ltd. • Nagkesar Vincom Pvt. Ltd. • Gunina Tradelinks Pvt. Ltd. • Baitarani Dealers Pvt. Ltd. • Budheswar Vintrade Pvt. Ltd. • Markpoint Commotrade Pvt. Ltd. • Shaktimata Dealcom Pvt. Ltd. • Bhuteshwar Dealcomm Pvt. Ltd. • Vasundhara Dealmark Pvt. Ltd. • Swetambari Tradecom Pvt. Ltd. • Trident Distributors Pvt. Ltd. • Pluto Vincom Pvt. Ltd.

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
			<ul style="list-style-type: none"> <li>• Nile Vanijya Pvt. Ltd.</li> <li>• Fastflow Suppliers Pvt. Ltd.</li> <li>• Rimjhim Vincom Pvt. Ltd.</li> <li>• SB Vincom Pvt. Ltd.</li> </ul>
<b>4.Mr.Chetan Roy</b> S/o Mr. Beni Roy Address:8, BBD Bag (East), 1 <sup>st</sup> Floor, Room no.11, Kolkata-700001, West Bengal, India Occupation: Nationality: Indian Tenure: Retire by rotation DIN: 02559371	23 Yrs	Non-executive Independent Director	<ul style="list-style-type: none"> <li>• Pluto Vincom Pvt. Ltd.</li> <li>• Nile Vanijya Pvt. Ltd.</li> <li>• Evernew Vinimay Pvt. Ltd.</li> <li>• Littlestar Dealers Pvt. Ltd.</li> <li>• Silvertoss Commodities Pvt. Ltd.</li> <li>• Matadi Comtrade Pvt. Ltd.</li> <li>• Premsagar Sales Agencies Pvt. Ltd.</li> <li>• Sukhsagar Commodeal Pvt. Ltd.</li> <li>• Mastermind Agencies Pvt. Ltd.</li> <li>• Metropolis Commosale Pvt. Ltd.</li> <li>• Manikala Agencies Pvt. Ltd.</li> <li>• Doreman Distributors Pvt. Ltd.</li> <li>• Chaturbhuj Agencies Pvt. Ltd.</li> <li>• Swastik Wholesale Traders Pvt. Ltd.</li> <li>• Highgrowth Commodities Trade Pvt. Ltd.</li> </ul>

**Note:**

As on the date of the Prospectus:

1. None of the above mentioned Directors are on the RBI List of willful defaulters as on date.
2. 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.
3. 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.

**DETAILS OF DIRECTORS**

**Mr. Puspjeet Kumar**, aged 36 years, is Promoter Director of our Company. He is a Chartered Accountant and qualified Cost and Works Accountant from ICWAI. He has more than 10 years of experience in the field of finance, capital markets, business advisory and related activities. The Board has the advantage of his wide experience in the financial services field. He has been designated as Director of our Company on June, 2013.

**Mr. Shailesh Kumar Mishra**, aged 37 years is an Executive Director of our Company. He is a commerce graduate. He has more than 6 years of experience in the field of finance, business and industry. He overseas for evolving

business and developing growth strategies for our Company. He has been on the Board of our Company since October, 2011.

**Mr. Bharat Yadav**, aged 32 years, is an Independent Director of our Company. He has more than 5 years of experience in the field of business and industry. He has been on the Board of our Company since June, 2012.

**Mr. Chetan Roy**, aged 23 years, is an Independent Director of our Company. He has more than 3 years of experience in the field of business and industry. He has been on the Board of our Company since August, 2013.

## CONFIRMATIONS

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such company.

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

## NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

There is no family relationship among Directors.

## BORROWING POWERS OF THE DIRECTORS

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on 19<sup>th</sup> October, 2013 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 293(1)(d) of the Companies Act, 1956 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. 25 Crores.

## TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

<b>Name</b>	Mr. Shailesh Kumar Mishra
<b>Designation</b>	Executive Director
<b>Period</b>	One year with effect from 26 <sup>th</sup> August, 2013
<b>Date of Appointment</b>	Extra Ordinary General Meeting dated 26 <sup>th</sup> August, 2013
<b>Remuneration</b>	<p><b>a) Remuneration</b> Rs. 20,000/- p.m. (Rupees Twenty Thousand Only) with such annual increments / increases as may be decided by the Remuneration Committee from time to time.</p> <p><b>b) Perquisites</b></p> <ul style="list-style-type: none"> <li>Free use of the Company's car for Company's work along with driver.</li> <li>Telephone, telefax and other communication facilities at Company's cost for Official purpose.</li> <li>Subject to any statutory ceiling/s, the appointee may be given any other allowances, perquisites, benefits and facilities as the Remuneration Committee / Board of Directors from time to time may decide.</li> </ul> <p><b>c) Valuation of perquisites</b> Perquisites/allowances shall be valued as per the Income Tax rules, wherever applicable, and in the absence of any such rules, shall be</p>

	valued at actual cost.
<b>Remuneration paid in FY 31<sup>st</sup> March, 2013</b>	Rs. Nil

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

#### **NON - EXECUTIVE DIRECTORS**

Currently, non-executive Directors are not being paid sitting fees

#### **CORPORATE GOVERNANCE**

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, separation of 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 four (4) Directors. We have one (1) executive non independent director, one (1) non-executive non independent director and two (2) independent non executive directors. The constitution of our Board is in compliance with the requirements of Clause 52 of the Listing Agreement.

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

- A) Audit Committee
- B) Shareholders/Investors Grievance Committee
- C) Remuneration Committee

#### **AUDIT COMMITTEE**

Our Company has constituted an audit committee ("**Audit Committee**"), as per the provisions of Section 292A of the Companies Act, 1956 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 26<sup>th</sup> August, 2013.

The terms of reference of Audit Committee complies with the requirements of Clause 52 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following three (3) directors. Mr. Bharat Yadav is the Chairman of the Audit Committee.

<b>No.</b>	<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
1.	Mr. Bharat Yadav	Chairman	Independent Director
2.	Mr. Chetan Roy	Member	Independent Director
3.	Mr. Puspjeet Kumar	Member	Non Executive Non Independent Director

#### **Role of Audit Committee**

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.

2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
6. 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.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - (a) Matters required to be 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, 1956
  - (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.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
10. 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.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. 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.
13. Discussion with internal auditors any significant findings and follow up there on.
14. 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.
15. 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.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

17. To review the functioning of the Whistle Blower mechanism, in case if the same is existing.
18. 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.
19. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
20. Mandatorily reviews the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
21. Review the Financial Statements of its Subsidiary company, if any.
22. Review the composition of the Board of Directors of its Subsidiary company, if any.
23. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

#### SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Our Company has constituted a shareholder / investors grievance committee ("**Shareholders / Investors Grievance Committee**") to redress the complaints of the shareholders. The Shareholders/Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 26<sup>th</sup> August, 2013. The committee currently comprises of three (3) Directors. Mr. Chetan Roy is the Chairman of the Shareholders/ Investors Grievance committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Chetan Roy	Chairman	Independent Director
2.	Mr. Bharat Yadav	Member	Independent Director
3.	Mr. Shailesh Kumar Mishra	Member	Executive Director

#### Role of shareholders/investors grievance committee

The Shareholders / Investors Grievance Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

#### REMUNERATION COMMITTEE

Our Company has constituted a remuneration committee ("**Remuneration Committee**"). The Remuneration Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 26<sup>th</sup> August,

2013. The committee currently comprises of three (3) Directors. Mr. Chetan Roy is the Chairman of the remuneration committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Chetan Roy	Chairman	Independent Director
2.	Bharat Yadav	Member	Independent Director
3.	Puspjeet Kumar	Member	Non Executive Non Independent Director

The terms of reference of the remuneration committee are as follows:

- The remuneration committee recommends to the board the compensation terms of the executive directors.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

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

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchange. Our Company Secretary and Compliance Officer, Mr. Anuj Jalan 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.

#### **SHAREHOLDING DETAILS OF THE 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:

Name of Director	Number of Equity Shares	% of Pre-Issue Paid up Share Capital
Puspjeet Kumar	799750	30.98
<b>Total</b>	<b>799750</b>	<b>30.98</b>

#### **INTEREST OF DIRECTORS**

All the Directors of our Company may be deemed to be interested to the extent of sitting fees and/or other remuneration if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses if any payable to them under the Articles of Association. All the Directors may also be deemed to be interested in the Equity Shares of our Company, if any, held by them, their relatives or by the companies or firms or trusts in which they are interested as directors / members / partners or that may be subscribed for and allotted to them, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any other company in which they have direct /indirect interest or any partnership firm in which they are partners.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

## PROPERTY INTEREST

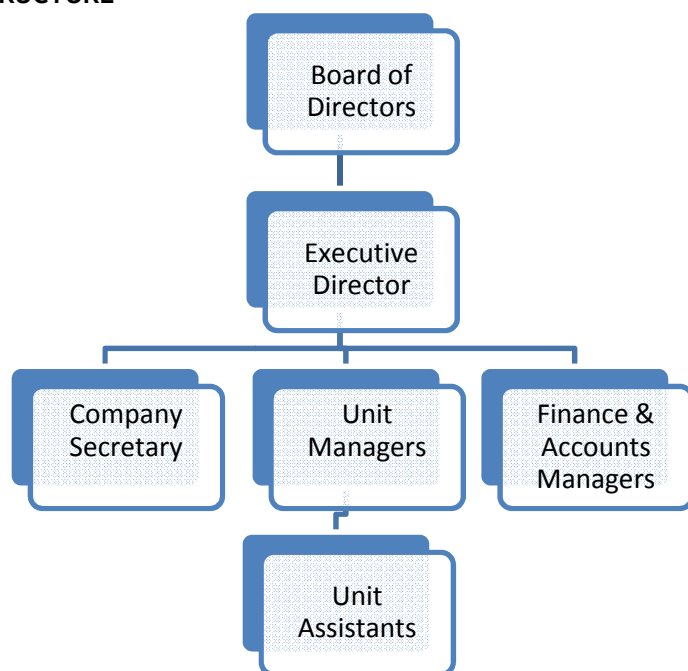
Except as disclosed in the section titled “Our Business” on page 56, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE (3) YEARS

The changes in the Directors during last three (3) years are as follows:

Name	Date of appointment	Date of cessation	Reason
Puspjeet Kumar	26/08/2013	---	Change in Designation
Bharat Yadav	26/08/2013	---	Change in Designation
Shailesh Kumar Mishra	26/08/2013	---	Change in Designation
Chetan Roy	26/08/2013	---	Appointment
Puspjeet Kumar	05/06/2013	---	Appointment
Bharat Yadav	15/06/2012	---	Appointment
Puspjeet Kumar	---	15/06/2012	Resignation due to preoccupation
Shailesh Kumar Mishra	22/10/2011	---	Appointment
Bharat Yadav	---	22/10/2011	Resignation due to preoccupation
Sandeep Kumar Singh	---	01/01/2011	Resignation due to preoccupation

## ORGANISATION STRUCTURE





## KEY MANAGERIAL PERSONNEL

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of production/finance/ distribution/marketing and corporate laws.

The following key personnel assist the management of our Company:

Name	Date of Joining	Designation	Functional Responsibilities	Qualification
Mr. Shailesh Kumar Mishra	22/10/2011	Executive Director	General planning & management, supervision of day to day affairs	B.Com
Mr. Dulal Chattopadhyay	15/09/2010	Unit Manager	Supervision of Unit	B.A.
Mr. Jitendra Kumar Modi	10/06/2009	Manager Accounts & Finance	Accounting, Finance controls and management of cash flows	B.Com
Mr. Anuj Jalan	06/01/2014	Company Secretary & Compliance Officer	Drafting of agreements, drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act, 1956.	ACS

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

1. **Mr. Shailesh Kumar Mishra**, aged 37 years is an Executive Director of our Company. He is a commerce graduate. He has more than 6 years of experience in the field of finance, business and industry. He overseas for evolving business and developing growth strategies for our Company. He has been on the Board of our Company since October, 2011.
2. **Mr. Dulal Chattopadhyay** is Unit Manager of our Company. He is the Manager-Accounts & Finance of our Company. He is a graduate and working with our Company since September, 2010. He is responsible for the entire supervision of the unit.
3. **Mr. Jitendra Kumar Modi** is the Manager-Accounts & Finance of our Company. He is a commerce graduate. He is working with our Company since June, 2009. He oversees accounting, financial controls and management of cash flows.
4. **Mr. Anuj Jalan** is Company Secretary & Compliance Officer of our Company. He is an associate member of Institute of Companies Secretaries of India. He is associated with our Company from January, 2014. His scope of work and responsibilities includes vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act, 1956.

## FAMILY RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

As on date, none of the key managerial persons is having family relation with each other.

## **ALL OF KEY MANAGERIAL PERSONNEL ARE PERMANENT EMPLOYEE OF OUR COMPANY**

### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

As on date, none of the key managerial personnel are holding any Equity Shares of our Company.

### **BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL**

There is no profit sharing plan for the Key Managerial Personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

### **LOANS TO KEY MANAGERIAL PERSONNEL**

There are no loans outstanding against Key Managerial Personnel as on 30<sup>th</sup> September, 2013.

### **CHANGES IN KEY MANAGERIAL PERSONNEL OF OUR COMPANY DURING THE LAST THREE (3) YEARS**

The changes in the Key Managerial Employees of the Issuer during the last three (3) years are as follows:

<b>Name</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>	<b>Reason</b>
Mr. Shailesh Kumar Mishra	22.10.2011	-	Appointment
Ms. Sonia Jain	26.08.2013	06.01.2014	Appointment & Resignation
Mr. Anuj Jalan	06.01.2014	-	Appointmnet

### **EMPLOYEES STOCK OPTION SCHEME**

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Prospectus.

### **PAYMENT OR BENEFIT TO OUR OFFICERS**

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.


## OUR PROMOTERS

### OUR PROMOTERS

The Promoter of our Company: 1. Mr. Puspjeet Kumar, 2. M/s. Yaduka Coaching Centre Pvt. Ltd.

#### DETAILS OF OUR PROMOTER ARE AS UNDER:

##### 1.Mr. Puspjeet Kumar

	Mr. Puspjeet Kumar, aged 36 years, is the Promoter and Director of our Company. He is a Chartered Accountant and qualified Cost and Works Accountant from ICWAI. He has more than 10 years of experience in the field of finance, capital markets, business advisory and related activities. The Board has the advantage of his wide experience in the financial services field. He has been designated as Director of our Company on 05/06/2013. For further details relating to Mr. Puspjeet Kumar, including address and other directorships, see the section titled "Our Management" on page 69 of Prospectus.
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#### Identification

Name	Mr. Puspjeet Kumar
Permanent Account Number	AHSPK8519P
Passport No.	CALA02170306
Voter ID	TFE1436526
Driving License	WB-202004255520
Bank Account Details	401410100025451 Bank of India

##### 2. Yaduka Coaching Centre Pvt. Ltd.

Yaduka Coaching Centre Pvt. Ltd is a private company and was originally incorporated on 29<sup>th</sup> November, 2001 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, West Bengal.

Date of Incorporation	29/11/2001
CIN	U80903WB2001PTC093975
Registered Office	29A, Weston Street, 3rd Floor, Kolkata- 700012, West Bengal
PAN No.	AAACY1904G
Address of RoC	Registrar of Companies, Kolkata
Nature of Activities	Engaged in providing training to students

#### Board of Directors as on 30<sup>th</sup> September, 2013

Name	Designation
Mr. Puspjeet Kumar	Director
Ms. Rishu Kumari	Director

## Financial Performance

The brief financials of Yaduka Coaching Centre Pvt. Ltd. for the last three (3) years based on audited financial statements are as under:

*(Rs. in Lacs except per share data)*

Particulars	31 Mar- 12	31-Mar-11	31-Mar-10
Equity Share Capital	9.48	9.48	9.48
Reserves (excluding revaluation reserves)	107.55	108.40	109.21
Preliminary Expenses (to the extent not written off)	-	-	-
Net Worth	116.18	117.07	108.54
Sales & Other Income	49.36	15.50	54.54
Profit After Tax	(0.85)	(0.81)	(10.15)
E.P.S. (Rs.)	-	-	-
N.A.V. (Rs.)	123.40	124.30	125.15
Face Value per share (in Rs.)	10	10	10

## Shareholding Pattern as on 30<sup>th</sup> September, 2013

Name of Shareholder	No. of Shares	% of Total
Mr. Jai Parkash Yaduka	46420	48.95
Ms. Rishu Kumari	48420	51.05
<b>Total</b>	<b>94840</b>	<b>100</b>

## 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 SME platform of BSE Exchange, where the securities of our Company are proposed to be listed at the time of submission of Prospectus.

## COMMON PURSUITS OF OUR PROMOTER

Our Promoters do not have any common pursuits and not engaged in the business similar to those carried out by our Company.

## INTEREST OF THE PROMOTER

### Interest in the promotion of our Company

Our Promoters 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 his relative and also to the extent of any dividend payable to him 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 he is interested as a director, member or partner. In addition, our Promoter, being Director may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, payable under our Articles of Association and to the extent of remuneration, if any, paid for services rendered as an officer or employee of our Company as stated in section titled “Our Management” on page 69 of this Prospectus.

### Interest in the property of our Company

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

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

As on the date of this Prospectus, our Promoters hold 1070100 Equity Shares of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company and benefits as provided in the section titled '*Terms of appointment and compensation of our Directors*' on page 73, our Promoters does not hold any other interest in our Company.

Also see "Our Management-Interest of Directors" on page 77 of Prospectus.

### **PAYMENT AMOUNTS OR BENEFIT TO OUR PROMOTER DURING THE LAST TWO YEARS**

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Prospectus except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Information' and 'Capital Structure' on page nos. 69, 88 and 30 respectively of this Prospectus. Further as on the date of the Prospectus, there is no bonus or profit sharing plan for our Promoters.

### **CONFIRMATIONS**

For details on litigations and disputes pending against the Promoters and defaults made by him, please refer to the section titled "*Outstanding Litigation and Material Developments*" on page 107 of the Promoters. Our Promoters has not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

### **RELATED PARTY TRANSACTIONS**

Except as disclosed in the section titled "*Related Party Transactions*" beginning on page 86, our Company has not entered into any related party transactions with our Promoters.

## OUR PROMOTER GROUP / GROUP COMPANIES / ENTITIES

### PROMOTER GROUP INDIVIDUALS

The following natural persons (being the immediate relative of our Promoter) form part of our Promoter Group:

#### Relatives of Promoter:

Relationship	Puspjeet Kumar
Spouse	Ms. Rishu Kumari
Father	Mr. Jai Prakash Yaduka
Mother	Ms. Prema Devi Yaduka
Brother	--
Sister	Ms. Ranju Agarwal, Ms. Sanchita Agarwal, Ms. Sangam Agarwal, Ms. Usha Agarwal
Son	Master Rishaan Yaduka
Daughter	Ms. Rit Yaduka

### PROMOTER GROUP COMPANIES AND ENTITIES

As specified in clause 2 (zb) of the SEBI Regulation, the companies, HUFs, partnership firms and other entities, that form part of our Promoter Group are as follows:

#### LISTED COMPANIES WITHIN OUR PROMOTER GROUP

There is no listed Company in our Promoter Group

#### UNLISTED COMPANIES WITHIN OUR PROMOTER GROUP

M/s. Yaduka Coaching Centre Pvt. Ltd. is sole unlisted company within our Promoter Group and please refer page 81 of Prospectus for details of M/s. Yaduka Coaching Centre Pvt. Ltd.

#### COMMON PURSUITS

There are no common pursuits between our Company and our Promoter group.

#### LITIGATION/DEFAULTS

For details relating to legal proceedings involving the Promoters and Members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 107 of this Prospectus.

#### DISASSOCIATION WITH COMPANIES/FIRMS BY THE PROMOTER OF OUR COMPANY DURING THE PRECEDING THREE (3) YEARS

Our Promoter have not disassociated with any of entity during the preceding three (3) years.

#### RELATED BUSINESS TRANSACTION WITHIN THE GROUP AND SIGNIFICANCE ON FINANCIAL PERFORMANCE

There is no business transactions between our Company and the Promoter Group Companies except as stated on page 86 under section titled as "Related Party Transactions".

#### SALE OR PURCHASE BETWEEN OUR COMPANY AND OUR PROMOTER GROUP COMPANIES

There are no sales or purchases between our company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company.

## **SICK COMPANIES**

There are no Companies in our group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies. The Promoter Group Companies do not have negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

## **CONFIRMATION**

Our Promoter 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 Promoter 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 Promoter or Group Companies has a negative net worth as of the date of the respective last audited financial statements.

## **RELATED PARTY TRANSACTIONS**

There are no related party transactions during the preceding five financial years.



## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

## SECTION V - FINANCIAL INFORMATION

### Financial Information of Our Company

#### Auditors' Report

To,  
The Board of Directors,  
**Polymac Thermoformers Limited**  
29, Weston Street, 3<sup>rd</sup> floor,  
Kolkata-700012

Dear Sirs,

We have examined the Financial Information of **Polymac Thermoformers Limited** (the Company) described below and annexed to this report for the purpose of inclusion in the offer document. The Financial Information has been prepared in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'), The Securities and Exchange Board of India (SEBI) - Issue of Capital and Disclosure Requirements Regulations, 2009 ('ICDR Regulations') notified on August 26, 2009, the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and in terms of the engagement agreed upon by us with the Company.

The Financial Information has been approved by its Board of Directors and Audit Committee of Board of Directors.

Company proposes to make an Initial Public Offer (IPO) for the fresh issue of equity shares having a face value Rs 10/- each at a price of Rs. 35 Per Share.

Audit for the financial year ended 31<sup>st</sup> March, 2009, 2010 and 2011 was conducted by M/s. Singhania Agrawal & Co., Chartered Accountants Audit for the year ended 31<sup>st</sup> March, 2012, 2013 and period ended 30<sup>th</sup> November, 2013 was conducted by M/s A K Pathak & Co., Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them.

The Company has been incorporated on 17<sup>th</sup> December, 1999. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Polymac Thermoformers Limited, We, M/s. Ramanand & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

#### A. Financial Information as per Audited Financial Statements:

We have examined:

- a. the attached Statement of Assets and Liabilities, as Restated as at year ended March 31, 2009, 2010, 2011, 2012, 2013 and as of period ended November 30, 2013 (Annexure 1);
- b. the attached Statement of Profits and Losses, as Restated for the year ended March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended November 30, 2013 (Annexure 2);
- c. the attached Statement of Cash Flows, as Restated for the year ended March 31, 2009 2010, 2011, 2012, 2013 and for the period ended November 30, 2013 (Annexure 3);
- d. the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure 4);

(Collectively hereinafter referred as "Restated Financial Statements")

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year ended March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended 30<sup>th</sup> November, 2013 which have been approved by the Board of Directors.

Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, we state that:

- Restated Statement of Assets and Liabilities of the Company as at March 31, 2009, 2010, 2011, 2012, 2013 and as on period ended 30<sup>th</sup> November, 2013 are as set out in Annexure 1, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Profits and Losses of the Company for the year ended March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended 30<sup>th</sup> November, 2013 are as set out in Annexure 2, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Cash Flows of the Company for the year ended March 31 2009, 2010, 2011, 2012, 2013 and for the period ended 30<sup>th</sup> November, 2013 are as set out in Annexure 3 after making such material adjustments and regroupings;
- Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.
- Adjustments in Financial Statements has been made in accordance with the correct accounting policies
- There was no change in accounting policies, which needs to be adjusted in the "Restated Financial Statements".
- There are no revaluation reserves, which need to be disclosed separately in the "Restated Financial Statements".
- There are no audit qualifications in the "Restated Financial Statements".

#### **B. Other Financial Information:**

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document:

1. Statement of Details of Reserves & Surplus as at March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended November 30, 2013 as set out in **Annexure 5** to this report.
2. Statement of Accounting Ratios for the year ended on March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended November 30, 2013 as set out in **Annexure 6** to this report.
3. Capitalization Statement as at November 30, 2013 as set out in **Annexure 7** to this report.
4. Statement of Tax Shelters for the year ended on March 31, 2009, 2010, 2011, 2012 and 2013 as set out in **Annexure 8** to this report.
5. Statement of Secured Loans as at March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended November 30, 2013 as set out in **Annexure 9** to this report.
6. Statement of Secured Loans as at March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended November 30, 2013 as set out in **Annexure 10** to this report.
7. Statement of Details of Sundry Debtors as at March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended November 30, 2013 as set out in **Annexure 11** to this report.
8. Statement of Details of Deposits, Loans and Advances as at March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended November 30, 2013 as set out in **Annexure 12** to this report.

9. Statement of Details of Current Liabilities and Provisions as at March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended November 30, 2013 as set out in **Annexure 13** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 13 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

This report should not in any way be construed as a reissuance or redating of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

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

**For Ramanand & Associates.**  
**Chartered Accountants**  
Firm Registration No.-117776W  
Sd/-  
**Ramanand Gupta**  
**Partner**  
**Membership No. 103975**

Place: Mumbai  
Date: 4<sup>th</sup> January, 2014

## ANNEXURE-01

## STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lacs)

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Assets</b>						
Fixed Assets-Net Block	109.20	119.39	129.82	122.43	107.31	63.01
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	109.20	119.39	129.82	122.43	107.31	63.01
Capital Work in Progress	-	-	-	-	-	-
<b>Total (A)</b>	<b>109.20</b>	<b>119.39</b>	<b>129.82</b>	<b>122.43</b>	<b>107.31</b>	<b>63.01</b>
<b>Investments</b>						
Investment in Fixed Deposits	-	4.03	3.34	2.79	2.35	2.35
Investment in Shares & Securities		-	-	-	75.00	-
<b>Total Investments (B)</b>	<b>-</b>	<b>4.03</b>	<b>3.34</b>	<b>2.79</b>	<b>77.35</b>	<b>2.35</b>
<b>Current Assets, Loans and Advances</b>						
Receivables	90.85	34.64	67.36	15.20	4.70	7.80
Inventories	105.17	104.62	169.80	136.37	157.36	99.66
Cash & Bank Balances	0.22	0.55	1.06	7.26	0.60	0.86
Deposits & Advances	299.80	127.14	62.85	137.03	13.15	57.39
Other Assets (TDS, Advance Tax etc.)	0.79	4.16	5.30	5.83	0.20	0.15
<b>Total Current Assets ( C )</b>	<b>496.83</b>	<b>271.11</b>	<b>306.37</b>	<b>301.69</b>	<b>176.01</b>	<b>165.86</b>
<b>Total Assets (D) = (A) + (B) + (C)</b>	<b>606.03</b>	<b>394.53</b>	<b>439.53</b>	<b>426.91</b>	<b>360.67</b>	<b>231.22</b>
<b>Liabilities &amp; Provisions</b>						
<b>Loan Funds :</b>						
Secured Loans	38.70	39.27	24.96	123.68	18.41	36.67
Unsecured Loans	254.06	87.05	75.21	25.48	5.48	22.83
<b>Current Liabilities &amp; Provisions:</b>						
Current Liabilities	1.62	1.28	71.59	12.41	70.92	24.25
Provisions	10.14	0.14	0.89	-	-	-
<b>Total Liabilities &amp; Provisions (E)</b>	<b>304.52</b>	<b>127.74</b>	<b>172.65</b>	<b>161.57</b>	<b>94.81</b>	<b>83.75</b>
<b>Net Worth (D) - (E)</b>	<b>301.51</b>	<b>266.79</b>	<b>266.88</b>	<b>265.34</b>	<b>265.86</b>	<b>147.47</b>
<b>Represented By:</b>						
Share Capital	258.16	51.63	51.63	51.63	51.63	49.16
Reserves & Surplus	43.35	215.17	215.25	213.71	214.24	98.31
Less: Revaluation Reserve	-	-	-	-	-	-
Less: Preliminary / Miscellaneous Expenses to the extent not written off	-	-	-	-	-	-
<b>Total Net Worth</b>	<b>301.51</b>	<b>266.80</b>	<b>266.88</b>	<b>265.34</b>	<b>265.87</b>	<b>147.47</b>

## ANNEXURE-02

## STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Income</b>						
Sales & Revenue	66.84	152.44	184.66	303.45	253.09	119.12
Increase in stock in trade	1.43	-	33.06	76.70	-	-
<b>Total</b>	<b>68.27</b>	<b>152.44</b>	<b>217.72</b>	<b>380.15</b>	<b>253.09</b>	<b>119.12</b>
<b>Expenditure</b>						
Raw Material consumed	4.48	40.39	135.58	291.06	174.26	70.01
Decrease in Stock in Trade	-	63.18	-	-	3.77	2.11
Manufacturing, Administrative & Selling Expenses	2.74	20.44	49.17	60.59	56.86	32.62
Salaries & Wages	2.38	1.99	5.46	5.57	4.31	2.33
<b>Total</b>	<b>9.60</b>	<b>126.00</b>	<b>190.21</b>	<b>357.22</b>	<b>239.20</b>	<b>107.07</b>
<b>Profit before Depreciation, Interest and Tax</b>	<b>58.67</b>	<b>26.44</b>	<b>27.51</b>	<b>22.93</b>	<b>13.89</b>	<b>12.05</b>
Depreciation	10.83	19.13	18.95	17.26	14.75	5.12
<b>Profit before Interest &amp; Tax</b>	<b>47.84</b>	<b>7.31</b>	<b>8.56</b>	<b>5.67</b>	<b>(0.86)</b>	<b>6.93</b>
Interest & Finance Charges	3.13	6.66	6.13	6.20	4.24	4.56
<b>Net Profit before Tax</b>	<b>44.71</b>	<b>0.65</b>	<b>2.43</b>	<b>(0.53)</b>	<b>(5.10)</b>	<b>2.37</b>
Less: Provision for Taxes	10.00	0.47	0.89	-	-	-
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>34.71</b>	<b>0.18</b>	<b>1.54</b>	<b>(0.53)</b>	<b>(5.10)</b>	<b>2.37</b>
Extra Ordinary Items (Net of Tax)	-	-	-	-	-	-
<b>Net Profit</b>	<b>34.71</b>	<b>0.18</b>	<b>1.54</b>	<b>(0.53)</b>	<b>(5.10)</b>	<b>2.37</b>

## ANNEXURE-03

## STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net profit before tax	44.71	0.65	2.43	(0.53)	(5.10)	2.37
<b>Adjustment for:</b>						
Add: Depreciation	10.83	19.13	18.95	17.26	14.75	5.12
Add: Interest & Finance Charges	3.13	6.66	6.13	6.20	4.24	4.56
<b>Operating Profit before Working capital changes</b>	<b>58.67</b>	<b>26.44</b>	<b>27.51</b>	<b>22.93</b>	<b>13.89</b>	<b>12.05</b>
<b>Adjustments for:</b>						
Decrease (Increase) in Trade & Other Receivables	(56.21)	32.72	(52.16)	(10.50)	3.10	(4.91)
Decrease (Increase) in Stock in Trade	(0.55)	65.18	(33.43)	20.99	(57.70)	(47.86)
Decrease (Increase) in Loans & Advances	(172.66)	(64.29)	74.18	(123.88)	44.24	(50.36)
Increase (Decrease) in Current Liabilities	0.34	(70.31)	59.18	(58.51)	46.67	(7.91)
Increase (Decrease) in provisions (Other than Taxes)	-	-	-	-	-	-
<b>Net Changes in Working Capital</b>	<b>(229.08)</b>	<b>(36.70)</b>	<b>47.77</b>	<b>(171.90)</b>	<b>36.31</b>	<b>(111.04)</b>
<b>Cash Generated from Operations</b>	<b>(170.41)</b>	<b>(10.26)</b>	<b>75.28</b>	<b>(148.97)</b>	<b>50.20</b>	<b>(98.99)</b>
<b>Taxes</b>	<b>(3.37)</b>	<b>0.08</b>	<b>(0.53)</b>	<b>5.63</b>	<b>0.05</b>	<b>0.26</b>
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(167.04)</b>	<b>(10.34)</b>	<b>75.81</b>	<b>(154.60)</b>	<b>50.15</b>	<b>(99.25)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Sale /(Purchase) of Fixed Assets	(0.64)	(8.97)	(26.34)	(32.38)	(59.05)	(20.82)
Sale /(Purchase) of Investments	4.03	(0.69)	(0.55)	74.56	(75.00)	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>3.39</b>	<b>(9.66)</b>	<b>(26.89)</b>	<b>42.18</b>	<b>(134.05)</b>	<b>(20.82)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Issue of share capital and Proceeds / (Refund) from Share Application Money	-	-	-	-	123.50	55.00
Interest & Finance Charges	(3.13)	(6.66)	(6.13)	(6.20)	(4.24)	(4.56)
Increase / (Repayment) of Secured Loans	(0.57)	14.31	(98.72)	105.27	(18.26)	38.71
Increase / (Repayment) of Unsecured Loans	167.01	11.84	49.73	20.00	(17.35)	(3.10)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>163.31</b>	<b>19.49</b>	<b>(55.12)</b>	<b>119.07</b>	<b>83.65</b>	<b>86.05</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(0.34)</b>	<b>(0.51)</b>	<b>(6.20)</b>	<b>6.65</b>	<b>(0.25)</b>	<b>(34.02)</b>
Cash and cash equivalents at the beginning of the year / Period	0.55	1.06	7.26	0.61	0.86	34.88
<b>Cash and cash equivalents at the end of the year/ Period</b>	<b>0.21</b>	<b>0.55</b>	<b>1.06</b>	<b>7.26</b>	<b>0.61</b>	<b>0.86</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT**

**A. SIGNIFICANT ACCOUNTING POLICIES:**

**1. Basis of Preparation of Financial Statements**

The Restated Financial Statements have been prepared under Historical Cost conventions and on accrual basis in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, Companies (Accounting Standard) Rules, 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

**2. Use of Estimates**

The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affects the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

**3. Fixed Assets**

Fixed Assets are capitalized at cost inclusive of erection expenses & other incidental expenses in connection with the acquisition of assets, net of VAT, if any, less accumulated depreciation. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

**4. Depreciation / Amortization**

Depreciation on fixed assets is provided on Written Down Value Method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In respect of additions made or asset sold / discarded during the year pro-rata Depreciation has been provided.

**5. Inventories**

The inventories are stated at lower of cost and fair market value. Cost is determined on weighted average / first in first out method. The cost of finished goods and work in progress comprises raw material, direct labour, other direct cost and related production overheads.

Finished stock destroyed by fire during the financial year 2012-13 amounting to Rs.66,03,842/-. No insurance claim has been received in respect of the same till date.

**6. Revenue Recognition**

Revenue from sales transactions is recognized as and when the property in goods is sold /transferred to the buyer for a definite consideration.

Other Income has been recognized on the basis of Accounting Standard - 9 (Revenue Recognition) notified by the Companies (Accounting Standards) Rules, 2006.

**7. Preliminary and Pre-operative expenses:**

Preliminary and pre-operative expenses are amortized over a period of five years in equal installments in accordance with matching concept however the same is contrary to AS-26.

**8. Investment**

Investments that are readily realizable and intended to be held for not more than a year are classified as "Current Investments". All other Investments are classified as Long Term Investments. Current Investments are carried at lower of cost or Market / Fair Value determined on an individual investment basis. Long Term investments are valued at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in nature.

**9. Borrowing Costs**



Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **10. Taxation**

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates and in accordance with Accounting Standard 22 on “Accounting for Taxes on Income”, issued by ICAI. At each Balance Sheet date the Company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

No Tax whether current or deferred has been charged on exempted incomes.

#### **11. Leases**

##### **Finance Lease**

Leases which effectively transfer to the Company all risks and benefits incidental to ownership of the leased item are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

##### **Operating Lease**

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

#### **12. Impairment of Assets**

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered “Impairment Loss”. Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset’s net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

#### **13. Foreign Exchange Transactions**

- i) Transactions in Foreign currency are recorded at the rate of exchange prevailing on the date of the respective transactions.
- ii) Year end balance of monetary assets and liabilities are translated at the year end rates. Exchange differences arising on restatement or settlement are charged to Profit and Loss Account.

#### **14. Earnings per Share**

In determining the Earnings Per share, the company considers the net profit after tax which includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

## 15. Contingent Liabilities & Provisions

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

## 16. Gratuity

Provisions of payment of Gratuity Act are not applicable to the Company for the years under review.

## B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS/PERIODS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies during the reporting period except, as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

## C. NOTES ON RESTATED FINANCIAL STATEMENTS

### 1. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

#### MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]

- A. The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Profit after tax before appropriation (as per Audited accounts)	34.71	(0.34)	1.54	(0.53)	(4.58)	2.37
<b>Adjustments</b>						
Prior Period Expenses recognized to year to which they relate	-	0.52	-	-	(0.52)	-
Profit after Tax as per Restated Profit & Loss Account	34.71	0.18	1.54	(0.53)	(5.10)	2.37

## 2. Other Notes

### 1. General

The Company was incorporated during the year 1999 and restated financial statements has been prepared for the fiscal year ended March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended November 30, 2013.

### 2. Segment Reporting

Based on the guidelines of Accounting Standards on segment reporting(AS-17) issued by The Institute of Chartered Accountants of India, the Company was engaged in one business segment, viz., Manufacturing Operations in the context of accounting standards 17 on Segment Reporting issued by ICAI . The company is not operating in any of the geographical segment.

### 3. Earnings per Share

The details of Earnings per Share as per AS-20 are provided in Annexure 6.

**4. Related Party Transactions:**

There are no Related Party Transactions as per Accounting Standard -18 during the fiscal year ended March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended November 30, 2013.

5. The company is not having any earning / Expenditure in Foreign Currency.

6. The company has not given any guarantee to bank or corporate, however there is a claim of the WBSEDCL amounting to Rs. 2,50,59,848/- against which a case is pending in the High Court.

7. The figures in the Restated Financial Statements and Other Financial Information are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

**Annexure- 05****STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED****(Rs. In Lacs)**

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Securities Premium Brought Forward	239.04	239.04	239.04	239.04	118.01	118.01
Add: Securities Premium during the year	-	-	-	-	121.03	-
Less: Utilised for Bonus Issue	206.53	-	-	-	-	-
Securities Premium Carried Forward (A)	32.51	239.04	239.04	239.04	239.04	118.01
Profit / (Loss) Brought Forward	(23.87)	(23.79)	(25.33)	(24.80)	(19.70)	(22.07)
Add: Profit / (Loss) for the Year	34.71	0.18	1.54	(0.53)	(5.10)	2.37
Less: Transferred	-	0.26	-	-	-	-
Profit / (Loss) Carried Forward (B)	10.84	(23.87)	(23.79)	(25.33)	(24.80)	(19.70)
<b>Reserves &amp; Surplus (A+B)</b>	<b>43.35</b>	<b>215.17</b>	<b>215.25</b>	<b>213.71</b>	<b>214.24</b>	<b>98.31</b>

**Annexure- 06**

**STATEMENT OF ACCOUNTING RATIOS**

(Rs. In Lacs, except per share data)

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Networth ( A )	301.51	266.80	266.88	265.34	265.87	147.47
Net Profit after Tax ( B )	34.71	0.18	1.54	(0.53)	(5.10)	2.37
No. of Equity Shares outstanding at the end [F.V Rs.10] ( C )	516,320	2,86,320	2,86,320	2,86,320	2,86,320	2,61,620
Weighted average number of shares outstanding [F.V Rs.10]( D )	279,729	2,86,320	2,86,320	2,86,320	2,86,320	2,06,771
Bonus Shares [E]	2,065,280	20,65,280	20,65,280	20,65,280	20,65,280	9,83,100
Weighted average number of shares outstanding Post Bonus Shares [F.V Rs.10] (F) (D+E)	2,345,009	23,51,600	23,51,600	23,51,600	23,51,600	11,89,871
Earnings per Share (EPS) (B / F) (Rs.)	1.48	0.01	0.07	(0.02)	(0.22)	0.20
Return on Networth (B / A)	11.51%	0.07%	0.58%	(0.20)%	(1.92)%	1.61%
Net Assets Value per Share (A / F)	12.86	11.35	11.35	11.28	11.31	12.39

Definitions of key ratios:

**I. Earnings per share (Rs.):** Net Profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. In case of a bonus issue after the Balance Sheet date but before the date on which the Financial Statements are approved by the Board of Directors’, the per share calculations for those Financial statements and any prior period Financial Statements presented are based on the new no. of shares. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

**II. Return on Net Worth (%):** Net Profit after tax / Net worth as at the end of the year / period

**III. Net Asset Value (Rs.):** Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period.

**IV. Net Profit,** as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

**V. The Issuer Company** has allotted Bonus Shares in the ratio of 4:1 to its existing shareholders on dated 8th August, 2013, hence effect of bonus shares to the extent reserves available is taken in to account for calculation of EPS and NAV.

## Annexure -07

## CAPITALISATION STATEMENT

(Rs. In Lacs)

Particulars	Pre-issue as at 30.11.2013	Post Issue *
<b>Borrowing</b>		
Short - Term Debt	240.28	
Long - Term Debt	52.48	
<b>Total Debt</b>	<b>292.76</b>	
<b>Shareholders' Funds</b>		
Share Capital		
- Equity	258.16	
Less: Calls - in - arrears	-	
- Preference	-	
Reserves & Surplus	43.35	
Less: Miscellaneous Expenditure not written off	-	
<b>Total Shareholders Funds</b>	<b>301.51</b>	
<b>Long - Term Debt / Shareholders Fund</b>	<b>0.17</b>	
<b>Short - Term Debt / Shareholders Fund</b>	<b>0.80</b>	

\* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares.

**Annexure- 08**

**STATEMENT OF TAX SHELTERS**

(Rs. In Lacs)

Particulars	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Profit before tax as per Restated P/L	0.65	2.43	(0.53)	(5.10)	2.37
Applicable Corporate Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Tax at Notional Rate	0.20	0.75	(0.16)	(1.58)	0.73
<b>Adjustments</b>					
Difference between Tax Depreciation and Book Depreciation	(1.39)	(1.29)	0.14	(4.83)	0.64
Exempted Income	-	-	-	-	-
Disallowance	-	-	-	-	-
Items Chargeable at special rates	-	-	-	-	-
Other Items	-	-	-	-	-
Set off of Business Losses / Unabsorbed Depreciation	-	-	-	-	1.72
<b>Net Adjustments</b>	<b>(1.39)</b>	<b>(1.29)</b>	<b>0.14</b>	<b>(4.83)</b>	<b>2.36</b>
Tax Saving thereon	(0.43)	(0.40)	0.04	(1.49)	0.73
Tax Saving to the the extent of Tax at Notional Rate	(0.43)	(0.40)	(0.16)	(1.58)	0.73
Tax Payable [A]	0.63	1.15	-	-	-
Tax Payable on items chargeable at special rates [B]	-	-	-	-	-
Total Tax Payable [C=A+B]	0.63	1.15	-	-	-
Tax Rebates [D]	-	-	-	-	-
Net Tax Payable [E=C-D]	0.63	1.15	-	-	-
Tax Payable as MAT	0.15	-	-	-	0.08

**Annexure - 09**

**STATEMENT OF DETAILS OF SECURED LOANS**

(Rs. In Lacs)

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Bank Overdraft / Cash Credit	34.81	33.83	24.49	122.66	16.84	34.56
Vehicle Loans	3.89	5.44	0.47	1.02	1.57	2.11
<b>Total</b>	<b>38.70</b>	<b>39.27</b>	<b>24.96</b>	<b>123.68</b>	<b>18.41</b>	<b>36.67</b>

**Terms of Secured Loans as on 30.11.2013**

- Bank Overdraft / Cash Credit from Union Bank is secured against stock.
- Vehicle Loans are secured against hypothecation of vehicles

**Annexure - 10**

**STATEMENT OF DETAILS OF UNSECURED LOANS**

(Rs. In Lacs)

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<u>Unsecured Loans*</u>						
From Promoter/Group Companies and	9.50	9.50	9.50	-	-	-

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Directors						
From Others	244.56	77.55	65.71	25.48	5.48	22.83
<b>Total</b>	<b>254.06</b>	<b>87.05</b>	<b>75.21</b>	<b>25.48</b>	<b>5.48</b>	<b>22.83</b>

\* Unsecured Loans, repayable on demand

#### Annexure - 11

#### STATEMENT OF DETAILS OF SUNDRY DEBTORS

(Rs. In Lacs)

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
(A) Unsecured, Considered good outstanding for a period less than six months						
Others	56.21	-	-	-	-	-
Amount due from Promoter/Group Companies and Directors	-	-	-	-	-	-
(B) Unsecured, Considered good outstanding for a period more than six months						
Others	34.64	34.64	67.36	15.20	4.70	7.80
Amount due from Promoter/Group Companies and Directors	-	-	-	-	-	-
<b>Total</b>	<b>90.85</b>	<b>34.64</b>	<b>67.36</b>	<b>15.20</b>	<b>4.70</b>	<b>7.80</b>

#### Annexure - 12

#### STATEMENT OF DETAILS OF DEPOSITS, LOANS AND ADVANCES

(Rs. In Lacs)

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Commission Receivable	-	-	-	-	-	7.35
Indirect Taxes	0.88	0.88	0.90	0.47	2.01	0.09
Deposits	9.14	9.14	9.14	9.14	9.14	5.03
Miscellaneous Advances	289.78	117.12	52.81	127.42	2.00	44.91
<b>Total</b>	<b>299.80</b>	<b>127.14</b>	<b>62.85</b>	<b>137.03</b>	<b>13.15</b>	<b>57.38</b>

#### Annexure - 13

#### STATEMENT OF DETAILS OF CURRENT LIABILITIES AND PROVISIONS

(Rs. In Lacs)

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<u>Current Liabilities</u>						
<u>Sundry Creditors</u>						
Amount due to Promoter Group and Directors	-	-	-	-	-	-
Others	0.33	0.33	66.85	11.50	13.24	24.12
<u>Outstanding liability for expenses</u>						

Particulars	30.11.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Amount due to Promoter Group and Directors	-		-	-	-	-
Others	1.29	0.94	4.74	0.91	1.12	0.13
<u>Other Outstanding liabilities</u>						
Advance / Deposits Received from Customers	-	-	-	-	56.56	-
<b>Sub Total (A)</b>	<b>1.62</b>	<b>1.27</b>	<b>71.59</b>	<b>12.41</b>	<b>70.92</b>	<b>24.25</b>
<u>Provisions</u>						
Provision for Income Tax	10.14	0.14	0.89	-	-	-
<b>Sub Total (B)</b>	<b>10.14</b>	<b>0.14</b>	<b>0.89</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B)</b>	<b>11.76</b>	<b>0.41</b>	<b>72.48</b>	<b>12.41</b>	<b>70.92</b>	<b>24.25</b>



## MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with our audited restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended November 30, 2013 in the chapter titled "Financial Information" on page 88 of the Prospectus. The following discussion relates to our Company and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.*

### OVERVIEW OF THE BUSINESS

#### THE INDUSTRY OVERVIEW

##### PLASTIC INDUSTRY IN INDIA:

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). 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 moulded 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.

In 2011-12, exports of Indian plastics stood at US\$ 7.19 billion, registering a growth of approximately 47 per cent over the previous year. 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.

#### BUSINESS OVERVIEW

Our Company was originally incorporated in Kolkata as "Polymac Thermoformers Private Limited" on 17<sup>th</sup> December, 1999 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, West Bengal. Our Company was converted in to a public limited company and consequently the name was changed to "Polymac Thermoformers Limited" vide fresh certificate of incorporation dated 26<sup>th</sup> August, 2013 issued by the Registrar of Companies, West Bengal.

We are engaged in the business of manufacturing disposable plastic glasses, cups, bowls. In 2001 we have setup up our manufacturing facility situated at Dankuni, P.O.-Dankuni Coal Complex, Dist.-Hoogly-712310. Today in the modern fast food industry there is a thirst of disposable utensil such as glass, cups, bowls etc which are rapidly replacing conventional utensils. These disposable plastic utensils are fast replacing conventional glasses, cups etc.

These disposable plastic utensils are manufactured by thermoforming technique and are increasingly used in Ice-cream industry, hotels, restaurants, canteens etc. against conventional glass-wares or ceramic cups. Our manufactured disposable cups, glasses are mainly used for food items and are made out of polypropylene or polystyrene sheets.

#### FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS

Our results of operations could potentially be affected by the following factors amongst others:

- Changes in government policies

- Material changes in the duty or tax structure
- Competition from existing and new entrants
- Consumers' adaptability of our products.
- Quality of raw materials which we use.
- Efficient Logistics and Supply chain management

## DISCUSSION ON THE RESULTS OF OPERATIONS

The following discussion on the financial operations and performance is based on our restated financial statements for the FY 2008-2009, 2009-2010, 2010-11, 2011-2012 and 2012-2013. The same should be read in conjunction with the restated audited financial results of our Company for the years ended March 31, 2009, 2010, 2011, 2012 and 2013.

### Analysis on Results of Operation

Considering the various Key factors affecting our income and expenditure, our results of operations may vary from period to period. The following table sets forth certain information with respect to our results of operations for the periods indicated read together with notes to accounts, accounting policies and auditor's report as appearing in this Prospectus.

Particulars	(Rs. In Lacs)			
	31.03.13	31.03.12	31.03.11	31.03.10
Total Income	152.44	184.66	303.45	253.09
Increase/ (Decrease) (%)	(17.45)	(39.15)	19.90	---
Increase in stock in trade	-	33.06	76.70	-
<b>Total</b>	<b>152.44</b>	<b>217.72</b>	<b>380.15</b>	<b>253.09</b>
Expenditure:				
Raw Material Consumed	40.39	135.58	291.06	174.26
Increase/ (Decrease) (%)	(70.21)	(53.42)	67.03	---
Decrease in Stock in Trade	63.18	-	-	3.77
Salaries & Wages	1.99	5.46	5.57	4.31
Increase/ (Decrease) (%)	(63.55)	(1.97)	29.23	---
Manufacturing, Administrative & Selling Expenses	20.44	49.17	60.59	56.86
Increase/ (Decrease) (%)	(58.43)	(18.85)	6.56	---
<b>Total</b>	<b>126.00</b>	<b>190.21</b>	<b>357.22</b>	<b>239.20</b>
Profit before Depreciation, Interest and Tax	26.44	27.51	22.93	13.89
Increase/ (Decrease) (%)	(3.89)	19.97	65.08	---
Depreciation	19.13	18.95	17.26	14.75
Increase/ (Decrease) (%)	0.95	9.79	17.02	---
<b>Profit before Interest &amp; Tax</b>	<b>7.31</b>	<b>8.56</b>	<b>5.67</b>	<b>(0.86)</b>
Increase/ (Decrease) (%)	(14.60)	50.97	(759.30)	---

Particulars	31.03.13	31.03.12	31.03.11	31.03.10
Interest & Finance Charges	6.66	6.13	6.20	4.24
<b>Net Profit before Tax</b>	<b>0.65</b>	<b>2.43</b>	<b>(0.53)</b>	<b>(5.10)</b>
Increase/ (Decrease) (%)	(73.25)	(558.49)	(89.61)	---
Less: Provision for Taxes	0.47	0.89	-	-
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>0.18</b>	<b>1.54</b>	<b>(0.53)</b>	<b>(5.10)</b>
Increase/ (Decrease) (%)	(88.31)	(390.57)	(89.61)	---

#### COMPARISON OF FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2013 WITH FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2012

**Income:** Income for the financial year ended 31<sup>st</sup> March, 2013 was at Rs. 152.44 Lacs as against the total of Rs. 184.66 Lacs for the fiscal 2012 with decline of 17.45 % and such decline was attributed to decline in sales of our products during fiscal 2013 due to fire at manufacturing unit.

**Expenditure:** Consumption of raw material have registered decline of 70.21 % at Rs. 40.39 Lacs in fiscal 2013 as compared to Rs. 135.58 Lacs for the fiscal 2012; Personnel Expenses have registered decline of 63.55% at Rs. 1.99 Lacs in fiscal 2013 as compared to Rs. 5.46 Lacs in fiscal 2012 and manufacturing, administrative & selling expenses have shown an decline of 58.43% at Rs. 20.44 Lacs in fiscal 2013 as compared to Rs. 49.17 Lacs in fiscal 2012. The decline in expenses in fiscal 2013 is basically in line with decrease in volume of operations.

**Profits after Taxes (PAT):** PAT of Company has recorded a decline of 88.31 % at Rs. 0.18 Lacs for fiscal 2013 as against Rs. 1.54 Lacs for fiscal 2012 due to decline in volume of operations.

#### COMPARISON OF FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2012 WITH FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2011

**Income:** Income for the financial year ended 31<sup>st</sup> March, 2012 was at Rs. 184.66 Lacs as against the total of Rs. 303.45 Lacs for the fiscal 2011 with decline of 39.15 % and such decline was attributed to decline in sales of our products during fiscal 2012.

**Expenditure:** Consumption of raw material have registered decline of 53.42 % at Rs. 135.58 Lacs in fiscal 2012 as compared to Rs. 291.06 Lacs for the fiscal 2011; Personnel Expenses have registered decline of 1.97% at Rs. 5.46 Lacs in fiscal 2012 as compared to Rs. 5.57 Lacs in fiscal 2011 and manufacturing, administrative & selling expenses have shown an decline of 18.85% at Rs. 49.17 Lacs in fiscal 2012 as compared to Rs. 60.59 Lacs in fiscal 2011. The decline in expenses in fiscal 2012 is basically in line with decrease in volume of operations.

**Profits after Taxes (PAT):** PAT of Company has recorded at Rs. 1.54 Lacs for fiscal 2012 as against loss of Rs. 0.53 Lacs for fiscal 2011.

#### COMPARISON OF FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2011 WITH FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2010

**Income:** Income for the financial year ended 31<sup>st</sup> March, 2011 was at Rs. 303.45 Lacs as against the total of Rs. 253.09 Lacs for the fiscal 2010 with increase of 19.90 % and such increase was attributed to increase in volume of operations during fiscal 2011.

**Expenditure:** Consumption of raw material have registered increase of 67.03 % at Rs. 291.06 Lacs in fiscal 2011 as compared to Rs. 174.26 Lacs for the fiscal 2010; Personnel Expenses have registered increase of 29.23% at Rs. 5.57 Lacs in fiscal 2011 as compared to Rs. 4.31 Lacs in fiscal 2010 and manufacturing, administrative & selling expenses have shown an increase of 6.56% at Rs. 60.59 Lacs in fiscal 2011 as compared to Rs. 56.86 Lacs in fiscal 2010. The increase in expenses in fiscal 2011 is basically in line with increase in volume of operations.

**Profits after Taxes (PAT):** PAT of Company has recorded at Rs. (0.53) Lacs for fiscal 2011 as against loss of Rs. 5.10 Lacs for fiscal 2010.

**Other Information required as per SEBI Regulations**

- ***Unusual or infrequent events or transactions***

There are no unusual or infrequent events or transactions that have significantly affected operations of the Company.

- ***Significant economic changes that materially affected or are likely to affect income from continuing operations***

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

- ***Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the Risks disclosed under the section titled "Risk Factors" no known trends or uncertainties are envisaged or are expected to have a material adverse impact on sales, revenue or income from continuing operations to Company's knowledge.

- ***Future changes in relationship between costs and revenues in case of events such as future increase in labor or material cost or prices that will cause material change.***

According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However Increase in the cost of the products in which the Company deals, will affect the profitability of the Company. Further, the Company may not able to pass on the increase in prices of the product to the customers in full and this can be offset through cost reduction.

- ***The extent to which material increases in net sales / revenue is due to increase in sales volume, introduction of new products or services or increased sales prices***

The increase in revenues is by and large linked to increases in volume of all the activities carried out by the Company.

- ***Total turnover of each major industry segment in which the Company operated***

The Company operates in single segment i.e. Manufacturing Activities.

- ***Status of any publicly announced New Products or Business Segment***

The Company has not announced any new products or business segment.

- ***The extent to which our Company's business is seasonal***

Our business & level of operations are not seasonal in nature. Our business depends upon the market condition.

- ***Any significant dependence on a single or few suppliers or customers***

We are not under threat of dependence from any single supplier or customer.

- ***Competitive conditions***

The Indian manufacturing sector is largely fragmented comprising of organized and unorganized sectors. The rates vary depending upon the demand supply pattern prevailing in the market. Geographies also play a vital role in deciding the rates. The produce is marketable in open market as well as to organized sectors.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies.*

#### I. CASES FILED BY OUR COMPANY

##### *Civil Cases*

The Company has challenged assessment order for alleged unauthorised use of electricity under writ jurisdiction of Calcutta High Court.

##### *Criminal Cases*

There are no criminal proceedings filed by our Company.

#### II. CASES FILED AGAINST OUR COMPANY

##### *Civil proceedings*

There are no civil proceedings filed against our Company.

##### *Criminal Proceedings*

There are no criminal proceedings filed against our Company.

#### III. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY

NIL

#### IV. LITIGATIONS INVOLVING OUR PROMOTER

##### (i) Proceedings of Civil nature

(a) By the promoters

NIL

(b) Against the promoters

NIL

##### (ii) Proceedings of a Criminal nature-

(a) By the promoters

NIL

(b) Against the promoters

NIL

**V. LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY**

**(i) Proceedings of Civil nature**

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

**(ii) Proceedings of a Criminal nature-**

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

**VI. LITIGATIONS INVOLVING OUR GROUP COMPANIES**

**(i) Proceedings of Civil nature**

(a) By our Group Companies

NIL

(b) Against our Group Companies

NIL

**(ii) Proceedings of a Criminal nature-**

(a) By our Group Companies

NIL

(b) Against our Group Companies

NIL

**MATERIAL DEVELOPMENTS**

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months.

## **GOVERNMENT & OTHER APPROVALS**

We have received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for our present businesses and no further approvals are required for carrying on the present businesses except as stated in this Prospectus.

### **APPROVALS FOR THE ISSUE**

1. The Board of Directors has, pursuant to resolution passed at its meeting held on 16<sup>th</sup> October, 2013, authorized the Issue.
2. The shareholders of our Company have, pursuant to a resolution 19<sup>th</sup> October, 2013, authorized the Issue.

### **INCORPORATION DETAILS**

1. Certificate of incorporation 17<sup>th</sup> December, 1999 issued by Registrar of Companies, Kolkata, in the name of Polymac Thermoformers Private Limited.
2. Fresh Certificate of Incorporation dated 26<sup>th</sup> August, 2013 issued by the Registrar of Companies, Kolkata, consequent upon change of name on conversion to Public Limited Company.
4. The Company Identification Number (CIN) is U25201WB1999PLC090774.

### **CORPORATE APPROVALS OF OUR COMPANY**

1. Permanent Account Number (AACCP2273P) under the Income Tax Act, 1961.
2. Tax Deduction Account Number (CALP10069D) under the Income Tax Act, 1961.
3. Sales Tax Registration Certificate No. BC/8386 issued under West Bengal Sales Tax Rules, 1995
4. Sales Tax Registration Certificate No. 8984/06.11.03 issued under Central Sales Tax (Registration & Turnover) Rules, 1957
5. Employees Provident Fund registration with region code/office code/Estt. Code/Estt Extn. WB/HLO/0043218/000
6. ISIN Number is INE826P01010.

### **APPROVALS TO BE OBTAINED FOR THE OBJECTS OF THE ISSUE**

No approvals required to be obtained.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The shareholders of Polymac Thermoformers Limited had approved the present Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, 1956 passed at the Extra Ordinary General Meeting of our Company held on 19<sup>th</sup> October, 2013.

Our Board has approved this Prospectus at its meeting held on 8<sup>th</sup> January, 2014.

We have received approval from BSE vide letter dated 3<sup>rd</sup> January, 2014 to use the name of BSE in this offer document for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

### PROHIBITION BY SEBI

The Company, its Promoters, its Directors or any of the Company's Associates or Group Companies and companies with which the Directors of the Company are associated as Directors or Promoters, or Directors or Promoters in control of, of the promoting Company, are currently not prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

### PROHIBITION BY RBI

Our Company, our Promoters, Promoting Companies, their relatives, Group Concerns and Associate Companies have not been detained as willful defaulters by the RBI or any other government authorities.

### ELIGIBILITY FOR THE ISSUE

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital does not exceed ten crores rupees shall issue its specified securities in accordance with provisions of chapter XB Issue of specified securities by small and medium enterprises] of ICDR regulations. (In this case being the "SME Platform of BSE").

We confirm that:

a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to "General Information - Underwriting" on page 27 of this Prospectus.

b) 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, then 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 under Section 73 of the Companies Act.

c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft 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.

d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

*For further details of the arrangement of market making please refer to "General Information - Details of the Market Making Arrangements for this Issue" on page 27 of this Prospectus.*



We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 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.

**BSE ELIGIBILITY NORMS:** ([www. http://www.bsesme.com/aboutpublicissue.aspx](http://www.bsesme.com/aboutpublicissue.aspx))

**1. Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results**

Our Company has Net Tangible Assets of Rs. 593.48 Lacs, which is in excess of Rs. 1 Crore as per the latest audited annual financial results. Our Net Tangible Assets as on 30<sup>th</sup> November, 2013 are disclosed as under:

(Rs. Lacs)	
Particulars	30.11.2013
Fixed Assets- Net Block	109.20
Investments	-
<i>Current Assets, Loans and Advances:</i>	
Receivables	90.85
Inventories	105.17
Cash & Bank Balances	0.22
Deposits & Advances	299.80
<b>Total Assets (A)</b>	<b>605.24</b>
<i>Less: Current Liabilities &amp; Provisions:</i>	
Current Liabilities	1.62
Provisions	10.14
<b>Total Current Liabilities &amp; Provisions (B)</b>	<b>11.76</b>
<b>Net Tangible Assets (A-B)</b>	<b>593.48</b>

*Net tangible assets are defined as sum of Fixed Assets (including capital work in progress and excluding revaluation reserve), trade investments and current assets (excluding deferred tax assets and intangible assets as defined in AS-26 issued by ICAI) less current liabilities & Provisions.*

**2. Net worth (excluding revaluation reserves) of at least Rs. 1 crore as per the latest audited financial results**

Our Company satisfies the above criteria. Our Net Worth as per the restated audited annual financial statements of 30<sup>th</sup> November, 2013 is as under:

(Rs. Lacs)	
Particulars	30.11.2013
Share Capital	258.16
<i>Add: Reserves &amp; Surplus</i>	<i>43.35</i>
<i>Less: Preliminary Expenses to the extent written off</i>	<i>-</i>
<b>Net Worth</b>	<b>301.51</b>

*Net worth includes Equity Share Capital and Reserves, (Net of Miscellaneous Expenditure not written off, if any.)*

**3. Track record of distributable profits in terms of sec. 205 of Companies Act, 1956 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least Rs. 3 Crores.**

We have a net worth of Rs. 301.51 Lacs as on 30<sup>th</sup> November, 2013

**4. Other Requirements**

**i. The post-issue paid up capital of the company shall be at least Rs. 1 crore.**

As on the date of Prospectus i.e. 8<sup>th</sup> January, 2014, Our Company has a paid up capital in Rs. 258.16 Lacs, which is in excess of Rs. 1 crore, and the Post Issue Capital shall also be in excess of Rs. 1 crore.

**ii. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

Our Company will ensure that before filing the prospectus with RoC will enter into tripartite agreements with CDSL and NSDL along with our Registrar for facilitating trading in dematerialized mode.

**iii. Companies shall mandatorily have a website.**

Our Company has a live and operational website: [www.polymacthermoformers.com](http://www.polymacthermoformers.com)

**5. Certificate from the applicant company / promoting companies stating the following:**

**a. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).**

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

**b. There is no winding up petition against the company that has been accepted by a court.**

There is no winding up petition against our Company that has been accepted by a court.

**DISCLAIMER CLAUSE OF SEBI**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, GUINNESS CORPORATE ADVISORS PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING 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 THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, GUINNESS CORPORATE ADVISORS PRIVATE LIMITED HAS FURNISHED, A DUE DILIGENCE CERTIFICATE DATED 14<sup>TH</sup> NOVEMBER, 2013 WHICH READS AS FOLLOWS:

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER 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 FULFIL THEIR UNDERWRITING COMMITMENTS.
- 5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS 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 PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF 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 THE STOCK EXCHANGE 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.
- 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.
- 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 HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
- 15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
- 16) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR.
- 17) THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.-NOTED
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.-NOTED
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - NOT APPLICABLE
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.
- (7) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES. - NOT APPLICABLE

## DISCLAIMER CLAUSE OF BSE

BSE Limited ("BSE") has given vide its letter dated 3<sup>rd</sup> January, 2014, permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for granting the aforesaid permission to this company. BSE does not in any manner:-

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. Warrant that this company's securities will be listed or will continue to be listed on BSE; or
- iii. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of 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 for any other reason whatsoever.

## DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

***For details regarding the track record of the Lead Manager to the Issue, please refer to the website of the Lead Manager: [www.16anna.com](http://www.16anna.com)***

## CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU for Issue Management entered into among the Lead Manager and our Company dated 12<sup>th</sup> November, 2013, the Underwriting Agreement 12<sup>th</sup> November, 2013 entered into among the Underwriters and our Company and the Market Making Agreement dated 12<sup>th</sup> November, 2013 entered into among the Lead Manager, Market Maker and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers or elsewhere.

## Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

## DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India {including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under 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 the

applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds}. This Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction 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 him 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 Kolkata only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby 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 any 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.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with 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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **FILING**

The Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at L&T Chambers, 3<sup>rd</sup> Floor, 16 Camac Street, Kolkata-700 017. A copy of the Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC situated at Nizam Palace, 2<sup>nd</sup> MSO Building, 2<sup>nd</sup> floor, 234/4, A.J.C.B. Road, Kolkata-700020

#### **LISTING**

Application shall be made to BSE Limited for obtaining permission for listing of the Equity Shares being offered and sold in the SME Platform of BSE. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

The BSE has given its approval for listing our shares vide its letter dated 3<sup>rd</sup> January, 2014. If the permission to deal in and for an official quotation of the Equity Shares is not granted by the SME Platform of BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at the rate of 15% *per annum* on application money, as prescribed under Section 73 of the Companies Act. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

#### **CONSENTS**

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer and the Statutory Auditors and (b) the Lead Manager, Market Makers, Underwriters, Bankers to the Issue, Registrar to the Issue, the Legal Advisors 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 Sections 60 and 60B of the Companies Act

and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s Ramanand & Associates, Chartered Accountants, the Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their report dated 4<sup>th</sup> January, 2014 on restated financial statements and M/s A.K. Pathak & Co. Chartered Accountants, the Statutory Auditors of the Company have agreed to provide their written consent to the inclusion of their report dated 11<sup>th</sup> November, 2013 statement of funds deployed dated 11<sup>th</sup> November, 2013 and statement of tax benefits dated 11<sup>th</sup> November, 2013 relating to the possible tax benefits, as applicable, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus.

#### EXPERT OPINION

The Company has not obtained any opinions from an expert as per the Companies Act.

#### PUBLIC ISSUE EXPENSES

The Management estimates an expense of Rs. 60 Lacs towards Issue expense. The expenses of this Issue include, among others, underwriting and management fees, market making fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated Issue expenses are as follows:

No.	Particulars	Amount (Rs. In Lacs)
1.	Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	40.00
2.	Printing & Stationery, Distribution, Postage, etc	5.00
3.	Advertisement & Marketing Expenses	10.00
4.	Regulatory & other expenses	5.00
<b>Total</b>		<b>60.00</b>

#### DETAILS OF FEES PAYABLE

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	40.00	66.67	5.19
Printing & Stationery, Distribution, Postage, etc	5.00	8.33	0.65
Advertisement & Marketing Expenses	10.00	16.67	1.30
Regulatory & other expenses	5.00	8.33	0.65
<b>Total</b>	<b>60.00</b>	<b>100.00</b>	<b>7.79</b>

#### FEES PAYABLE TO LEAD MANAGER TO THE ISSUE

The total fees payable to the Lead Manager will be as per the Engagement Letters from our Company and Lead Manager and Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

## **FEES PAYABLE TO THE REGISTRAR TO THE ISSUE**

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/ refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company, copy of which is available for inspection at the Registered Office of our Company.

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.

## **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and the selling commission for the Issue are as set out in the Underwriting Agreement amongst the Company and Underwriters. The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 27 of this Prospectus.

## **COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES**

Since this is the Initial Public Offer of the 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 the Equity Shares since inception of the Company.

## **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Polymac Thermoformers Limited and its Group Companies have not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

## **PREVIOUS PUBLIC OR RIGHTS ISSUE**

There have been no public or rights issue by our Company during the last five years.

## **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

Except as stated in the section titled “Capital Structure” on page 30 of this Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

## **PROMISE VIS-À-VIS PERFORMANCE**

Our Company has not made any public or rights issue since its inception.

## **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1) (B) OF THE COMPANIES ACT WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS**

There are no listed companies under the same management within the meaning of Section 370(1)(b) of the Companies Act that made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

## **OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Prospectus.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**



This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

## INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

The Company has appointed Link Intime India Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, Link Intime India Private Limited, will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor. The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Table
1.	Non-receipt of refund	Within 7 days of receipt of complaint subject to production of satisfactory evidence
2.	Non receipt of share certificate/Demat Credit	Within 7 days of receipt of complaint subject to production of satisfactory evidence
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Redressal of investors' grievance is given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Share transfer/ dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

We have appointed Mr. Anuj Jalan as Company Secretary and Compliance Officer and he may be contacted in case of any pre-issue or post-issue problems. He can be contacted at the following address:

Mr. Anuj Jalan,  
Company Secretary & Compliance Officer,  
29A, Weston Street, 3<sup>rd</sup> Floor, Room no. C5,  
Kolkata-700012  
Tel: 91-33-40041400,  
Website: [www.polymac thermoformers.com](http://www.polymac thermoformers.com)  
E-Mail: [polymac thermo@gmail.com](mailto:polymac thermo@gmail.com);

## CHANGES IN AUDITORS

Except as stated below there has been no change in the auditors of our Company for the last three years.

Financial year	Particular of Changes	Reason
2011-12	M/s A K Pathak & Co. Chartered Accountants have been appointed in the place M/s Singhnia Agrawal & Co.	M/s Singhnia Agrawal & Co. wished to resign due to their pre-occupation.

#### **CAPITALIZATION OF RESERVES OR PROFITS DURING LAST FIVE (5) YEARS**

Our Company has not capitalized any reserve during last five (5) years except the fact that We have allotted 20,65,280 Equity Shares as bonus in the ratio of 4:1 to our existing Equity shareholders pursuant to a Board resolution dated 8<sup>th</sup> August, 2013 by capitalization of free reserves.

#### **REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS**

Our Company has not revalued its assets during the last five (5) years.

## SECTION VII

### ISSUE RELATED INFORMATION

#### TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of the Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

#### RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, 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 143 of this Prospectus.

#### AUTHORITY FOR THE PRESENT ISSUE

The Issue has been authorized by a resolution of the Board passed at their meeting held on 16<sup>th</sup> October, 2013 subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act. The shareholders have authorized the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on 19<sup>th</sup> October, 2013.

#### 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, SME platform of BSE, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

#### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956. For further details, please refer to the section titled “Dividend Policy” on page 87 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. 35/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis of Issue Price” on page 44 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, 1956 and the Memorandum and Articles of Association of the Company.

#### **MINIMUM APPLICATION VALUE; MARKET LOT AND TRADING LOT**

In terms of Section 68B of the Companies Act, 1956, the Equity Shares of the Company shall be allotted only in dematerialized form. In terms of existing SEBI Regulations, the trading in the Equity Shares of the Company shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 4000 Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 4000 Equity Share subject to a minimum allotment of 4000 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 15 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 109A of the Companies Act, 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 109A of the Companies Act, 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 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, 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.

Since the allotment of Equity Shares in the Issue will be made only 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**

This Issue is not restricted to any minimum subscription level.

This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the COMPANIES Act, 1956.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 4000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

#### **RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer to the section titled “*Main Provisions of the Articles of Association of the company*” on Page 143 of this Prospectus.

#### **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

Allotment of Equity Shares in the Issue will be made only in dematerialized form.

#### **MIGRATION TO MAIN BOARD**

Our Company may migrate to the main board of BSE from SME platform of BSE on a later date subject to the following:

a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than Promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board.

OR

b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

#### **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME

platform for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to “General Information - Details of the Market Making Arrangements for this Issue” on page 27 of this Prospectus.

## **NEW FINANCIAL INSTRUMENTS**

The Issuer Company is not issuing any new financial instruments through this Issue.

## **WITHDRAWAL OF THE ISSUE**

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
2. The final RoC approval of the Prospectus after it is filed with the RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The 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 subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Kolkata, India.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M) (1) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, An issuer whose post-issue face value capital does not exceed ten crores rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an Issue please refer the section titled “*Terms of the Issue*” and “*Issue Procedure*” on page 121 and 127 of this Prospectus.

Following is the Issue structure:

Public Issue of 22,00,000 equity shares of Rs. 10/- each (the “Equity Shares”) for cash at a price of Rs. 35/- per Equity Share aggregating to Rs. 770.00 Lacs (“the Issue”) by Polymac Thermoformers Limited (“PTL” or the “Company” or the “Issuer”).

The Issue comprises reservation of 1,20,000 Equity Shares for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of 20,80,000 Equity Shares (“the Net Issue”).

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation</b>	20,80,000 Equity Shares	1,20,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.55% of the Issue size	5.45% of the Issue size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of 4000 Equity Shares and further allotment in multiples of 4000 Equity Shares each.  For further details please refer to the section titled “ <i>Issue Procedure - Basis of Allotment</i> ” on page 133 of this Prospectus.	Firm Allotment
<b>Mode of Application</b>	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
<b>Minimum Application Size</b>	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 4000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/-  <b>For Retail Individuals:</b> 4,000 Equity Shares	1,20,000 Equity Shares
<b>Maximum Application Size</b>	<b>For QIB and NII:</b> Such number of equity shares in multiples of 4,000 Equity Shares such that the Application Size does not exceed 20,80,000 Equity Shares. <b>For Retail Individuals:</b> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.	1,20,000 Equity Shares
<b>Mode of Allotment</b>	Dematerialized Form / Physical at	Dematerialized Form Only

	the option of Investor.	
<b>Trading Lot</b>	4000 Equity Shares	4,000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
<b>Terms of Payment</b>	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 Lacs and the balance for higher amount applications.

#### **WITHDRAWAL OF THE ISSUE**

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
2. The final RoC approval of the Prospectus after it is filed with the RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The 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 subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

<b>ISSUE OPENING DATE</b>	<b>THURSDAY, 6<sup>TH</sup> FEBRUARY, 2014</b>
<b>ISSUE CLOSING DATE</b>	<b>MONDAY, 10<sup>TH</sup> FEBRUARY, 2014</b>

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



## ISSUE PROCEDURE

### FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M) (1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 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 to them the Registrar of 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.

Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialization form as the issue size is less than Rupees ten Crores as per Section 68B of the Companies Act, 1956.

### APPLICATION FORM

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

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. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

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, 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.

### 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);

FIs 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 FIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's 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. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

Pension Funds with minimum corpus of Rs. 25 Crores 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.

The information below is given for the benefit of the applicants. Our Company and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.

#### **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 for 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 Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com).

## **OPTION TO SUBSCRIBE IN THE ISSUE**

- a. Allotment in this Issue will be only in dematerialization form.
- 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 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. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

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 Transfer of Equity Shares in the issue to eligible NRI's, FII's, 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 of the date of the 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.

#### **APPLICATIONS BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

As per the current regulations, the following restrictions are applicable for SEBI registered 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. 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.

#### **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, *i.e.* 26<sup>th</sup> December, 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 Lacs, 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, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores 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 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. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores, 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 4,000 Equity Shares and in multiples of 4,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

### **(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. 200,000 and in multiples of 4,000 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, QIB and Non Institutional Applicants cannot withdraw or lower its Application at any time during the Issue.

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 RoC 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 registered 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 Draft payable at Kolkata.

## **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 BSE Limited (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 4000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 4000 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 4000 equity shares, the number in excess of the multiple of 4000 would be rounded off to the higher multiple of 4000 if that number is 2000 or higher. If that number is lower than 2000, it would be rounded off to the lower multiple of 4000. All Applicant in such categories would be Allotted Equity Shares arrived at after such rounding off.
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 lower nearest multiple of 4000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, 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) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.

- 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.
- d) As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009, if the retail individual investor is entitled to more than fifty percent, on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'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 BSE.

The Executive Director / Managing Director of BSE - 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, 2009.

## **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 drafts 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. 35/- 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 draft drawn on any Bank (including a Co operative 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 draft 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: “PTL-Public Issue - R”.
  - In case of Non Resident Retail Applicants applying on repatriation basis: “PTL -Public Issue - NR”
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts 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 working 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 (1st 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 highest value of 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 4000;
- 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 Stock invest/ 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 Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- 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 5.00 pm on the Issue Closing Date;

## **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 68A of the Companies Act, which is reproduced below:

**"Any person who:**

- (a) Makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- (b) Otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."**

## **SIGNING OF UNDERWRITING AGREEMENT**

Vide an Underwriting agreement dated 12<sup>th</sup> November, 2013 this issue is 100% Underwritten.

## **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 56 and Section 60 of the Companies Act.

## **PRE-ISSUE ADVERTISEMENT**

Subject to Section 66 of the Companies Act, 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 three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act, 1956 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 12 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 demand drafts 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 demand drafts at other centers 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 centers 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 centers, 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 centers where such facility has been made available and whose refund amount exceeds ` 10.00 Lacs, 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 drafts 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 drafts at other centers 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 12 working days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 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 SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 12 working days of closure of the issue.

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 12 (twelve) working days time period as mentioned above, 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 time.

#### 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 12 (twelve) working days of closure of the Issue;
- 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 12 (twelve) 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 letter of allotment/ 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) The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

#### **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 sub section (3) of Section 73 of the Companies Act;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate 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 SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

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**

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
2. The final RoC approval of the Prospectus after it is filed with the RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

#### **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 had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated 6<sup>th</sup> December, 2013 between NSDL, the Company and the Registrar to the Issue;
  - (b) Agreement dated 26<sup>th</sup> December, 2013 between CDSL, the Company and the Registrar to the Issue;
- The Company's shares bear an ISIN No. INE826P01018

- 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 have electronic connectivity with CDSL and NSDL.
- The 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 draft 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>. 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, draft, 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 ASBA 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 ASBA 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 ASBA Public Issue Account 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.



## SECTION VIII

### MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or Debentures 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 the Articles of Association and capitalized / defined terms herein have the same meaning given to them in the Articles of Association.

1. Regulations contained in Table A in the First Schedule to the Act shall apply and so far only as they are not inconsistent with any of the provisions contained in these Regulations and also those for which no provision have been made in these Regulations.

In these regulations, unless the context otherwise requires:

- a) The words or expressions contained in these Regulations shall bear the same meaning as in the Act or any statutory modifications thereof.
- b) “The Company” or “This Company” means **POLYMAC THERMOFORMERS LIMITED**
- c) “The Act” The Companies Act, 1956 or any statutory modifications or re-enactments thereof for the time being in force including Rules framed under the different Sections.
- d) “The Seal” means the Common Seal of the Company.
- e) “Dividend” includes bonus
- f) “In Writing” and “Written” include printing lithography and other modes of representing or reproducing, words in a visible form.
- g) “Member” means a person who agrees in writing to become a member of the Company and whose name is entered in the Register of Members.
- h) “Month” means a calendar month.
- i) “Office” means the Registered Office for the time being of the Company
- j) “Paid-up” includes credited as paid up
- k) “Person” includes corporations, societies and individuals
- l) “The Registrar” means the Registrar of Companies having jurisdiction over the Company.
- m) Words imparting the “Singular Number” include, where the context admits or requires, the plural number and vice-versa
- o) “Year” means the calendar year and ‘Financial Year’ shall have the meaning assigned thereto by Section 2 (17) of the Act.
- p) Words imparting the masculine gender also include Feminine gender and vice-versa.
- q) “Marginal Notes” used in these Articles shall not affect the construction or interpretation hereof.

That a common form of transfer shall be used;

That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits;

That option or right to call of shares shall not be given to any person except with the sanction of the issuer in general meetings;

Permission for Sub-Division /Consolidation of Share Certificate.

Save as aforesaid any words or expressions defined in the Act shall if not inconsistent with the subject or context, bear the same meaning in these Articles.

#### SHARE CAPITAL

2. a) The Authorized Share Capital of the Company shall be as stated in Clause V of the Memorandum of Association of the Company.
- b) The shares shall be under the control of the board who may classify, allot or otherwise dispose of the same to such person on such terms and conditions and either at a discount and at such time or times as the board thinks fit and with full power to make calls for the allotment of any share either at par or at premium or at a discount and for such time and for such consideration as the board of directors may think fit. The right attached to different classes of shares may be varied in accordance with the provisions of the sections 106 and 107 of the Companies Act, 1956
- c) The Company shall have power to issue Preference Shares including redeemable preference shares in accordance with the provisions of Section 80 and 85 of the Act.
- d) The company shall have power to issue convertible cumulative preference shares.
- e) The Company shall have power to issue shares at a discount, but in doing so, the Company shall comply with the provisions of Section 79 of the Act.
- f) The Company shall have power to issue shares at a premium, but in doing so, the Company shall comply with the provisions of Section 78 of the Act.

Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company as payment or part payment for any property or Assets of any kind whatsoever (including good-will of any Business) sold or transferred, goods or machinery or know-how supplied or for services rendered to the Company either in or about the formation or promotion of the Company or in 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. The directors shall cause returns to be filed of any such allotments as provided by Section 75 of the Act.

#### ALTERATION OF SHARE CAPITAL

4. a) The Company may from time to time, by ordinary resolution increase the share capital by such sum to be divided into shares of such amount as may be specified in the resolution. The company may by ordinary resolution:
  - i) Consolidate and divide all or any of the share capital into share of larger amount than its existing shares;
  - ii) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the memorandum, subject nevertheless, to the provisions of clause (d), subsection (1) of section 94 of the companies Act;
  - iii) Cancel any share that, at the date of passing of the resolution have been taken or agreed to be taken by any person
- b) The company may, by special resolution, reduce its share capital, any capital redemption reserve account and any share premium account, in any manner and with, and subject to, any incident and consent required by law.
- c) The powers conferred by this regulation shall be exercised by the Company in General Meeting and shall not require to be confirmed by the Court.

## **PAYMENT OF COMMISSION AND BROKERAGE**

5. a) The Company may exercise the powers of paying commission provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by Section 76 of the Act.
- b) The rate of commission shall not exceed the maximum percentage provided for in Section 76 of the Act.
- c) The commission may be satisfied by payment of cash or the allotment of fully or partly paid-up shares or partly in one way and partly in other.
- d) The Company may also, on any issue of shares and debentures pay such brokerage as may be lawful and reasonable as per the provisions of the Act.

## **VARIATION OF SHAREHOLDERS RIGHTS**

6. a) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the share of that class) may be subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special Resolution passed at a separate meeting of the holders of the shares of that class.
- b) Subject to the provisions of Section 170 (2) (a) and (b) of the Act or any statutory modifications thereof, to every such separate General Meeting, the provisions of these Regulations relating to General Meetings shall mutatis mutandis apply so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in question.

## **TRUSTS ENTRY IN REGISTER OF MEMBER**

7. Subject to Section 49 of the Act and without prejudice to the Provisions of Section 42 (2) of the Act and or any statutory Modifications thereof, no person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable contingent, future or partial interests in any share or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holders.

## **CERTIFICATES**

8. a) i) The Certificate of title to share shall be issued under the seal of the Company and shall be issued, sealed and signed in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force. Any two or more joint allottees or owners of a share shall, for the purpose of this Article, be treated as a single member and the Certificate of any shares may be delivered to any one of such joint allottees or owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act.
- ii) The Company shall, within two months after the allotment of any of its shares, debentures or debenture stock, and within one month after the application for the registration of the transfer of any such shares, debentures or debenture stock, deliver in accordance with the procedure laid down in Section 113 of the Act the certificates of all shares, debentures and certificates of debenture stocks allotted or transferred, unless the conditions of issue of the shares, debentures or debenture stock otherwise provide.
- b) i) Every member in the first instance shall be entitled to one or more certificates as issued by the Company for all the shares registered in his name and every certificate of shares shall specify the number or numbers of shares, in respect of which it is issued, and the amount paid-up thereon or credited thereto.
- b) ii) Share Certificates shall be generally issued in market lots and where share certificates are issued in other than market lots, sub-division, consolidation of share certificates into market lots shall be done by the Company free of charge.

c) If any certificate be worn out, defaced, destroyed or lost, a new one or new ones may be issued in lieu thereof, on production to the Directors, of evidence satisfactory to them, of its being worn out, defaced, destroyed, or lost and on such indemnity being given as the Directors may think sufficient.

d) i) No fee shall be charged for the issue of new share certificates in replacement of those certificates which are defaced, old, worn out, decrepit or where cages on the reverse of Share Certificates are completely exhausted.

ii) No fee shall be charged for the following, for split, consolidation, renewal and pucca transfer receipt into denominations corresponding to the market units of trading or for sub-division of renounceable letter of Rights or for registration of any Power of Attorney, Probate, Letters of Administration or Death Certificate or for similar other documents.

iii) However a fee of Re.2/- shall be charged in respect of new certificate issued for reasons other than those mentioned in 11 (d) (i) and 11 (d) (ii) above, besides the out-of-pocket expenses incurred by the Company in investigating evidence or indemnity required by the company.

e) In respect of any share or shares held jointly by several persons, the delivery of certificate for share to one of several joint shareholders shall be sufficient delivery to all such shareholders.

### **CALLS ON SHARES**

9. a) i. The Board may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

ii. Each member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment, pay to the Company at the time or times and place so specified the amount called on his shares.

iii. A call may be revoked or postponed at the discretion of the Board.

b) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

c) The Joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

d) i. If a sum called in respect of a share is not paid on or before the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 12% (Twelve percent) per annum or at such lower rate, if any, as the Board may determine.

d) ii. The Board shall be at liberty to waive payment of such interest wholly or in part,

e) i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purpose of these Regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

ii. In case of non-payment of such sum, all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

f) The Board may, if it thinks fit, receive from any member willing to pay in advance, all or any part of the money due upon the shares held by him beyond the sums actually called for. The Company may pay interest at a rate not exceeding 12% p.a. unless the company in general meeting shall otherwise direct.

## **LIEN**

10. a) The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Article 10 thereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares will operate as a waiver of the Company's lien, if any, on such shares. The directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.
- b) The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien; Provided that no sale shall be made:
- i) Unless the sum in respect of which the lien exists is presently payable; or
- ii) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable had been given to the registered holder for the time being of the share of the person entitled thereto by reason of his death or insolvency.
- c) i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
- ii) The purchaser shall be registered as the shareholder of the shares comprised in any such transfer.
- iii) The purchaser shall not be bound to see the application of the purchase money nor shall his title to the shares be affected by irregularity or invalidity in the proceedings in reference to the sale.
- d) i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- ii) The residue, if any, shall subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
- e) No member shall exercise any voting rights 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, and has exercised any right of lien.

## **FORFEITURE OF SHARES**

11. a) If a member fails to pay a call or installment of a call on the day appointed for payment thereof, the board of director, may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on such member requiring payment of so much of the call or installments as is unpaid, together with any interest which may have accrued.
- b) The notice aforesaid shall:
- i) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made, will be liable to be forfeited at the discretion of the board.
- c) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect.
- d) i) A forfeited share shall be deemed to be property of the company and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

ii) At any time before a sale or disposal as aforesaid, the Board of director may at their discretion either cancel the forfeiture on such terms as they fit or deal with it in any other manner.

e) i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

f) i) A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

iii) The transferee shall thereupon be registered as the holder of the share.

iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

g) The provisions of these Regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

h) The forfeiture of share shall involve the extinction of all Interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.

## **TRANSFER AND TRANSMISSION OF SHARE**

12. Subject to the provisions of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or transferee has been delivered to the company together with the certificate or certificates of the shares, or if no such certificate is in existence alongwith the letter of allotment of shares. The instrument of transfer of any shares shall be signed both by or on behalf of the transferor and by or on behalf of transferee and the transferor, shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.
13. Application for the registration of the transfer of a share, may be made either by the transferor or by the transferee, provided that, where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the company gives notice of the application to the transferee in the manner prescribed by the Act and subject to the provisions of Articles hereof, the company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice enter in the Register, the name of the transferee in the same manner and subject to the same conditions, as if the application for registration was made by the transferee.
14. Before registering any transfer tendered for registration, the Company may, as if it so thinks fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within two weeks from the positing of such notice to him he shall be deemed to have admitted the validity of the said transfer.
15. The company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particular of every transfer of any share.

16. Subject to the provisions of Section 11 of the Companies Act, 1956, the Board of Directors without assigning any reason for such refusal, may within one month from the date on which the instrument of transfer was delivered to the Company, refuses to register any transfer of a share upon which the company has a lien and, in the case of a share not fully paid up may refuse to register a transfer to a transferee of whom the Board does not approve.

Provided that the registration of transfer of a share 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.

17. (1) No transfer shall be made to person of unsound mind.

(2) No fee shall be charged for registration of transfer, transmission probate, succession certificate, letter of administration, certificate of death or marriage, Power of Attorney or similar other instruments/documents.

18. All instruments of transfer duly approved shall be retained by the Company and in case of refusal, instruments of transfer shall be returned to the person who lodges the transfer deeds.
19. If the Directors refuse to register the transfer of any shares, the Company shall, within one month from the date on which the instrument of transfer was lodged with the company or intimation given, send to the transfer or and the transferee or person giving intimation of such transfer, notice of such refusal.
20. On giving seven days' notice by advertisement in a newspaper circulating in the District in which the office of the Company is situated, the Register of Members may be closed during such time as the Directors think fit not exceeding in the whole forty five days in each year but not exceeding thirty days at a time.
21. The executors or administrators or the holder of a succession certificate in respect of shares of a deceased member (not being one of several joint holders) shall be the only person whom the company shall recognize as having any title to the shares registered in the name of such member and, in case of the death of any one or more of the joint holders of any registered shares the survivors shall be only persons recognized by the company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognizing any legal representative or heir or a person otherwise claiming title to the shares the company may require him to obtain grant of probate or letters of administration or succession certificate, or other legal representation as the case may be from a competent court, provided nevertheless that in any case where the Board in its absolute discretion think fit it shall be lawful for the Board to dispenses with production of probate or letters or administration or a succession certificate or such other legal representation upon such terms as to indemnity as the Board may consider desirable.
22. Any person becoming entitled to or to transfer shares in consequence of that death or insolvency of any member, upon producing such evidence that the sustains the Character in respect of which he proposes to act under this article, or of his title as the Directors think sufficient, may with the consent of the Director (which they shall not be under any obligation to give), be registered as a member in respect of such shares or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This article is hereinafter referred to as 'The transmission Article' Subject to any other provisions of these Articles if the persons so becoming entitled to shares under this or the last preceding Article shall elect to be registered as a member in respect of the shares himself he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer to some other person he shall execute an instrument of transfer in accordance with the provisions of these articles relating to transfer of shares. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer and the registration of transfer of shares shall be applicable to any such notice of transfer as aforesaid.
23. Subject to any other provisions of these Articles, if the Directors in their sole discretion are satisfied in regard thereof, a person becoming entitled to a share in consequences of the death or insolvency of a member, may receive and give a discharge for any dividends or other money payable in respect of the share.
24. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act, 1956 and of any statutory modification thereof for the time being, shall be duly complied with, in respect of all transfer of shares and the registration thereof.

## **BORROWING POWERS**

25. Subject to section 58-A and 292 of the act. The company shall have power to borrow from any persons and secure payment of any sum or sums of money for the purpose of the company and the board of directors may from time to time at its discretion exercise the power and may also accept any sum or sums as loans or other wise from any one or more of the director of the company on security or otherwise and upon conditions in all respect as it thinks fit.
26. The board of directors may from time to time raise or borrow any sum or sums of money for land on behalf of the company from the member or other persons, companies or banks or the directors may themselves advance money to company, at such interest as may be approved by the board.
27. The board of director may from time to time at there discretion raise or borrow or secure the payment of any sum or sums of money for the purpose of the company in such manner and upon such terms and conditions in all respects as it think fit and in particular by the creation of any mortgage or charge on the undertaking of the whole or any part of the property, present or future, or of the uncalled capital of the company, charged upon or any property of the company or part thereof both present or future including the uncalled capital for the time being.

## **DEBENTURES**

28. The Company shall have power to issue debentures in accordance with the provisions of the Act.

## **GENERAL MEETINGS**

29. a) All General Meetings other than the Annual General Meeting of the company shall be called Extraordinary General Meetings.
- b) The Directors may, whenever they think fit, call an extra-ordinary General Meeting provided, however if at any time there are not in India, Director capable to acting who are sufficient in number to form a quorum any Director present in India may, call an extra-ordinary General Meeting as may be called by the Board. The AGM of the company will be held in accordance with the Companies Act, 1956
- c) The Board of Directors of the Company shall, on the requisition of such member or members of the Company as is specified in Sub-section (4) of Section 169 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of Section 169 of the Act and of any statutory modification thereof, for the time being shall apply.
- d) Extraordinary General Meetings may be called by the members under the provisions of Section 169 of the Act, and under conditions mentioned therein.
30. a) A General Meeting of the Company may be called by giving not less than twenty one days notice in writing or after giving such shorter notice as provided for in Section 171 (2) of the Act.
- b) Notice of every meeting of the Company shall be given:
- i) to every member of the Company;
- ii) to the persons entitled to a share in consequence of the death or insolvency of a member;
- iii) to the Auditor or Auditors, for the time being, of the Company; in the manner provided for in Section 172 of the Act.
- c) Accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given, shall not invalidate the proceedings of the meeting.
31. Subject to the provisions of Section 188 of the Act, member's resolution shall be circulated to the members of the Company entitled to receive notice of the Annual General Meeting.



32. The Company shall, duly keep and maintain all the Registers at the Registered Office in accordance with the provisions of the Act. Where under any provisions of the act, any person whether a member of the Company or not, is entitled to inspect any register, return, certificates, deed, instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 11 A.M. to 1 P.M. on such business days as the Act requires them to be open for inspection.

The Company may, after giving not less than Forty Two days previous notice by advertisement in some newspaper circulating in the district of the office, close the register of members, or the register of debenture-holders as the case may be, for any period or periods not exceeding thirty days at any one time.

33. a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a member of the Company, by a resolution of its Board of Directors or other governing body, authorize such person at it thinks fit, to act as its representatives at any meeting of the Company or at any meeting of any class of members of the Company.

b) The person authorized by the resolution as aforesaid, shall be entitled to exercise the same right and powers, including the right to vote by proxy, on behalf of the body corporate, which he represents, as that body could exercise if it were a member.

34. a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person or persons, whether a member or not, as his proxy, to attend and vote instead of himself and the proxy so appointed shall have no right to speak at the meeting, provided however the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

b) The instrument appointing a proxy and the power of attorney or authority, if any, under which it is signed or a notarially certified 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 and in default the instrument of proxy shall not be treated as valid.

c) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given.

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

d) Every member entitled to vote at a meeting of the Company or on any resolution to be moved thereat shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days' notice in writing of the intention so to inspect is given to the Company.

35. a) No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to transact business. Five members present in person shall be a quorum.

b) If within half an hour from the time appointed for holding a meeting of the company a quorum is not present, the meeting if called upon the requisition of members, shall stand dissolved.

c) In any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine.

d) If, at the adjourned meeting also, quorum is not present within half an hour from the time appointed for holding the meeting, the members present, not being less than two, shall be quorum.

36. a) The Chairman, if any, of the Board shall preside as Chairman at every General Meeting of the Company.

- b) If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their members to be Chairman of the meeting
  - c) If at any meeting no director is willing to act as Chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their own to be Chairman of the meeting in accordance with the provisions of Section 175 of the Act or any statutory modifications thereof.
  - d) i) The Chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
  - ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
  - iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
  - iv) Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at adjourned meeting.
  - e) Any business other than that upon which a poll has been demanded may be proceeded with pending taking of the poll.
  - f) Where a resolution is passed at an adjourned meeting of the company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
37. a) On a show of hands, every member present in person shall have one vote and on a poll, the voting rights of members shall be as laid down in Section 87 of the Act.
- b) Voting rights shall be exercised in accordance with the provisions of Section 42, 87, 88, 89, 92, 117, 178, 179, 180, 182, 183, 184, and 185 of the Act or any statutory modifications thereof and Regulation (c) hereunder read with Section 181 of the Act.
  - c) In the case of joint-holders, the vote of the senior who tenders vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
  - d) A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote whether on a show of hands or on a poll by his committee, or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
  - e) No member shall be entitled to vote at any general meeting unless, all calls or other sums presently payable by him in respect of shares in the Company have been paid;
  - f) i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
  - ii) Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive
38. In giving notice of an intention to propose a resolution as a special resolution the Company shall have regard to the provisions of Sections 17, 21, 25(2), 31, 99, 100, 146, 208, 224A, 237, 309, 314, 323, 370, and 484 of the Act or any statutory modifications thereof.

#### **DIRECTORS AND BOARD OF DIRECTORS**

39. a) Unless otherwise determined by the Company in General Meeting, the number of directors elected by the shareholders shall not be less than 3 or more than 12 inclusive of the ex-officio directors, nominee directors, whole time directors, technical directors, special directors, debenture directors, alternate directors, additional directors, corporation directors, co-opted directors and finance directors, if any,
- b) Only an individual and not a body corporate, association or firm shall be appointed as Director of the Company.
- c) Subject to the provisions of Section 252, 255 and 259 of the Act, the company may in General Meeting reduce the number of Directors fixed by regulation 44(a).
- d) At the date of adoption of these Articles, the following persons are the Directors of the company, namely;
1. **PUSPJEET KUMAR**
  2. **BHARAT YADAV**
  3. **SHAILESH KUMAR MISHRA**
  4. **CHETAN ROY**
- e) The Board of Directors may appoint one or more among them as Managing Director, Jt. Managing Director, Whole time Director(s) and fix the remuneration payable to such Managing Director(s) subject to the approval of the Central Government under Section 269 of the Act and Schedule XIII of the Act.
- f) The Board of Directors shall have power to appoint additional Directors provided such additional directors shall hold office only upto the date of the next Annual General Meeting of the Company and provided further that the number of directors and additional directors together shall not exceed maximum strength fixed for the Board by the Articles.
- g) Subject to the provisions of the Companies Act, 1956 and rules framed thereunder, each Director shall be entitled to be paid out of the funds of the company by way of sitting fee for his services, not exceeding the sum prescribed under the applicable provisions of the Companies Act, 1956 or rules made thereunder, subject to the approval of the Board of Directors for every meeting of the Board of Directors or Committee thereof, attended by him. Subject to the provisions of the Companies Act, 1956, the Directors may also be entitled to receive in each year a commission @1% (one percent) in the net profits of the Company, such commission to be calculated on the net profits of the Company to be computed in accordance with the provisions of the Companies Act, 1956 and such commission shall, be divided among the Directors in such proportion and manner as may be determined by them. The Director may allow and pay to any Director, who for the time being is resident out of the place at which any Meeting of the Directors may be held and who shall come to that place for the purpose of attending such meeting, such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending at the meeting in addition to his remuneration as above specified. If any Director being willing is appointed to any executive officer either whole time or part time or be called upon to perform extra services or to make any special exertions for any of the purposes of the Company than, subject to sections 198, 309, 310 and 314 of the Act and rules and Schedule made thereunder, the Board may, remunerate such Directors either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration, to which he may be entitled to.
40. Subject to the provisions of Section 262 of the Act or any statutory modifications, thereof, the Board of Directors shall have power to fill-up casual vacancies.
41. Subject to the provisions of Section 313 of the Act or any statutory modifications thereof, the Board of Directors shall have power to appoint a person as Alternate Director during the absence of any Director for a period of not less than three months in the State in which meetings of the Board are ordinarily held.
42. Notwithstanding anything to the contrary contained in these Articles, so long as monies remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), and Industrial Credit and Investment Corporation (ICICI) or to any other Financing Company or Body or Bank out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI or any other Financial Corporation or Credit Corporation or any Financing Company or Body or Bank (hereinafter in this article referred to as the

corporation”), hold shares in the Company as a result of underwriting or Direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole time (which director or directors is/are hereinafter referred to as “Nominee Directors”) on the Board of the Company and to remove from such office any such person or persons and appoint another or others in his or their places.

43. The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Also at the option of the Corporation, such Nominee Director(s) shall not be liable for retirement by rotation of directors. The nominee director(s) shall have the same rights and privileges and be subjected to the same obligations as any other director of the Company. The Nominee Director(s) so appointed shall hold the said office only so long as monies remain owing by the Company to the corporation or so long as the Corporation holds shares in the Company as result of underwriting or direct subscription or the liability of the company arising out of the guarantee is outstanding and the Nominee Director(s) so appointed in exercise of the said power shall ipso facto vacate such office immediately the monies owing by the company to the corporation is paid off or on the Corporation ceasing to hold shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation. The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the meetings of the committee of which the nominee Director(s) is/are member(s) as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.
44. The Company shall pay to the Nominee Director(s) who are not whole time directors, sitting fee and expenses which the other Directors of the Company are entitled, but if any other fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s) in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director(s).
45. Provided that if any such Nominee Director(s) is an officer of the Corporation, the sitting fee, in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.
46. In the event of the Nominee Director(s) being appointed as whole-time Directors(s), such Nominee Director(s) shall exercise such powers and have such rights as are usually exercised or available to a whole time Director in the Management of the affairs of the Company. Such whole time Director(s) shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.
47. A person who is not a retiring director shall not be appointed as Director of the Company unless he has by himself or by this agent authorized in writing, signed and filed with the Registrar his consent in writing to act as such Director.
48. No Director shall be required to hold any share qualification.
49. The office of a Director shall be vacated in the circumstances stated in Section 274 of the Act.
50. The Company shall comply with the provisions of Section 297 and 299 of the Act, in entering into contracts with a Director.
51. Acts done by a person as a director shall be valid notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions in the Act or in the Articles, provided that nothing in the Act shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
52. Every Director shall have rights and powers as are provided for in Sections 209, 284, 286, 289 and 320 of the Act.
53. Every Director shall discharge such duties as are provided for in Section 270, 305, 308 and 393 of the Act or any statutory modifications thereof.

54. Directors shall be subject to such civil liabilities provided for in Sections 275, 295, 300, 312, 314, 318, 319 and 320 of the Act or any statutory modifications thereof.
55. Directors shall be subject to the disabilities provided for in Sections 275, 295, 300, 312, 314, 318, 319 and 320 of the Act or any statutory modifications thereof.
56. Subject to the provisions of the Act, a Director may be appointed as Manager or Secretary of the Company.
57. At every Annual General Meeting one third of such of the Directors for the time being are liable to retire by rotation or if their number is not three or multiple of three, then the number nearest to one third, shall retire from office.
58. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.
- a) At the Annual General Meeting at which a Director retires as aforesaid, the company may fill-up the vacancy by appointing the retiring director or some other person thereto.
- b) If the place of the retiring Director is not filled-up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day, in the next week at the same time and place or if that day is a public holiday, till next succeeding day which is not a public holiday at the same time and place.
- c) If at the adjourned meeting also the place of the retiring director is not filled-up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:
- i) at the meeting or at the previous meeting a resolution for the appointment of such director has been put to the meeting and lost :
- ii) the retiring director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so recommended.
- d) A resolution, whether special or ordinary, is required for his appointment by virtue of any provisions of the Act.

#### **PROCEEDINGS OF THE BOARD**

59. a) The Board of Directors may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit, provided however the Board shall meet once in every three months in accordance with section 285 of the Act or any statutory modifications thereof.
- b) The company shall have the power to hold Board or Committee Meetings through the means of video or tele-conferencing, and also allow Directors to participate in the Board or Committee Meetings through the means of video or tele-conferencing, subject to the applicable provisions, if any, of the Act and other regulatory provisions, if any, and all relevant articles dealing with Board or Committee meetings shall be read mutatis mutandis.
- c) The Chairman or the Managing Director(s) may at any time, and shall, on the requisition of two Directors, summon a meeting of the Board.
- d) The Board shall cause notice to be circulated to every Director of the Company who is for the time being in India in accordance with Section 286 of the Act or any statutory modifications thereof.
- e) The quorum for meetings of the Board shall be two Directors or one third of its total strength whichever is greater as provided for in Section 287 of the Act.

f) The Continuing Director may act notwithstanding any vacancy in its body 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 Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company, but for no other purpose.

g) The questions arising at any meeting shall be decided by a majority of votes

h) Save as otherwise expressly provided by the Act, a resolution in writing signed by all the members of the board or of a committee thereof for the time being entitled to receive notice of a meeting of the Board or Committee, shall be as valid and effective as if it had been passed at a meeting of the Board or Committee duly convened and held.

i) All acts done at any meetings 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 Directors or persons acting as aforesaid or that they or he or any of them were or was disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

j) The Company shall cause to be kept minutes of all proceedings at meeting of its Board of Directors or of Committee of the Board. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings. The Minutes shall also contain; i) the names of the Directors present at the meeting ; and ii) in the copy of each resolution passed at the meeting, the names of Directors, if any, dissenting there from or not concurring in the resolution.

k) The Director shall cause to be kept a Register of Directors in accordance with the provisions of Section 303 of the Act. The Register aforesaid shall be open to inspection by any member of the public at any time during office hours on Payment of the prescribed fee. The Company shall also keep a Register of Directors' shareholding giving the particulars required by Section 307 of the Act, and otherwise conforming to the provisions of the section.

#### **POWER OF THE BOARD OF DIRECTORS**

60. a) The Board Directors shall be entitled to exercise all such powers and to do all such acts and things as the company is authorized to exercise and do. Provided that the Board shall not exercise any power or do any act or thing, which is directed or required by the Act or any other provision of law or by the Memorandum of Association of the Company or by these Articles, to be exercised or done by the Company in General Meeting.

Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other provision of law or the Memorandum of Association of the Company or these articles or in any regulation not inconsistent therewith and duly made hereunder, including regulation made by the company in General meeting.

b) 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.

c) Without prejudice to the general powers conferred by the proceeding article, the Director may, from time to time and at any time, subject to the restrictions contained in the Act, delegate to managers, secretaries, officers, assistants and other employees or other persons (including any firm or body corporate) and of the powers, authorities and discretions for the time being, vested in the Directors.

d) The directors may, authorize any such delegate or attorney as aforesaid, to sub delegate all or any of the powers, authorities and discretions for the time being vested in them.

e) All deeds, agreements and documents and all cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted or endorsed or otherwise executed, as the case may be by such persons (including any firm or body corporate) whether in the employment of the company or not and in such manner, as the Director shall, from time to time, by resolution determine.

f) The directors may make, such arrangement, as may be thought fit for the management of the Company's affairs abroad, for this purpose (without prejudice to the generality of their powers) appoint local bodies and agents and fix their remuneration and delegate to them such powers, as may be deemed requisite or expedient. The foreign seal shall be affixed by the authority and in the presence of and instruments sealed therein shall be signed by such persons, as the Directors shall, from time to time, by writing under the common seal. The company may, also exercise the powers of keeping Foreign Registers, such regulations not being in constant with the provisions of Section 157 and 158 of the Act, the Board may, from time to time, make such provisions, as it may think fit relating thereto and may comply with the requirement of any local law.

g) Subject to the provision of Sections 197A, 383A and 388 of the Act, a Manager or Secretary may be appointed by the Directors on such terms, at such remuneration and upon such conditions, as they may think fit and any Manager or Secretary appointed may be removed by the Directors.

A Director may be appointed as Manager or Secretary, subject to Sections 384, 197A, 383A, 387 and 388 of the Act.

h) A provision of the Act or these regulations required or authorizing a thing to be done by a Director, Manager or Secretary, shall not be satisfied by its being done by the same person acting both as Director and as, or in place of the Manager or Secretary.

61. Subject to the provisions of Sections 316, 372 and 386 of the Act which require unanimous resolution of the Board of Directors, other questions arising at any meeting of the Board shall be decided by majority of votes.
62. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of committee then in India (not being less in number than the quorum fixed for a meeting of the Board or committee as the case may be) and to all other Directors or members, at their usual address in India and has been approved by such of the Directors or members, or by a majority of such of them as are entitled to vote on the resolution.

#### **RESTRICTIONS ON THE POWERS OF BOARD**

63. a) The Board shall not exercise the powers referred to in section 293 of the Act without the consent of the Company in general meeting and only to the extent mentioned therein or any statutory modifications thereof.
- b) In the appointment of sole selling agents for the Company for any area, the Board shall conform to the provisions of Sections 294 and 294A of the Act or any Statutory Modifications thereof, and the Companies (Appointment of Sole Selling Agents) Rules, 1975.
- c) In giving loans to Directors and other persons mentioned in Section 295 (1) of the Act, the Board shall conform to the provisions of that section or any statutory modifications thereof.

#### **MANAGING / WHOLE-TIME DIRECTORS**

64. Subject to the provisions of Section 197A, 269, 316 and 317 of the Act, the Board may, from time to time, appoint/re-appoint one or more Directors to be Managing/Whole - Time Directors of Managing Directors 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 place or their places.
65. Subject to the provisions of Section 255 of the Act and Article 89 (4) hereof, a Managing/Whole time Directors shall not, while he continues to hold that office, be subject to retirement by rotation, but (subject to the provisions of any contract between him and the company), he shall be subject to the same provisions, as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be a Managing/Whole-time Directors, if he ceases to hold the office of Director, for any cause. However, he shall be counted in determining the number of Directors to retire.

66. Subject to the provisions of Sections 198, 309 310 and 311 of the Act, and Schedule XIII of the Act, a Managing Director/Whole-time Director shall, in addition to the remuneration payable to him as a Director of the company under the Articles, receive such additional remunerations as may, from time to time, be sanctioned by the Company.
67. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 292 and 293 thereof, the Board may, from time to time, entrust to and confer upon a Managing/Whole-time Directors for the time being such of the powers exercisable under the presents by the Board as it may think fit and may confer such powers for such time and be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions, as it thinks fit and the Board may, confer such power either collaterally with or to the exclusion of and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

#### **COMMENCEMENT OF BUSINESS**

68. The company shall not at any time commence any business out of other objects of its Memorandum of Association, unless the provisions of sub-section 2(B) of Section 149 of the Act, have been duly complied with by it.

#### **AUDIT**

69. Auditor(s) shall be appointed and their duties regulated in accordance with Sections 224 to 235 of the Act, both inclusive, or any statutory modifications thereof.

#### **SEAL**

70. The Directors 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.
71. The company shall have a common seal, and board of directors shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority or a resolution of the directors or a committee of the directors authorizes by them in that behalf and except in the presence of at least one director as aforesaid who shall sign every instrument to which the seal of the company so affixed in this presence..

#### **DIVIDENDS AND RESERVE**

72. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
73. 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.
74. a) The Company shall transfer to a reserve such percentage of profits for the year as prescribed under Companies (Transfer of Profits to Reserve) Rules, 1975 as amended from time to time.
- b) The Board may also carry forward any profits which it may think prudent not to divide.
- c) Subject to the rights of the persons, if any, entitled to share 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 shares.
- d) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this regulation as paid on the shares.
- e) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is



issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

75. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls

or otherwise in relation to the shares of the Company.

76. a) Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus and Board shall give effect to the resolution of the meeting subject to the provisions of the Act.

b) Any dividend interest or other moneys payable in cash in respect of shares may be paid by cheques 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.

c) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

d) Any one of the two or more joint-holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share.

e) 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.

f) No dividend shall bear interest against the Company.

77. Any Annual General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend, if so arranged between the company and the member, be set-off against the call. The making of a call under this clause shall be deemed ordinary business of an Annual General Meeting which declares a dividend.

78. No dividend should be paid in respect of any share except to the members registered in respect of such share or to his order. A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer by the Company.

79. The Board shall transfer the unpaid dividends in accordance with the provisions of the Act and also as contained in Companies Unpaid Dividends (Transfer to General Revenues of Central Government) Rules, 1978 as amended from time to time. No unclaimed dividend shall be forfeited by the Board of Directors of the Company unless it becomes barred by law.

The Company shall comply with all provisions of Section 205 (2A) of the Act.

#### **CAPITALISATION OF PROFITS**

80. a) The Company in General Meeting may upon the recommendation of the Board, resolve:

i) 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:

ii) that such sum be accordingly set free for distribution in the manner specified in clauses (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

b) amongst the members who would have been entitled thereto if distributed by way of dividend in the same proportion.

c) the sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (c) either in or towards:

i) paying up any amounts for the time being unpaid on any shares held by such members respectively;

ii) paying up in full, un-issued shares of the Company to be allotted and distributed, credited as, fully paid up, to and amongst such members in the proportions aforesaid, or

iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

## **ACCOUNTS**

81. The Company shall comply with the provisions of sections 209 to 221 of the Act with regard to the keeping of accounts, preparation of Balance Sheet and Profit and Loss Accounts.

82. 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.

83. 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 the regulation or authorized by the Board or by the Company in General Meeting.

## **WINDING UP**

84. If the Company shall be wound up, and the assets available for distribution among the members as such, shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up, at the commencement of winding up on the shares held by them respectively. And if in a winding up the assets, available for distribution among the members, shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought but for this clause is to have been paid up on the shares held by them respectively, without prejudice to the rights of the holders issued upon special terms and conditions.

85. If the company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, divide among the contributories, in specie or kind, any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidators, with the like sanction, shall think fit, but that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## **SECRECY**

86. Every Director, Secretary, Manager, Auditor, Trustee, Member or Committee Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall before entering upon the duties sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with consumers and the state of accounts with individuals and in all matters, relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may have come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any meeting of the shareholders by a Court of Law by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these Articles.

87. Any Director or officer of the Company shall be entitled, if he thinks fit, to decline to answer any question concerning the business of the Company which may be put to him on any occasion including any meeting of the company on the ground that the answer to such question would disclose or tend to disclose the trade secret of the Company.

88. Any officer or employee of the company proved to the satisfaction of the Board of Directors to have been guilty of disclosing the secrets of the Company shall be liable to instant dismissal without notice and payment of damages.

#### INDEMNITY

89. a) Every Director of the Company, Manager, Secretary and other officer or employee of the Company 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 costs, losses and expenses (including traveling expenses) which any such Director, officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by such Director, Officer or employees in any way in the discharge of his duties.
- b) Subject to as aforesaid every Director, Manager, Secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 633 of this act in which relief is given to him by the Court.
90. No Director, Auditor or other Officer of the Company shall be liable for the Acts, receipts or defaults of any other Director or officer, for joining in any receipts or other act for conformity, or for any loss or expense happening to the Company through the insufficiency, or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the sufficiency 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 with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

## SECTION IX: OTHER INFORMATION

### LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before this Prospectus), which are or may be deemed to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred under material documents below all of which have been attached to the copy of this Prospectus and have been delivered to the SME platform of BSE Limited and may be inspected at the Registered Office of the Company situated at 29A, Weston Street, C5, 3<sup>rd</sup> floor, Kolkata- 700012 between 11:00 am to 5:00 pm on any working day from the date of this Prospectus until the date of closure of the subscription List.

#### MATERIAL CONTRACTS

1. Memorandum of Understanding dated 12<sup>th</sup> November, 2013 between our Company and the Lead Manager to the Issue.
2. Memorandum of Understanding dated 12<sup>th</sup> November, 2013 entered into with Link Intime India Private Limited to appointing them as the Registrar to the Issue.
3. Copy of tripartite agreement dated 6<sup>th</sup> December, 2013 between NSDL, our Company and Link Intime India Private Limited.
4. Copy of tripartite agreement dated 26<sup>th</sup> December, 2013 between CDSL, our Company and Link Intime India Private Limited.
5. Escrow Agreement dated 6<sup>th</sup> January, 2014 between our Company, Lead Manager, Escrow Collection Bank and the Registrar to the issue.
6. Market Making Agreement dated 12<sup>th</sup> November, 2013 between our Company, Lead Manager and Market Maker.
7. Underwriting Agreement dated 12<sup>th</sup> November, 2013 between our Company and Underwriters.

#### DOCUMENTS FOR INSPECTION

8. Memorandum and Articles of Association of our Company as amended from time to time.
9. Copy of the resolution passed at the meeting of the Board of Directors held on 16<sup>th</sup> October, 2013 approving the issue.
10. Copy of the resolution passed by the shareholders of our Company under section 81 (1A) at the Extra Ordinary General Meeting held on 19<sup>th</sup> October, 2013.
11. Copy of members resolution dated 26<sup>th</sup> August, 2013 appointing Mr. Shailesh Kumar Mishra as the Executive Director of our Company for a period of one year w.e.f. 26<sup>th</sup> August, 2013 and approving his remuneration and terms.
12. Consents of the Directors, Company Secretary/Compliance Officer, Auditors, Lead Manager to the Issue, Underwriters, Market Makers, Bankers to the Issue, Legal Advisors to the Issue, and Registrars to the Issue, to include their names in the Prospectus to act in their respective capacities.
13. Copies of Annual Reports of our Company i.e. for the preceding five (5) financial years viz 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13.
14. Audit report and restated financial information issued by our Peer Review Auditors i.e. M/s. Ramanand & Associates, Chartered Accountants, dated 4<sup>th</sup> January, 2014 included in the Prospectus.

15. Letter dated 11<sup>th</sup> November, 2013 from the statutory Auditors of our Company, M/s. A. K Pathak & Co., Chartered Accountants, detailing the tax benefits.
16. Copy of certificate from the statutory Auditors of our Company, M/s. A. K Pathak & Co., Chartered Accountants, dated 11<sup>th</sup> November, 2013 regarding the sources and deployment of funds as on 15<sup>th</sup> October, 2013.
17. Board Resolution dated 8<sup>th</sup> January, 2014 for approval of Prospectus.
18. Due Diligence Certificate dated 14<sup>th</sup> November, 2013 to be submitted to SEBI from Lead Manager viz. Guinness Corporate Advisors Private Limited along with the filing of the Prospectus.
19. Copy of approval from BSE vide letter dated 3<sup>rd</sup> January, 2014 to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.

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 the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the regulations 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 this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be. We further certify that all statements in this Prospectus are true and correct.

### **SIGNED BY ALL THE DIRECTORS**

Mr. Puspjeet Kumar

Mr. Shailesh Kumar Mishra

Mr. Bharat Yadav

Mr. Chetan Roy

### **SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Anuj Jalan

**Date:** 08.01.2014

**Place:** Kolkata

