

**PROSPECTUS****100% Fixed Price Issue**

Please read Section 32 of the Companies Act, 2013

Dated 30th August, 2014



## SIROHIA & SONS LIMITED

Our Company was originally incorporated in Kolkata as "Sirohia & Sons Private Limited" on 28<sup>th</sup> May, 1990 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, West Bengal. Our Company was subsequently converted in to a public limited company and consequently name was changed to "Sirohia & Sons Limited" vide fresh certificate of incorporation dated 18<sup>th</sup> June, 2013 issued by the Registrar of Companies, West Bengal. For further details in relation to the change in the name of our Company, please refer to the section titled "History and certain Corporate Information" beginning on page 85 of this Prospectus.

**Registered Office:** 16 Bonfields Lane, Kolkata: 700 001. Telefax: +91-33-2242 6141

**Corporate Office:** 6, Bishop Lefroy Road, 4<sup>th</sup> Floor, Suite No.: 19, Kolkata- 700 020. Tel: +91-33-4017 0700, Fax: +91-33-4017 0701

E-Mail: [info@sirohia.com](mailto:info@sirohia.com); Website: [www.sirohia.com](http://www.sirohia.com)

**CONTACT PERSON & COMPLIANCE OFFICER:** MR. PRATIK KANITKAR, COMPANY SECRETARY AND COMPLIANCE OFFICER  
**PROMOTERS OF THE COMPANY:** MR. RAKESH SIROHIA, MR. RAJESH SIROHIA, MR. RAJAT SIROHIA, MR. JITENDRA SIROHIA & RUTTONPORE TEA COMPANY PRIVATE LIMITED

**PUBLIC ISSUE OF 30,00,000 EQUITY SHARES OF RS. 10/- EACH ("EQUITY SHARES") OF SIROHIA & SONS LIMITED ("SSL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 12/- PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. 360.00 LACS ("THE ISSUE"), OF WHICH, 1,50,000 EQUITY SHARES OF RS. 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (AS DEFINED IN THE SECTION "DEFINITIONS AND ABBREVIATIONS") (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 28,50,000 EQUITY SHARES OF RS. 10 EACH IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 29.25% AND 27.79%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

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

*For further details see "Terms and Procedure of the Issue" beginning on page 158 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 165 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 1.2 (ONE POINT TWO) TIMES 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 our Company. The face value of the Equity Shares is Rs. 10/- and the Issue Price is 1.2 time of the 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 60 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 our Company or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. 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 neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. **Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 10 of this Prospectus.**

### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of 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 this Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). 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 16<sup>th</sup> May, 2014 from BSE Limited 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

**VC CORPORATE ADVISORS PRIVATE LIMITED**  
 31, Ganesh Chandra Avenue,  
 2<sup>nd</sup> Floor, Suite No. 2C,  
 Kolkata - 700 013  
**Tel:** - (033) 2225 3940,  
**Fax:** (033) 2225 3941  
**Email:** [mail@vccorporate.com](mailto:mail@vccorporate.com)  
**Website:** [www.vccorporate.com](http://www.vccorporate.com)  
**Contact Person:** Mr. Anup Kumar Sharma  
**SEBI REGN NO:** INM000011096



### REGISTRAR TO THE ISSUE

**ADROIT CORPORATE SERVICES PRIVATE LIMITED**  
 19/20, Jaferbhoy Industrial Estate,  
 Marol Naka, Andheri (East),  
 Mumbai - 400 059.  
**Tel:** (022) 2859 0942/4442/6060,  
**Fax:** (022) 2850 3748,  
**E-mail:** [surendrag@adroitcorporate.com](mailto:surendrag@adroitcorporate.com)  
**Contact Person:** Surendra Gawade  
**SEBI REGN No:** INR000002227



### ISSUE PROGRAMME

**ISSUE OPENS ON: 8<sup>TH</sup> SEPTEMBER, 2014, MONDAY**

**ISSUE CLOSES ON: 10<sup>TH</sup> SEPTEMBER, 2014, WEDNESDAY**

## TABLE OF CONTENTS

CONTENTS	PAGE NO
<b>SECTION I: GENERAL</b>	
DEFINITIONS AND ABBREVIATIONS	2
CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	7
FORWARD-LOOKING STATEMENTS	8
<b>SECTION II: RISK FACTORS</b>	10
<b>SECTION III: INTRODUCTION</b>	
SUMMARY OF THE INDUSTRY	24
SUMMARY OF OUR BUSINESS	26
SUMMARY OF OUR FINANCIAL STATEMENT	29
THE ISSUE	32
GENERAL INFORMATION	33
CAPITAL STRUCTURE	41
OBJECTS OF THE ISSUE	56
BASIS FOR ISSUE PRICE	60
STATEMENT OF TAX BENEFITS	63
<b>SECTION IV: ABOUT OUR COMPANY</b>	
INDUSTRY OVERVIEW	74
OUR BUSINESS	77
REGULATIONS AND POLICIES IN INDIA	82
HISTORY AND CERTAIN CORPORATE INFORMATION	85
OUR MANAGEMENT	88
OUR PROMOTERS AND PROMOTER GROUP	101
DIVIDEND POLICY	116
RELATED PARTY TRANSACTIONS	116
<b>SECTION V: FINANCIAL INFORMATION</b>	
AUDITORS REPORT ON RESTATED FINANCIAL INFORMATION	117
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	133
<b>SECTION VI: LEGAL AND REGULATORY INFORMATION</b>	
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	138
GOVERNMENT APPROVALS	144
OTHER REGULATORY AND STATUTORY DISCLOSURES	145
<b>SECTION VII: TERMS AND PROCEDURE OF THE ISSUE</b>	
TERMS OF THE ISSUE	158
ISSUE STRUCTURE	163
ISSUE PROCEDURE	165
<b>SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION</b>	186
<b>SECTION IX: OTHER INFORMATION</b>	
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	227
DECLARATION	229

## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### COMPANY RELATED/GENERAL/CONVENTIONAL TERMS

TERMS	DESCRIPTION
“We”, “us”, “our”, “the Issuer”, “the Company”, “our Company”, “SSL”	Unless the context otherwise requires, refers to Sirohia & Sons Limited a public limited company incorporated under the provisions of The Companies Act, 1956
AOA/ Articles / Articles of Association	Articles of Association of our Company
Auditors	M/s. Lahoti & Co., the statutory auditors of our Company
Banker to our Company	Federal Bank, Bhowanipore Branch, Kolkata
Banker to the Issue	HDFC Bank Limited
Board / Board of Directors/ Director(s)	The Board of Directors of our Company including duly constituted committee authorized to act on their behalf
BSE	BSE Limited
Companies Act/ the Act	The Companies Act, 1956, as amended thereto including provisions of Companies Act, 2013, wherever notified
Company Secretary & Compliance Officer	Mr. Pratik Kanitkar
Corporate Office	6, Bishop Lefroy Road, 4th Floor, Suite No.: 19, Kolkata- 700 020
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 88 of this Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of our Company.
Promoters	Mr. Rakesh Sirohia, Mr. Rajesh Sirohia, Mr. Rajat Sirohia, Mr. Jitendra Sirohia and Ruttonpore Tea Company Private Limited are the Promoters of our Company
Promoter Group	Unless the context otherwise requires, refers to such persons and entities which constitute the promoter group of our Company and a list of which is provided in the chapter titled “Our Promoters and Promoter Group” on 101 of this Prospectus.
Peer Review Auditor	R S V A & Co. Chartered Accountants
Registered Office of Our Company	16 Bonfields Lane, Kolkata- 700 001
ROC / RoC	Registrar of Companies, West Bengal.

#### ISSUE RELATED TERMS

TERMS	DESCRIPTION
Allotment/ Allot/ Allotted/ Allotment of Equity Shares	The Issue and allotment of the Equity Shares, pursuant to the Issue by our Company to the successful applicants
Allottee	A successful applicant to whom the Equity Shares are being/ have been allotted
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

TERMS	DESCRIPTION
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 Public Issue Account	An Account of the Company under Section 40 of the Companies Act 2013, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Applicants
Banker(s) to the Issue/ Escrow Collection Bank(s)	The Banks which are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account will be opened and in this case being HDFC Bank Limited
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 173 of the Prospectus
Business Day	Any day on which commercial banks in Mumbai are open for the business.
Depositories	A depository registered with SEBI under the SEBI ( Depositories and Participant) Regulations, 1996, being NSDL and CDSL
Designated Stock Exchange	SME Platform of BSE Limited
Designated Market Maker	M/s. Indo Jatalia Securities Private Limited
DP ID	Depository participant's Identity
ECS	Electronic Clearing Service
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)	HDFC Bank Limited
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
GoI/ Government	Government of India
Issue/ Issue size/ initial public issue/ Initial Public Offer/ Initial Public Offering	Public issue of 30,00,000 Equity Shares of Rs. 10/- each of Sirohia & Sons Limited ("SSL" or the "Company") for cash at a price of Rs. 12/- per share, aggregating to Rs. 360.00 Lacs
Issue Opening date	The date on which the Issue opens for subscription
Issue Closing date	The date on which the Issue closes for subscription
IPO	Initial Public Offering
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.

TERMS	DESCRIPTION
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
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 12/-.
Lead Manager / LM	Lead Manager to the Issue being VC 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	Market Maker means M/s. Indo Jatalia Securities Private Limited, the market maker appointed for the purpose of this Issue
Market Maker Reservation Portion	The Reserved portion of 1,50,000 Equity shares of Rs. 10/- each at Rs. 12/- per Equity Share aggregating to Rs. 18,00,000/- (Rupees Eighteen Lacs Only) for Designated Market Maker in the Initial Public Issue of Sirohia & Sons Limited.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 28,50,000 Equity Shares of Rs.10/- each at Rs. 12/- per Equity Share aggregating to Rs. 3,42,00,000/- (Rupees Three Crores Forty Two Lacs Only) by our Company.
Mutual Funds	A mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996
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 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. OCBs are not allowed to invest in this Issue.
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
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information
Public Issue Agreement	The agreement entered into on 27 <sup>th</sup> January, 2014 between our Company and Lead Manager pursuant to which certain arrangements are agreed in relation to the Issue
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 FII 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 2(72) of the Companies Act, 2013; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi)

TERMS	DESCRIPTION
	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 minimum corpus of Rs. 2500 Lacs; (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
Refund Account	The Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of application amount (excluding to the ASBA Applicants) shall be made
Refund Banker	HDFC Bank Limited
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, RTGS or the ASBA process, as applicable
Registrar/ Registrar to the Issue	M/s. Adroit Corporate Services Private Limited
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
Self Certified Syndicate Banks or SCSBs	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
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 from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
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 which was approved by SEBI as an SME Exchange on September 27, 2011
Underwriter	VC Corporate Advisors Private Limited
Underwriting Agreement	The Agreement entered into between the Underwriter and our Company entered on 4 <sup>th</sup> April, 2014.
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

## ABBREVIATIONS

ABBREVIATION / TERM	FULL FORM / DESCRIPTION
AGM	Annual General Meeting
A.S.	Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment Year
B.Com	Bachelor of Commerce
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CDSL	Central Depository Services (India) Limited
B.G. /LC	Bank Guarantee/ Letter of Credit
C.S.	Company Secretary
CIN	Company Identification Number
DIN	Directors Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued thereunder.
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.
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.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gol/ Government	Government of India
HUF	Hindu Undivided Family
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
SME	Small And Medium Enterprises
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

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

### **FINANCIAL DATA**

Unless stated otherwise, the financial data in this Prospectus is extracted from (i) the financial statements of our Company from the restated financial statements of our Company for financial years ended March 2014, 2013, 2012, 2011 and 2010 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 Peer Reviewed Auditors and the SEBI Regulations and set out in the section titled 'Auditors Report on Restated Financial Information' on page 117. 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 financial 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 GAAP. 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.

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

### **INDUSTRY & MARKET DATA**

Unless otherwise stated, Industry & Market data used throughout this Prospectus has been obtained from internal Company reports and Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified.

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 2 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 and business conditions in the markets in which we operate and in the local, regional, national and international economies.
- 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 ability of attract and retain qualified personnel;
- Potential mergers, acquisitions, restructurings and increased competition;
- Our failure to keep pace with rapid changes in technology;
- 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.
- Change 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 10 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 Shares involves a high degree of risk. You should carefully consider all the information in the Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and purchaser of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in the United States and other countries.*

*If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business” on page 77 of this Prospectus and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 133 respectively, of this Prospectus as well as other financial information contained herein. Additionally, our business operations could also be affected by additional factors which are not presently known to us or which we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial conditions. The following factors have been considered for determining the materiality:*

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors.*

*Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, see the chapter titled “Definitions and Abbreviations” on page 2 of this Prospectus.*

*The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

## INTERNAL RISK FACTORS:

### 1. *Certain legal proceedings involving our Promoter/Promoter's Group are pending at different levels of adjudication.*

There are no outstanding litigations or disputes involving our Company, which would have any material financial implication on our Company. However, there are certain legal proceedings involving our Promoter/Promoter's Group pending at different levels of adjudication. The brief details of which are given as under:-

Sr. No.	Case Type	Number of Cases	Amount (in Rs. Lacs)
1.	Cases file by our Promoter's Group	8	221.03
2.	Cases filed against our Promoter's Group	Nil	0.00

All these legal proceedings/claims are pending at different levels of adjudication before various courts and appellate tribunals. For further details please see the chapter titled "Outstanding Litigations and Material Developments" on page 138 of this Prospectus.

### 2. *There are certain Income Tax Notices/ Demands issued to Our Company, Promoter and Group Entities*

Our Company and Group entities are involved in certain proceedings and claims in relation to taxation matters. These proceedings are pending at different levels of adjudication. Any adverse decision may render them liable to penalties and may adversely affect our business and results of operations. A classification of these legal and other proceedings are given in the following table:

#### - Case pending with Income Tax Authorities against our Company:

Sr. No.	Description	Assessment Year	Amount (In Rupees)	Pending with
1	Assessment Proceedings	2012-2013	Nil	DCIT, Circle 5 / Kol

#### - Case pending with Income Tax Authorities against our Promoter:

Name of Promoter	Description	Assessment Year	Amount (In Rupees)	Pending with
Mr. Jitendra Sirohia	Rectification	2007-2008	14,306/-	Ward 4(3) / KOL
		2008-2009	10,462/-	

#### - Case pending with Income Tax Authorities against our Group entities:

Sr. No.	Name of the Group Entity	Description / Nature	Assessment Year	Amount (In Rupees)	Pending with
1	GCS Chemicals Private Limited	Rectification of TDS	2009-10	101457/-	Ward 6(2) / Kol
			2008-09	11286/-	
2	Navnita Tradefin Private Limited	Rectification of TDS	2009-10	14769/-	Ward 6(3) / Kol
3	Nirmala Tie-Up Private Limited	Rectification of TDS	2011-12	1479/-	Ward 6(3) / Kol
4	Ridhima Holdings Private Limited	Rectification of TDS	2009-10	14884/-	Ward 4(1) / Kol

Sr. No.	Name of the Group Entity	Description / Nature	Assessment Year	Amount (In Rupees)	Pending with
5	Ruchi Trades & Holdings Private Limited	Rectification of TDS	2009-10	61318/-	Ward 4(1) / Kol
6	Sirohia Properties & Trading Co Private Limited	Rectification of TDS	2008-09	26820/-	Ward 5(1) / Kol
7	Sudhir Credit Private Limited	Rectification of TDS	2009-10	98794/-	Ward 1(2) / Kol
8	Kalyani Tea Company Limited	Rectification of TDS	2013-14	34210/-	CPC- Traces

3. *Our Company has given an unsecured interest free advance of Rs. 1500.00 lacs as on 31.03.2014 to one of its Group Company, i.e., Tinkharia Tea Private Limited (TTPL), a Company wholly owned by our Promoters Group for acquisition and transfer of its tea estate namely Tinkharia Tea Estate.*

Our Promoter Mr. Rakesh Sirohia had entered into an agreement with M/s. Assambrook Limited ('ABL') on 27<sup>th</sup> February 2008 whereby ABL had agreed to Demerge / transfer one of its tea estate viz, Tinkharia Tea Estate ('Tea Estate') into TTPL for an agreed consideration of Rs. 1100 lacs. The purchase price of Rs. 1100 lacs was arrived as per negotiation between the parties to the agreement and has not been independently valued. Further, our Company on 28<sup>th</sup> October, 2012 had entered into an agreement with TTPL for acquiring the aforesaid Tea Estate from TTPL once the same is transferred to it by ABL. In this regard our Company has advanced an unsecured interest free advance of Rs. 1500.00 lacs to TTPL against purchase consideration of the said Tea Estate. ABL had entered into a One Time Settlement (OTS) with the Secured Creditors / Banks with whom the Tea Estate was mortgaged and was able to settle all their pending dues only by 6<sup>th</sup> July 2012. Thereafter, ABL in its Board Meeting held on 23<sup>rd</sup> August 2012 approved the proposal for demerger of the Tea Estate to TTPL. However since then ABL has not taken any concrete steps in relation with finalizing the scheme of demerger due to suspension of trading in its shares listed at BSE Limited. ABL is in the process of getting the suspension revoked and the matter is pending with BSE. Our Company cannot comment on the timeframe within which the Tea Estate will be effectively transferred to it and till the Tea Estate is received, our Company will not be earning any interest on the unsecured interest free advance made to TTPL.

4. *Our Company has given an unsecured interest free advance of Rs. 400.00 lacs as on 31.03.2014 to one of its Group Company, i.e. M/s. Sonajuli Plantations Private Limited ('SPPL'), a Company wholly owned and promoted by our Promoter Group.*

Our Promoter Mr. Rakesh Sirohia had entered into an agreement with M/s. Hanuman Tea Company Limited ('HTCL') on 15<sup>th</sup> October 2009 whereby HTCL had agreed to transfer / sell one of its Tea Estate viz, Sonajuli Tea Estate ('Tea Estate') into SPPL for an agreed consideration of Rs. 1251.00 lacs. The purchase price of the Tea Estate was arrived as per negotiation between the parties to the agreement and has not been independently valued. Our Company on 1<sup>st</sup> April, 2013 had entered into an agreement with SPPL for acquiring the Tea Estate from SPPL once the same is transferred to it by HTCL. The Tea Estate was mortgaged with Bank of Baroda as collateral security for loan obtained by HTCL. Subsequently, one of our Promoter Group Company, Sudhir Credit Private Limited ('SCPL') had approached Bank of Baroda and agreed to takeover the loan of HTCL outstanding with the Bank of Baroda for an aggregate consideration of Rs. 1350.00 lacs in lieu of release of mortgage on the Tea Estate and assignment of the same in favor of SCPL. Bank of Baroda vide deed of assignment dated 18<sup>th</sup> June 2014 assigned the same in favor of SCPL. SCPL vide agreement dated 24<sup>th</sup> June 2014 had agreed to transfer the Tea estate to SPPL for an aggregate consideration of Rs. 1200.00 lacs. In this

regard our Company has advanced an unsecured interest free advance of Rs. 400.00 lacs to SPPL against purchase consideration of the said Tea Estate. HTCL had already provided the physical possession of the Tea Estate to SPPL and SPPL has started the operations at the Tea Estate w.e.f 26<sup>th</sup> May 2012. Our Company cannot comment on the timeframe within which the Tea Estate will be effectively transferred to it.


5. ***Our top ten clients contribute approximately 46.16% of our revenues for the Financial Year ended 31<sup>st</sup> March 2014. Any loss of business from one or more of them may adversely affect our revenues and profitability***

Our top ten (10) clients contribute approximately 46.16% of our revenues for the financial year ended 31<sup>st</sup> March 2014. Any decline in our quality standards, growing competition and any change in the demand for our products by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business from these customers, and loss of business from any of them may adversely affect our revenues and profitability. However the composition and revenue generated from these clients might change as we continue to add new clients in normal course of business. We intend to retain our customers by offering solutions to address specific logistics needs in a proactive, cost effective and time efficient manner.

6. ***Our operations are significantly located in the eastern region and failure to expand our operations may restrict our growth and adversely affect our business***

Since our incorporation we have carried our business only in the Eastern India and hence all our revenues are generated from operations in this region only. In the event that demand for Agrochemicals activities in general reduces or stops by any reason including political discord or instability or change in policies of State, then our financial condition and operating results may be materially and adversely affected.

7. ***Our Company is planning to get its logo registered. If we fail to obtain trademark registration our brand building efforts may be hampered which might lead to an adverse effect on our business***

We will be applying for registration of our Logo  under the Trademarks Act, 1999. If our Company is unable to obtain registration of trademark, it may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks. This could have a material adverse effect on our business, which in turn could adversely affect our results of operations.

8. ***The Objects of the Issue for which funds are being raised, are based on our management estimates and the same have not been appraised by any bank or financial institution or any independent agency. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles "Objects of the Issue".***

The fund requirement and deployment, as mentioned in the "Objects of the Issue" on page 56 of this Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated on page 56 under chapter "Objects of the Issue" is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency.

Further, we cannot assure that the actual costs or schedule of implementation as stated on page 56 under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**9. Possible Conflict of Interest with our Group Firm i.e. Jai Trading Company may affect implementation of our business strategy.**

Our Promoters, Mr. Rakesh Sirohia, Mr. Rajesh Sirohia Mr. Rajat Sirohia and Mr. Jitendra Sirohia are presently partners holding equal shares in M/s. Jai Trading Company which is also engaged in business similar to that of our Company. This may result in a conflict of interest with respect to business strategies of our Company. Further, neither our Promoters nor the members of our Promoter Group have undertaken to refrain from competing with our business. None of the Promoters or members of the Promoter Group are obligated to direct any opportunities in the financial services sector to us. In addition, new business opportunities may be directed to the affiliated firm instead of our Company. Hence, there will be common pursuits between us and above mentioned firm which may result in a conflict of interest with our Company which may affect our results of operations.

**10. The Registered office of our Company is not owned by us.**

The Registered Office of our Company is not owned by us and same is the property of M/s. HTC Trading Private Limited (formerly known as Hind Trading Company), which is forming part of Promoters Group Companies Our Company has not entered into any leave and license agreement with M/s. HTC Trading Private Limited for using the said premise. In the event the arrangement is not continued, there may be disruption in our business activities and which in turn may adversely affect the profitability of our Company.

**11. We have not identified any alternate source of financing the ‘Objects of the Issue’. If we fail to mobilize resources as per our plans, our growth plans may be affected.**

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” on page 56 of this Prospectus.

**12. Our Promoter/ Promoter Group Companies have incurred losses in the past.**

Our Promoter M/s. Ruttonpore Tea Company Private Limited and several other Group Companies had incurred losses in the past. The details of profit/ loss of our Promoter Group Companies in last three (3) financial years are as under:

Particulars	Profit/(Loss) After Tax (Rs. in Lacs)		
	31 Mar- 13	31 Mar- 12	31 Mar- 11
Ruttonpore Tea Company Private Limited	(0.32)	0.44	0.34
Maheshpur Tea & Industries Private Limited	31.02	(72.00)	(60.85)
Silver Leaf Tea Private Limited	(22.71)	0.17	(0.18)
Jitendra Vyapaar Private Limited	(0.10)	0.03	(0.00)
Sonajuli Plantations Private Limited	(73.05)	0.09	0.06
The Mekhlipara Tea Company Private Limited	(0.09)	7.09	(11.98)
Tinkharia Tea Private Limited	(0.51)	0.80	(0.35)

Particulars	Profit/(Loss) After Tax (Rs. in Lacs)		
	31 Mar- 13	31 Mar- 12	31 Mar- 11
Dhullie Tea Plantations Private Limited	0.24	0.21	(0.26)
Dibrudarrang Tea Private Limited	(0.03)	(0.01)	(0.04)
Asom Properties Private Limited	(0.04)	0.10	(0.07)
Siliguri Developers Private Limited	(0.67)	0.59	(0.77)
Nirmala Tie-up Private Limited	(0.06)	0.27	0.79
Rajat Vyapaar Private Limited	(0.39)	0.55	0.58

**13. Our Company has negative cash flows from Operating, Investing and Financing Activities during the financial year 2009, 2010, 2011, 2012 and 2013. The details of which are as follows:-**

Cash flows from	31.03.2013	31.03.2012	31.03.2011	31.03.2010	(Rs in Lacs) 31.03.2009
	12Months (Audited)	12Months (Audited)	12Months (Audited)	12Months (Audited)	12 Months (Audited)
Operating activities	(1629.45)	(75.28)	(86.76)	92.36	(116.40)
Investing Activities	(10.03)	(0.16)	(0.12)	(5.23)	(0.99)
Financing Activities	(2.28)	(64.92)	11.39	(59.14)	103.53

If the negative cash flow trend persists in future, our Company may not be able to generate sufficient amount of cash flow to finance our Company's working capital requirements. For further details, please refer to "Statement of Cash Flow" as stated on page 31 under section titled 'Summary of our Financial Statement' of this Prospectus.

**14. We face intense competition in our businesses, which may limit our growth and prospects**

Our Company faces significant competition from various companies engaged in the similar line of activities of that of our Company. For further details, please refer to the para 'Competition' under the chapter titled "Our Business" on page 77 of the Prospectus. We compete on the basis of a number of factors, including on time execution, patronage of long standing relationship with clients and suppliers and competitive pricing with liberal credit policy.

Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history;
- Greater brand recognition among consumers;
- Larger customer base in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

**15. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.**

Our Company's Articles of Association, regulations of our Board of Directors and Indian law govern our Company's corporate affairs. Legal principles relating to these matters and the validity of



corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in an Indian company than as a shareholder of a corporation in another jurisdiction.

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

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

***17. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all, which could result in the delay or abandonment of any of our business development plans and this may affect our business and future results of operations.***

Our growth is dependent on our having a strong balance sheet to support our activities. We may need to raise additional capital from time to time, which we may not be able to procure. We have, in the past, relied on our Promoters and Promoter Group to assist us in funding our expansion which may not necessarily be available in the future. We may require additional funds in connection with future business expansion and development initiatives. In addition to the net proceeds of this offering and our internally generated cash flow, we may need additional sources of funding to meet these requirements, which may include entering into new debt facilities with lending institutions or raising additional debt in the capital markets. If we decide to raise additional fund through further equity offerings in the future and any fresh issue of shares or convertible securities would dilute existing holdings. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of any of our business development plans and this may affect our business and future results of operations.

***18. Our inability to manage growth could disrupt our business and reduce our profitability.***

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses, as well as the development of our new business streams. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial

environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

***19. We have not entered into any long term supply agreement with our vendors/ suppliers which may adversely affect our results of operations.***

We do not have any written agreements with our vendors/ suppliers and operate on a purchasing order mechanism. Due to absence of any formal contract with our vendors/ suppliers, we are exposed to risks of irregular supplies or no supplies at all and delayed supplies which would further affect our result of operations. Further our top 10 suppliers contribute more than 82% of the total purchases made during the Financial Year ended 31<sup>st</sup> March 2014.

***20. Our insurance coverage may not adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.***

We have maintained insurance coverage of our assets and accident policies to the tune of Rs. 78.73 Lacs as specified in section titled Insurance Policies on page 79 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.

***21. We have high working capital requirements for our business operations. In case of our inability to obtain the requisite additional working capital facilities from the proposed IPO proceeds, our internal accruals/cash flows would be adversely affected, and consequently our operations, revenue and profitability.***

Our business requires a substantial amount of working capital for our business operations. We would require additional working capital facilities in the future to satisfy our working capital need which is proposed to be met through the IPO proceeds. In case of our inability to obtain the requisite additional working capital finance, our internal accruals/cash flows would be adversely affected to that extent, and consequently affect our operations, revenue and profitability.

***22. We may not be able to sustain effective implementation of our business and growth strategies.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We may not be able to execute our strategies in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long-term business outlook.

***23. Our Promoters and Promoters Group will continue to hold a majority of our Equity Shares after the Issue and can significantly determine the outcome of shareholder voting and influence our corporate actions and our operations.***

Following the completion of the Issue, our Promoters and Promoter Group will own an aggregate of 45.13% of our issued and paid-up Equity Share capital. So long as they will hold a majority of our Equity Shares they will continue to have, considerable influence over our business and may take

actions that do not reflect the will or best interests of the other shareholders and will be able to control the outcome of any proposal that can be passed with a majority shareholder vote. The Promoters along with other Promoter Group entities have the ability to block any resolution by our shareholders, including the alterations of the Articles of Association, issuance of additional shares of capital stock, commencement of any new line of business and similar significant matters. The Promoters will be able to control most matters affecting us, including the appointment and removal of officers, our business strategies and policies, dividend payouts and capital structure and financing. The Promoters and Promoter group will also continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests and/or the interests of our minority shareholders, and there can be no assurance that such actions will not have an adverse effect on our future financial performance and the price of our Equity Shares. For further details, see the chapters titled "Capital Structure", "History and Certain Corporate Information", "Our Promoters and Promoter Group" on page nos. 41, 85 and 101 respectively of this Prospectus.

***24. Our Promoters and Directors may be deemed to be interested in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoter and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or person forming part of Promoter Group, and benefits deriving from their directorship in our Company. Our Promoter is interested in the transactions entered into between our Company and himself as well as between our Company and our Promoter Group. For further details, please refer to the chapters titled "Our Business – Our Properties" and "Our Promoters and Promoter group- Interest of the Promoters" on page nos. 79 and 105 respectively and the chapter titled "Related Party Transactions" on page 116 of this Prospectus.

***25. Our Company has entered into certain related party transactions.***

Our Company has entered into certain transactions with related parties, including our Promoters and Promoter Group. Such transactions or any future transactions with our related parties may potentially involve conflicts of interest and impose certain liabilities on our Company. For more details, please refer to chapter titled "Related Party Transactions" on page 116 of the Prospectus.

***26. Our success depends in large part upon our management team and skilled personnel and our ability to attract and retain such persons.***

We are highly dependent on our senior management, our Directors and other Key Personnel. Our future performance will depend upon the continued services of these persons. The loss of any of the members of our senior management, our directors or other key personnel may adversely affect our results of operations and financial condition. Competition in the financial services industry for senior management and qualified employees is intense. Our continued ability to compete effectively in our businesses depends on our ability to attract new employees and to retain and motivate our existing employees. Our inability to hire and retain such employees could adversely affect our business.

***27. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors***

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we will have distributable funds in future periods. We have not paid any dividend in past.

***28. Product defects could adversely affect our business***

The products in which Our Company trades undergoes various stringent quality control checks before being packed for sale, but there still may be containing defect/ undesirable characters that may be difficult to detect with the available methods and tools at our disposal, prior to their sale and use. Since our fertilizers/ pesticides are used by farmers for commercial production, any quality defects therein would directly affect the earnings of Our Company. Irrespective of the quality of the fertilizers/ pesticides, farmers may claim poor crop yields in one or more season alleging defects in products, which may not exist or may be exaggerated, and seek to claim damages/ compensation from us on that ground.

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

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

***30. 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.

**EXTERNAL RISK FACTORS**

***31. Our growth is dependent on the Indian economy. Any downturn in the Indian economy may affect our ability to raise debt financing, may lead to increased cost of financing or adversely affect the terms of financing***

Our performance and the growth of our business are dependent on the performance of the Indian economy. India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting food and agriculture, commodity and electricity prices or various other factors. A slowdown in the Indian economy could adversely affect our business, including its ability to implement our strategy. The Indian economy is currently in a state of transition and it is difficult to predict the impact of certain fundamental economic changes upon our business. Conditions outside India, such as slowdowns in the economic growth of other countries or increases in the price of oil, have an impact on the growth of the Indian economy, and Government policy may change in response to such conditions. While recent Governments have been keen on encouraging private participation in the industrial sector, any adverse change in policy could result in a slowdown of the Indian economy. Additionally, these policies will need continued support from stable regulatory regimes that stimulate and encourage the investment of private capital into industrial development. Any downturn in the macroeconomic environment could have an adverse effect on our results of operations and financial condition.

***32. Global Recession and market conditions could cause our business to suffer***

The developed economies of the world viz. U.S., Europe, Japan and others are in midst of recovering from recession which is affecting the economic condition and markets of not only these economies but also the economies of the emerging markets like Brazil, Russia, India and China. General business and consumer sentiment has been adversely affected due to the global slowdown and there cannot be assurance, whether these developed economies will see good economic growth in the near future.

***33. Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business***

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of the Equity Shares may be affected by change in interest rates, changes in government policy, taxation, social and civil unrest and political, economic or other developments in or affecting India. A significant change in the Government policies could affect business and economic conditions in India and could also adversely affect our business.

***34. Our business and financial performance is particularly vulnerable to interest rate risk***

Our business is vulnerable to interest rate risk as it affects willingness of our customers to borrow funds. Any adverse movement in interest rates could materially and adversely affect our business and financial condition. Any inability on our part to retain customers as a result of rising interest rates may adversely impact our earnings in future periods, which could have an adverse effect on our business, prospects, financial condition and results of operations.

***35. The performance of our financial services business may be adversely affected by changes in, or the regulatory policies of, the Indian national, state and local Governments***

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business and the business of certain of our subsidiaries, and the market price and liquidity of the Equity Shares may be affected by change in interest rates, changes in government policy, taxation, social and civil unrest and political, economic or other developments in or affecting India. Economic activity is also dependent upon the policy changes made by the Regulatory authorities. Our Company is part of the financial sector which is strongly coupled with the economic activity in the country. Although the Government has continued to deregulate the economy, there can be no guarantee that this would continue in the future. Any adverse effect of regulations on the economy may also lead to adverse effect on the operational performance of the company.

***36. Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. 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 if required and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

***37.If communal disturbances or riots erupt in India, or if regional hostilities increase, this would adversely affect the Indian economy and our business***

Some parts of India have experienced communal disturbances, terrorist attacks and riots during recent years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. The Asian region has, from time to time, experienced instances of civil unrest and hostilities among neighboring countries. Since May 1999, military confrontations between countries have occurred in Kashmir. The hostilities between India and its neighboring countries are particularly threatening because India and certain of its neighbors possess nuclear weapons. Hostilities and tensions may occur in the future and on a wider scale. Also, since 2003, there have been military hostilities and continuing civil unrest and instability in Iraq, Afghanistan and other countries in the Indian sub-continent. In July 2006 and November 2008, terrorist attacks in Mumbai resulted in numerous casualties. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares.

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

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

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

***39.The price of the Equity Shares may be highly volatile, which could result in substantial losses for investors acquiring the Equity Shares in the Issue***

The market price of our Equity Shares may be volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- volatility in the Indian and global securities market or in the value of the Rupee relative to the U.S. dollar, the Euro and other foreign currencies;
- our profitability and performance;
- changes in financial analysts' estimates of our performance or recommendations;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in the financial services industry;
- adverse media reports about us or the Indian financial services sector;
- significant developments in India's economic liberalization and deregulation policies;
- significant developments in India's fiscal and environmental regulations;
- economic developments in India and in other countries; and
- any other political or economic fears.

## PROMINENT NOTES TO THE RISK FACTORS:

### 1. Size of The Issue

Public Issue of 30,00,000 Equity Shares of Rs. 10/- each (the "Equity Shares") for cash at a price of Rs. 12/- each per Equity Share (issued at 1.2 times the Face value) aggregating to Rs. 360.00 Lacs ("the issue") by Sirohia & Sons Limited ("SSL" or the "Company" or the "Issuer").

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

Name of the Promoters	No. of Shares held	Average Cost of acquisition (Rs.)*
Mr. Rakesh Sirohia	50,040	2.50
Mr. Rajat Sirohia	1,00,000	2.50
Mr. Jitendra Sirohia	10	10.00
Mr. Rajesh Sirohia	10	10.00
Ruttonpore Tea Company Private Limited	38,48,200	40.00

\*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. For more information, please refer to the section titled "Capital Structure" on page 41.

- Our Net worth as on 31<sup>st</sup> March, 2014 is Rs. 2209.89 Lacs as per Restated Financial Statements.
- The Book Value per share as on 31<sup>st</sup> March, 2014 is Rs. 30.46 as per Restated Financial Statements.
- At present, one of our group entities i.e. M/s. Jai Trading Company are carrying out activities, which conflict with our business. For more details, please refer "Common Pursuits" on page 105 of this Prospectus.
- For details of the transactions between our Company and our Group Companies please refer chapter titled "Auditors Report on Restated Financial Information – Statement of Related Party Transactions" on page 131 of this Prospectus.
- Our Company was originally incorporated in Kolkata as "Sirohia & Sons Private Limited" on 28th May, 1990 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, West Bengal. Our Company was subsequently converted in to a Public Limited Company and consequently name was changed to "Sirohia & Sons Limited " vide fresh certificate of incorporation dated 18th June, 2013 issued by the Registrar of Companies, West Bengal.
- 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 "Issue Procedure- Basis of Allotment" on page 173 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.
- 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.
- 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.

11. During the period of six months immediately preceding the date of filing of this Prospectus, no financing arrangements existed whereby the Promoters, Promoter Group, Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.



## SECTION III: INTRODUCTION

### SUMMARY OF THE INDUSTRY

*The information presented in this section, some of which is produced elsewhere in this Prospectus, has been extracted and analyzed from publicly available documents and reports prepared or published by regulatory bodies, professional organizations and other external sources such as websites of various commodity exchanges. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates, and should therefore be regarded as indicative only and treated with appropriate caution. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them.*

#### Overview

India's agrochemicals (Pesticides) consumption is one of the lowest in the world with per hectare consumption of just 0.58 Kg compared to US (4.5 Kg/ha) and Japan (10.8 Kg/ha). Whereas India's chemical fertilizer consumption (~144 Kg/ ha) is higher than global average (~122 Kg/ ha). In India, paddy accounts for the maximum share of pesticide consumption, around 28%, followed by cotton (20%).

The scenario which is likely to unfold is that India's incremental consumption for fertilizer is going to tone down while incremental consumption of agrochemicals is expected to grow with any additional income of farmers being spent on agrochemicals and not fertilizers.

Besides increasing in domestic consumption, the exports by the Indian Agrochemicals Industry can be doubled in the next five years if proper strategies and sophisticated technologies are adopted by the industry.

In India, there are about 125 technical grade manufacturers (10 multinationals), 800 formulators, over 145,000 distributors. 60 technical grade pesticides are being manufactured indigenously. Technical grade manufacturers sell high purity chemicals in bulk (generally in drums of 200-250 Kg) to formulators. Formulators, in turn, prepare formulations by adding inert carriers, solvents, surface active agents, deodorants etc. These formulations are packed for retail sale and bought by the farmers.

The Indian agrochemicals market is characterized by low capacity utilization. The total installed capacity in FY11 was 146,000 tons and total production was 87,000 tons leading to a low capacity utilization of ~60%. The demand is also seasonal. India due to its inherent strength of low-cost manufacturing and qualified low-cost manpower is a net exporter of pesticides to countries such as USA and some European & African countries. Exports formed ~47% of total industry turnover in FY11.

(Source: [www.ficci.com](http://www.ficci.com))

India produces 90,000 metric tones of pesticides a year. India's pesticide industry is the largest in Asia and the twelfth largest in the world. With over 400 million acres under cultivation and over 60% of the country's population dependent on agriculture, the country's economy depends on the agricultural sector to a substantial extent.

India loses nearly 30% of its potential crop to insects, weeds and rodent attacks. The Pesticides/Crop Protection/Agrochemicals industry plays a crucial role in protecting crops from damage by weeds, pests, insects and fungus, both before and after harvest. This helps to increase crop yields, which is important given the rate at which cultivable land is shrinking.

Pesticides, also referred to as agrochemicals, are chemical compounds used for crop protection. The industry manufactures two main types of products: a) technical grade pesticides (the basic concentrated chemical compound) and b) formulations from these technical grade pesticides (the usable form of pesticides). Technical grade pesticides are both manufactured locally as well as imported.

(Source: [http://www.researchandmarkets.com/reports/54548/pesticides\\_industry\\_in\\_india](http://www.researchandmarkets.com/reports/54548/pesticides_industry_in_india))

Cotton and paddy are the major crops where pesticides consumption is 50% and 18%, respectively. Fruits and vegetables account for the significant share of agrochemicals. Cotton covers only 5% of the cropped area but accounts for 50% of pesticides. Rice is grown over 24% of the cropped area consume 18% of the pesticides. The fruits, vegetables account for 18% cropped areas, while cereals, millets and oilseeds cover 58% areas. Sugarcane uses 2% of the pesticides and other crops grown over 6% of the cropped area account for 1% only.

The per capita consumption of pesticides in India is 0.6 Kg/ha which is the lowest in the world. The per capita pesticide consumption in China and USA is 13 Kg/ha and 7 Kg/ha, respectively. The main reason for low per capita consumption of pesticides in India is low purchasing power of farmers and small land holdings. The majority of agricultural farm land belongs to Marginal farmers but maximum contribution to the produce is also from marginal farmers. The large scale farming is increasing and therefore, there is good scope for increase of per capita consumption of pesticides in India.

(Source- <http://news.agropages.com/News/NewsDetail---10649.htm>)

## SUMMARY OF OUR BUSINESS

*In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Sirohia & Sons 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 10 and "Industry Overview" on page 74 of the Prospectus.*

### BUSINESS OVERVIEW

Our Company was originally incorporated in Kolkata as "Sirohia & Sons Private Limited" on 28th May, 1990 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, West Bengal. Our Company was subsequently converted in to a public limited company and consequently name was changed to "Sirohia & Sons Limited " vide fresh certificate of incorporation dated 18th June, 2013 issued by the Registrar of Companies, West Bengal. For further details in relation to the changes to the name of our Company, please refer to the section titled "History and Certain Corporate Information" beginning on page 85 of this Prospectus.

Since incorporation we are engaged in the business of dealing in fertilizers and pesticides catering to primarily to Tea Industry located in the North East region of the Country particularly the state of Assam and West Bengal. We receive orders of the specific fertilizers and pesticides required by the Tea Estates through our direct marketing and procure them from the manufacturers which are mostly multinational companies like BASF India Limited Bayer Cropscience India Limited, Biostadt India Limited, DIC India Limited etc,. Fertilizers and Pesticides are very important ingredient for Tea and other plantation and they protect the crop from the weeds and increase productivity. Some of the products which we deal in are as under:

- DELTAMETHREINE
- CYPERMETHRIN
- BACILLUS
- THIACLOPRID
- METHOMYL

### LOCATION:

We are currently operating from the following premises:

Type of facility	Location
Registered Office	16 Bonfields Lane, Kolkata- 700 001
Corporate Office	6, Bishop Lefroy Road, 4th Floor, Suite No.: 19, Kolkata- 700 020
Godown/ Warehouse/ Branch	Premtala Road, P.O. Silchar- 1, District: Cachar, Assam

### OUR COMPETITIVE STRENGTHS

#### ➤ Experience of our Promoters:

All our individual promoters are experienced and qualified in the field of supplying of materials like agrochemicals, fertilizers, etc. and have inculcated an ethical and transparent business practice, cost effective financial solution to the customers & contributed in the growth of our Company. Our company feels that the strength of any successful organization lies in the experience and guidance of its team leaders and staff alike. A lot of care is taken in choosing the right people for the right job. It has been only

due to the highly empathetic management style that our Promoters have developed over the years. Our company provides an environment that induces an employee as an entrepreneur in his own work area.

➤ **Strategic location of our Storage unit**

We believe that the strategic location of our storage unit / Godown allows us to cater to a larger consumer base, reduce logistic costs and achieve economies of scale. Our godown is located at Premtala Road, P.O. Silchar- 1, District: Cachar, Assam having location advantage allows lower procurement costs.

➤ **Strong Customer Base**

Our Company has strong customer base in the local as well as interstate market. Over a period of time, our Company has built-up a track record for timely delivery of required products. Our marketing team interacts with the customers, understands their requirements and procures the products as per their requirements. Our Company has been able to retain customers and further strengthen the relationship by providing them end-to-end solutions for their requirements.

➤ **Distributorship of renowned Multinational Companies :**

- American Spring & Pressing Works Limited
- Bayer Cropscience India Limited
- Aspee Plant Protection App. Private Limited
- DIC India Limited
- Excel Corp Care Limited
- Chemtura Chemicals India Limited
- Indian Potash Limited
- Rallis India Limited
- Brahmaputra Valley Fertilizers & Chemicals Limited
- United Phosphorus Limited
- Atul Limited

➤ **Continue to develop client relationships**

We plan to grow our business primarily by growing the number of client relationships, as we believe that increased client relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients.

## **SWOT**

### **Strengths**

- Experienced Promoters and Management team
- Cordial relationship with Customers

### **Weaknesses**

- Limited geographical coverage
- Dependent upon growth in Agrochemicals industry
- Dependence upon existing Customers for our business

## **Opportunities**

- Establishment of market in neighboring states
- Potential to increase the business in the existing facility

## **Threats**

- Industry is prone to change in government policies
- There are no entry barriers in our industry which puts us to the threat of competition from new entrants.

## SUMMARY OF OUR FINANCIAL STATEMENT

The following tables set forth the summary financial information derived from our restated financial statements for the Fiscal Years 2014, 2013, 2012, 2011 and 2010. Our restated financial statements have been prepared in accordance with accounting policies as prescribed under the Accounting Standards issued by ICAI and the SEBI (ICDR) Regulations, 2009 and are presented in the section titled “Financial Information” on page 117 of this Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements and the notes thereto.

### SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs in Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
<b>(1) Equity &amp; Liability</b>					
Shareholders Fund					
(a) Share Capital	725.51	675.85	78.03	74.52	74.52
(b) Reserves & Surplus	1484.38	1368.92	176.09	164.43	159.60
<b>(2) Share Application money pending allotment</b>	0.00	81.00	0.00	0.00	0.00
<b>(3) Non Current Liabilities</b>	-	-	-	-	-
<b>(4) Current Liabilities</b>					
(a) Short term borrowings	18.43	72.81	310.07	761.50	663.23
(b) Trade Payables	89.08	254.84	192.18	0.31	0.43
(c) Other Current Liabilities	1.58	52.98	4.51	2.86	2.89
(d) Short term provisions	6.18	5.56	2.16	5.34	20.30
<b>Total</b>	<b>2325.16</b>	<b>2511.96</b>	<b>763.04</b>	<b>1008.96</b>	<b>920.97</b>
<b>(5) Non Current Assets</b>					
(a) Fixed Assets	3.63	4.41	5.48	6.82	8.68
(b) Non Current Investments	0.00	0.00	0.00	0.00	0.00
(c) Long Term Loans and Advances	0.00	0.00	0.00	0.00	0.00
(d) Deferred Tax Assets	0.69	0.70	0.68	0.62	0.49
(e) Other Non Current Assets	5.30	9.46	9.80	9.81	8.18
<b>(6) Current Assets</b>					
(a) Current Investments	0.00	0.00	0.00	0.00	0.00
(b) Inventories	55.12	232.09	21.58	100.18	165.86
(c) Trade receivables	252.47	743.39	664.65	689.09	568.60
(d) Cash and Bank balances	85.16	51.10	53.38	118.30	106.91
(e) Short term Loans & Advances	1922.67	1470.71	7.33	83.86	62.05
(f) Other Current Assets	0.12	0.10	0.14	0.28	0.20
<b>Total</b>	<b>2325.16</b>	<b>2511.96</b>	<b>763.04</b>	<b>1008.96</b>	<b>920.97</b>

**SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED**

(Rs in Lacs)

<b>Particulars</b>	<b>31.03.14</b>	<b>31.03.13</b>	<b>31.03.12</b>	<b>31.03.11</b>	<b>31.03.10</b>
<b>Income</b>					
Sales	1146.37	1686.21	2283.66	2469.49	2253.88
Commission	0.37	0.22	1.26	0.00	0.00
Interest Income	2.47	2.69	4.58	2.87	10.79
Miscellaneous Income	0.50	0.00	0.00	3.29	1.29
<b>Total Income (A)</b>	<b>1149.71</b>	<b>1689.12</b>	<b>2289.50</b>	<b>2475.65</b>	<b>2265.96</b>
<b>Expenditure</b>					
Cost of Goods Sold	1048.72	1619.07	2210.05	2387.22	2178.06
Employee's Cost	29.08	19.72	13.84	13.36	10.18
Administration Expenses	46.49	18.03	14.44	19.52	20.96
Preliminary expenditure w/off	0.00	0.00	0.01	0.00	0.00
<b>Total Expenditure (B)</b>	<b>1124.29</b>	<b>1656.82</b>	<b>2238.34</b>	<b>2420.10</b>	<b>2209.20</b>
Profit before Depreciation, Interest and Tax (C) = (A) – (B)	<b>25.42</b>	<b>32.30</b>	<b>51.16</b>	<b>55.55</b>	<b>56.76</b>
Depreciation (D)	0.78	1.08	1.47	1.98	2.18
<b>Profit before Interest &amp; Tax (E) = (C) – (D)</b>	<b>24.64</b>	<b>31.22</b>	<b>49.69</b>	<b>53.57</b>	<b>54.58</b>
Interest & Finance Charges (F)	4.60	20.30	42.88	45.88	45.53
<b>Net Profit before Tax (G) = (E) – (F)</b>	<b>20.04</b>	<b>10.92</b>	<b>6.81</b>	<b>7.69</b>	<b>9.05</b>
Less: Provision for Tax-Current Tax	6.18	3.40	2.17	2.51	2.84
Deferred Tax	0.01	(0.02)	(0.06)	(0.13)	(0.04)
Fringe Benefit Tax	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.48	0.13
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>13.85</b>	<b>7.54</b>	<b>4.70</b>	<b>4.83</b>	<b>6.12</b>
Extraordinary Item (Net of Tax)	0.31	0.00	0.00	0.00	0.00
<b>Net Profit After Extraordinary Items</b>	<b>13.54</b>	<b>7.54</b>	<b>4.70</b>	<b>4.83</b>	<b>6.12</b>

# SUMMARY STATEMENT OF CASH FLOW, AS RESTATED

(Rs in Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net profit before tax	20.04	10.92	6.81	7.69	9.05
Adjustment for:					
Add: Depreciation	0.78	1.08	1.47	1.98	2.18
Add: Income Tax Paid	(5.56)	0.00	0.00	(17.94)	(0.61)
Add: Exceptional / Prior Period Adjustments	(0.31)	0.00	0.00	0.00	0.00
Operating Profit before Working capital changes	<b>14.95</b>	<b>12.00</b>	<b>8.28</b>	<b>(8.27)</b>	<b>10.62</b>
Adjustments for:					
Decrease (Increase) in Current Assets	215.91	(1752.59)	179.70	(78.33)	154.85
Increase (Decrease) in Current Liabilities	(217.17)	111.14	(263.25)	(0.16)	(73.11)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>13.69</b>	<b>(1629.45)</b>	<b>(75.27)</b>	<b>(86.76)</b>	<b>92.36</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
(Purchase) / Sale of fixed assets	0.00	0.00	(0.13)	(0.12)	(5.23)
Other Non-Current Assets	6.77	(10.03)	(0.03)	0.00	0.00
<b>Net Cash Flow from Investing Activities (B)</b>	<b>6.77</b>	<b>(10.03)</b>	<b>(0.16)</b>	<b>(0.12)</b>	<b>(5.23)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Issue of share capital	49.66	597.82	3.51	0.00	0.00
Share Premium	99.32	1195.64	7.01	0.00	0.00
Share Application Money	(81.00)	81.00	0.00	0.00	0.00
Secured Loans Taken / (Repaid)	(39.83)	80.32	0.00	(31.89)	9.92
Unsecured Loans Taken/ (Repaid)	(14.55)	(317.58)	0.00	130.16	(156.19)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>13.60</b>	<b>1637.20</b>	<b>10.52</b>	<b>98.27</b>	<b>(146.27)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A) + (B) + (C)</b>	<b>34.06</b>	<b>(2.28)</b>	<b>(64.91)</b>	<b>11.39</b>	<b>(59.14)</b>



## THE ISSUE

### Present Issue to the Public in Terms of this Prospectus

Particulars	Number of Equity Shares
<b>Equity Shares Offered</b>	30,00,000 Equity Shares of Rs. 10/- each issued at 1.2 times the Face Value aggregating to Rs. 360.00 Lacs.
<b>Issue Reserved for Market Makers</b>	1,50,000 Equity Shares of Rs. 10/- each issued at 1.2 times the Face Value aggregating to Rs. 18.00 Lacs
<b>Net Issue to the Public</b>	28,50,000 Equity Shares of Rs. 10/- each issued at 1.2 times the Face Value aggregating to Rs. 342.00 Lacs of which: - Retail Investor Portion: 14,25,000 equity shares - Non Retail Investor Portion: 14,25,000 equity shares
<b>Equity Shares outstanding prior to the Issue</b>	72,55,092 Equity Shares of face value of Rs. 10/- each
<b>Equity Shares outstanding after the Issue</b>	1,02,55,092 Equity Shares of face value of Rs. 10/- each
<b>Objects of the Issue</b>	Please refer section titled “Objects of the Issue” on page 56 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 163 of this Prospectus.
- The Issue has been authorized by the Board of Directors of our Company vide a resolution passed at its meeting held on 10<sup>th</sup> January, 2014 and Extra Ordinary General Meeting held on 6<sup>th</sup> February 2014.

## GENERAL INFORMATION

### SIROHIA & SONS LIMITED

Our Company was originally incorporated in Kolkata as "Sirohia & Sons Private Limited" on 28th May, 1990 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, West Bengal. Our Company was subsequently converted in to a Public Limited Company and consequently name was changed to "Sirohia & Sons Limited" vide fresh certificate of incorporation dated 18th June, 2013 issued by the Registrar of Companies, West Bengal. Our Corporate Identification number is U51109WB1990PLC049105.

#### REGISTERED OFFICE & CORPORATE OFFICE:

***Registered Office:***

16 Bonfields Lane,

Kolkata- 700 001

West Bengal, India.

Telefax: +91-33-2242 6141

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

**E-Mail:-** [info@sirohia.com](mailto:info@sirohia.com)

***Corporate Office:***

6, Bishop Lefroy Road,

4th Floor, Suite no.- 19,

Kolkata- 700 020

Tel: +91-33-4017 0700

Fax: +91-33-4017 0701

**COMPANY REGISTRATION NUMBER:** 049105

**COMPANY IDENTIFICATION NUMBER:** U51109WB1990PLC049105

#### ADDRESS OF REGISTRAR OF COMPANIES

**Registrar of Companies, West Bengal,**

Nizam Palace, 2nd MSO Building

2nd Floor, 234/4, A.J.C.B. Road

Kolkata- 700 020

Tel: 033-2287 7390 Fax: 033-22903795

Email Id- [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 "History and Certain Corporate Information" beginning on page 85 of this Prospectus.

## BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

Name	Designation	DIN	Address	Nature of Directorship
Mr. Rakesh Sirohia	Managing Director	00228967	2 Clyde Row, Hastings, Kolkata- 700 022	Promoter- Executive Director
Mr. Rajesh Sirohia	Director	00356431	16, Bonfields Lane, 2 <sup>nd</sup> Floor, Kolkata- 700 001	Promoter- Non Executive Director
Mr. Rajat Sirohia	Whole-time Director	00244597	2 Clyde Row, Hastings, Kolkata- 700 022	Promoter- Executive Director
Mr. Jitendra Sirohia	Director	00244740	2 Clyde Row, Hastings, Kolkata- 700 022	Promoter- Non Executive Director
Mr. Debjit Banerjee	Additional Director	06636323	P-1, Unique Park, Kolkata Municipal Corporation, Behala, Kolkata- 700 034	Independent Director
Ms. Richa Choudhary	Additional Director	06648795	Baghmara Bazar, near Thakurbari Mandir, Dhanbad- 828 306	Independent Director
Mr. Akhtar Khan	Additional Director	06710464	35/H/5, Palm Avenue, Kolkata- 700 019	Independent Director
Mr. Ajay Kumar Shaw	Additional Director	06785397	18/19, Dr Abani Dutta Road House, No. 9- 201, 15 Golabari, Howrah- 711 106	Independent Director

For further details of Management of our Company, please refer to section titled "*Our Management*" on page 88 of this Prospectus.

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Mr. Pratik Kanitkar**

6, Bishop Lefroy Road,  
4th Floor, Suite no.- 19,  
Kolkata- 700 020

Tel: +91-33-4017 0700

Fax: +91-33-4017 0701

Email: [cspratik.kanitkar@gmail.com](mailto:cspratik.kanitkar@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.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant. For all Issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

## **LEAD MANAGER**

### **VC CORPORATE ADVISORS PRIVATE LIMITED**

31, Ganesh Chandra Avenue,

2<sup>nd</sup> Floor, Suite No. 2C,

Kolkata – 700 013

**Tel:** (033) 2225 3940 / 4116

**Fax:** (033) 2225 3941

**Email:** [mail@vccorporate.com](mailto:mail@vccorporate.com)

**Contact Person:** Mr. Anup Kumar Sharma

**SEBI REGN NO:** INM000011096

## **REGISTRAR TO THE ISSUE**

### **ADROIT CORPORATE SERVICES PRIVATE LIMITED**

SEBI REGN No : INR000002227

(Contact Person: Surendra Gawade)

19/20, Jaferbhoy Industrial Estate,

Marol Naka, Andheri (East),

Mumbai - 400 059.

**Tel:** (022) 2859 0942/4442/6060,

**Fax:** (022) 2850 3748,

**E-mail:** [surendrag@adroitcorporate.com](mailto:surendrag@adroitcorporate.com)

## **LEGAL ADVISORS TO THE ISSUE**

### **Mr. N R Rao**

Advocate

607, Sharda Chambers,

15, New Marine Lines,

Mumbai- 400 020

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

## **STATUTORY AUDITORS**

### **M/s. Lahoti & Co., Chartered Accountants,**

14, Ganesh Chandra Avenue, 2<sup>nd</sup> Floor

Kolkata- 700 013.

**Tel :** +91-33-2225 9454/ 222237 2882

**Telefax :** NA

**E-mail:** [lahoti2associates@yahoo.com](mailto:lahoti2associates@yahoo.com)

**Contact Person:** Mr. Premsukh Lahoti

Firm Registration No. 306045E

Membership No. 017042

## **PEER REVIEW AUDITOR TO OUR COMPANY**

### **R S V A & Co. Chartered Accountants**

301, Rajdarshan Building 'B' wing,

Dada Patil Wadi, Thane (W)

Mumbai- 400 602  
Tel: (022) 2541 3925,  
Fax: (022) 2541 3951  
E-mail: [rsvathane@gmail.com](mailto:rsvathane@gmail.com)  
Contact Person: Mr. S M Kulkarni  
Firm Registration No. 11050W  
Membership No. 046285

#### **BANKER TO OUR COMPANY**

##### **Federal Bank**

4/1, Bhowanipore, Elgin Road,  
Lala Lajpat Rai Sarani  
Kolkata- 700 020  
Contact Number- (033) 2283 2416  
Fax Number: (033) 2283 2452  
Email Id: [calf@federalbank.co.in](mailto:calf@federalbank.co.in)

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

##### **HDFC BANK LIMITED**

I Think Techno Campus  
Level 0-3, Next to Kanjur Marg Railway Station  
Kanjur Marg (E), Mumbai – 400 042  
Attn: Mr. Uday Dixit  
Contact No.: +91-22 3075 2927/ 2928/ 2914  
Fax No.: +91-22 2579 9809/ 14  
Email: [uday.dixit@hdfcbank.com](mailto:uday.dixit@hdfcbank.com)

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

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (“ASBA”) Process are provided on <http://www.sebi.gov.in/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**

The present issue is not being appraised by any appraising agency.

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

Since VC Corporate Advisors Pvt. Ltd. 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 for (a) Peer Review Auditors reports on the restated financial statements by M/s. R S V A & Co. Chartered Accountants and (b) Statement of Tax Benefits by the statutory auditors, M/s. Lahoti & Co., Chartered Accountants, we have not obtained any other expert opinions.

## **UNDERWRITING AGREEMENT**

### **Underwriting**

This Issue is 100% Underwritten. An Underwriting agreement has been entered between the Underwriter and our Company on 4<sup>th</sup> April, 2014. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions specified therein. The Underwriter has indicated their intention to underwrite the following number of specified securities being offered through this Issue:

<b>Name and Address of the Underwriters</b>	<b>Indicative Number of Equity shares to be Underwritten</b>	<b>Amount Underwritten (Rupees In Lacs)</b>
<b>VC CORPORATE ADVISORS PRIVATE LIMITED</b> 31, Ganesh Chandra Avenue, 2 <sup>nd</sup> Floor, Suite No. 2C, Kolkata – 700 013 <b>Tel.:</b> - (033) 2225 3940 / 4116, <b>Fax.:</b> (033) 2225 3941 <b>Website:</b> <a href="http://www.vccorporate.com">www.vccorporate.com</a> <b>Email:</b> <a href="mailto:mail@vccorporate.com">mail@vccorporate.com</a> <b>Contact Person:</b> Mr. Anup Kumar Sharma <b>SEBI REGN NO.:</b> INM000011096	28,50,000	342.00
<b>INDO JATALIA SECURITIES PRIVATE LIMITED</b> 308, Lusa Tower, Azadpur, New Delhi- 110 033 <b>Tel.:</b> - (011) 4042 4242, <b>Fax.:</b> (011) 4042 4200 <b>Website:</b> <a href="http://www.indojatalia.in">www.indojatalia.in</a> <b>Email:</b> <a href="mailto:ravijain@indojatalia.com">ravijain@indojatalia.com</a> <b>Contact Person:</b> Mr. Ravi Raj Jain <b>SEBI REGN NO.:</b> INB011278133	1,50,000	18.00
<b>Total</b>	<b>30,00,000</b>	<b>360.00</b>

In the opinion of the Board of Directors of the Company (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriter is sufficient to enable them to discharge their underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI and is also eligible to underwrite as per applicable guideline.

#### **DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE**

Our company and the Lead Manager have entered into a tripartite agreement dated 4<sup>th</sup> April, 2014 with the following Market Maker, duly registered with BSE Limited to fulfill the obligations of Market Making:

##### **Indo Jatalia Private Limited**

##### **Registered Office Address:**

308, Lusa Tower,  
Azadpur,  
New Delhi- 110 033

**Tel No.:** (011) 4042 4242

**Fax No.:** (011) 4042 4200

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

**Email:** [ravijain@indojatalia.com](mailto:ravijain@indojatalia.com)

**Contact Person:** Mr. Ravi Raj Jain

**Sebi Regn No.:** INB011278133

**Market Maker Registration No. (SME Segment of BSE):** SMEMM0647604032014

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) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 4) 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.
- 5) 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 particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

6) 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.

7) The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.

8) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/ fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

9) 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.

10) 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(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

11) SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 25,000 Lakhs, the applicable price bands for the first day shall be:

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

Additionally, the trading shall take place in TFT (Trade for Trade) 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	Upto 50	9%
2	50 to 75	8%
3	75 to 100	6%
4	Above 100	5%

12) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Upto Rs. 20 crores	25%	24%
Rs. 20 crore to Rs. 50 crore	20%	24%
Rs. 50 crore to Rs. 80 crore	15%	14%
Above Rs. 80 crore	12%	11%

## 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>		
	1,08,00,000 Equity Shares of face value of Rs.10 each	1080.00	
<b>B.</b>	<b>Issued, subscribed and paid-up Equity Share Capital before the Issue</b>		
	72,55,092 Equity Shares of face value of Rs. 10 each	725.51	
<b>C.</b>	<b>Present Issue in terms of the Prospectus *</b>		
	Issue of 30,00,000 Equity Shares of Rs. 10 each at 1.2 times the Face Value	300.00	360.00
	<b>which comprises</b>		
	1,50,000 Equity Shares of Rs. 10/- each at 1.2 times the Face Value per Equity Share reserved as Market Maker Portion	15.00	18.00
	Net Issue to Public of 28,50,000 Equity Shares of Rs. 10/- each at par per Equity Share to the Public	285.00	342.00
	<b>Of which</b>		
	14,25,000 Equity Shares of Rs.10/- each at par per Equity Share will be available for allocation for Investors of upto Rs. 2.00 Lacs	142.50	171.00
	14,25,000 Equity Shares of Rs. 10/- each at par per Equity Share will be available for allocation for Investors of above Rs. 2.00 Lacs	142.50	171.00
<b>D.</b>	<b>Issued, Subscribed and Paid up share Equity capital after the Issue</b>		
	1,02,55,092 Equity Shares of Rs. 10 each	1025.51	
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		<b>1400.39</b>
	After the Issue		<b>1460.39</b>

*\*This Issue has been authorized by the Board of Directors pursuant to a board resolution dated 10<sup>th</sup> January, 2014 and by the shareholders of our Company pursuant to a special resolution dated 6<sup>th</sup> February, 2014 passed at the EGM of shareholders under section 81 (1A) of the Companies Act, 1956.*

*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 (Equity shares of Rs. 10 each)		Date of Shareholders' Meeting	Meeting AGM/EGM
	From	To		
1	-	50,000	-	Incorporation
2	50,000	1,50,000	19 <sup>th</sup> November, 1990	EGM
3	1,50,000	3,00,000	20 <sup>th</sup> April, 1994	EGM
4	3,00,000	4,00,000	3 <sup>rd</sup> April, 1995	EGM
5	4,00,000	7,50,000	27 <sup>th</sup> September, 1996	EGM
6	7,50,000	8,00,000	12 <sup>th</sup> December, 2011	EGM
7	8,00,000	1,08,00,000	29 <sup>th</sup> November, 2012	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 other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
28.05.1990	20	10	10	Cash	Subscription to Memorandum (i)	20	200	---
08.10.1990	49,900	10	10	Cash	Allotment (ii)	49,920	4,99,200	---
25.03.1993	50,100	10	10	Cash	Allotment (iii)	1,00,020	10,00,200	---
18.07.1994	40,000	10	10	Cash	Allotment (iv)	1,40,020	14,00,200	---
11.09.1994	40,000	10	10	Cash	Allotment (v)	1,80,020	18,00,200	---
08.05.1995	1,00,000	10	10	Cash	Allotment (vi)	2,80,020	28,00,200	---
29.03.1996	70,000	10	10	Cash	Allotment (vii)	3,50,020	35,00,200	---
29.03.1997	1,49,000	10	10	Cash	Allotment (viii)	4,99,020	49,90,200	---
07.02.2000 & 26.02.2000	150 & 10	10	10	Cash	Allotment (ix)	4,99,180	49,91,800	---
07.12.2002	20	10	10	Cash	Allotment (x)	4,99,200	49,92,000	---
24.03.2003	1,00,000	10	50	Cash	Allotment (xi)	5,99,200	59,92,000	40,00,000
31.03.2005	60,000	10	50	Cash	Allotment (xii)	6,59,200	65,92,000	64,00,000
15.12.2006	86,000	10	50	Cash	Allotment (xiii)	7,45,200	74,52,000	98,40,000
31.03.2008	36	10	50	Cash	Allotment (xiv)	7,45,236	74,52,360	98,41,440
31.12.2011	35056	10	30	Cash	Allotment (xv)	7,80,292	78,02,920	1,05,42,560
18.01.2013	35,58,200	10	30	Cash	Allotment (xvi)	43,38,492	4,33,84,920	8,17,06,560
30.03.2013	24,20,000	10	30	Cash	Allotment (xvii)	67,58,492	6,75,84,920	13,01,06,560
04.04.2013	4,96,600	10	30	Cash	Allotment (xviii)	72,55,092	7,25,50,920	14,00,38,560

- (i) Initial Allotment of 20 Equity Shares to the subscribers of the MOA of the Company to the following allottees:

S. No.	Name of the Allottee	Number of Shares
1.	Rakesh Sirohia	10
2.	Prakash Sirohia	10

- (ii) Further allotment of 49,900 Equity Shares to the following allottees:

S. No.	Name of the Allottee	Number of Shares
1.	Ashok Kumar Naulakha	2,400
2.	Bimla Devi Shyamsukha	2,500
3.	Lalita Jain	7,500
4.	Nitu Jain (Minor)	5,000
5.	Shital Narayan Mishra	2,500
6.	Ashok Kumar Pincha	2,500
7.	Bachhraj Shyam Sukha	5,000
8.	Manoj Kumar Gouthi	2,500
9.	Manoj Kumar Shyamsukha (Minor)	5,000

S. No.	Name of the Allottee	Number of Shares
10.	Bimla Devi Gouthi	2,500
11.	Surendra Nair	5,000
12.	Surajaram Tokasia	5,000
13.	Chanda Devi Gouthi	2,500
	<b>Total</b>	<b>49,900</b>

(iii) Further allotment of 50,100 Equity Shares to following allottees:

S. No.	Name of the Allottee	Number of Shares
1.	Rakesh Pincha	5,000
2.	Narendra Kumar Shyamsukha	14,500
3.	Amar Chand Dugar	5,000
4.	Kiran Devi Shyamsukha	6,000
5.	Jaisingh Dugar	2,500
6.	Manoj Kumar Shyamsukha	2,000
7.	Sandeep Nahata	5,000
8.	S.N. Mishra	5,000
9.	Kesari Chand Shyamsukha	5,000
10.	J.L. Sirohia, Karta of J.L. Sirohia & Sons, HUF	1,100
	<b>Total</b>	<b>50,100</b>

(iv) Further allotment of 40,000 Equity Shares to following allottees:

S. No.	Name of the Allottee	Number of Shares
1.	Lohia Textile Pvt. Limited	10,000
2.	Camac Polyprast (India) Limited	10,000
3.	K.K. Finance Private Limited	10,000
4.	Maheshwari Trade & Packaging Pvt. Ltd.	10,000
	<b>Total</b>	<b>40,000</b>

(v) Further allotment of 40,000 Equity Shares to following allottees:

S. No.	Name of the Allottee	Number of Shares
1.	S.S.M. Merchantile (p) Limited	10,000
2.	Mall Tradefin (p) Ltd.	10,000
3.	Mutifin Products (p) Ltd.	10,000
4.	Mangalam Trade Finvest (p) Ltd.	10,000
	<b>Total</b>	<b>40,000</b>

(vi) Further allotment of 1,00,000 Equity Shares to following allottees:

S. No.	Name of the Allottee	Number of Shares
1.	Camac Polyprast (India) Limited	10,000
2.	Maheshwari Trade & Packaging Pvt. Ltd.	30,000
3.	Vaishnav Credit Mercantile Pvt. Ltd.	20,000
4.	K.K. Finance Pvt. Ltd.	10,000
5.	Supac Mercantiles Pvt. Ltd.	20,000
6.	Mutifin Products (p) Ltd.	10,000
	<b>Total</b>	<b>1,00,000</b>

(vii) Further allotment of 70,000 Equity Shares to following allottees:

S. No.	Name of the Allottee	Number of Shares
1.	Maheshwari Commodities Pvt. Ltd.	10,000
2.	Mall Tradefin Pvt. Ltd.	10,000
3.	Vaishnav Credit Mercantile Pvt. Ltd.	20,000
4.	K.K. Finance Pvt. Ltd.	10,000
5.	S.S.M. Merchantile (p) Limited	20,000
	<b>Total</b>	<b>70,000</b>

(viii) Further allotment of 1,49,000 Equity Shares to following allottees:

S. No.	Name of the Allottee	Number of Shares
1.	Prachi Plastics Private Limited	10,000
2.	P. P. Developers Private Limited	25,000
3.	Lahoti & Sons Ltd.	14,000
4.	Aroto Trade & India Private Limited	50,000
5.	Fast Mercantiles Private Limited	50,000
	<b>Total</b>	<b>1,49,000</b>

(ix) Further allotment of 160 Equity Shares to following allottees:

S. No.	Name of the Allottee	Number of Shares
1.	Rajat Sirohia HUF	10
2.	Vijay Sirohia	10
3.	Jitendra Sirohia	10
4.	Rakesh Sirohia HFU	40
5.	Neha Sirohia	20
6.	Vandana Sirohia	20
7.	Mohini Devi Sirohia	10
8.	Nirmala Devi Sirohia	10
9.	Kamala Devi Sirohia	20
10.	Kanak Devi Sirohia*	10
	<b>Total</b>	<b>160</b>

\*Represents the shares allotted on 26.02.2000 only.

(x) Further allotment of 20 Equity Shares to Mr. Rajesh Sirohia and Ms. Raveena Sirohia, 10 Equity Shares each.

(xi) Further allotment of 1,00,000 Equity Shares to M/s. Vineet Private Limited.

(xii) Further allotment of 60,000 Equity Shares to M/s. Baid Vinyog (P) Limited and Deochand Baid & Sons HUF of 26,000 and 34,000 Equity Shares respectively.

(xiii) Further allotment of 86,000 Equity Shares to following allottees:

S. No.	Name of the Allottee	Number of Shares
1.	Chaturbhuj Finance Pvt. Limited	16,000
2.	Veenapani Management Pvt. Limited	20,000
3.	Jagannath Barter Pvt. Limited	10,000
4.	Kulmani Commercial Pvt. Limited	10,000
5.	Singrodia Bros. Holdings Pvt. Limited	30,000
	<b>Total</b>	<b>86,000</b>

(xiv) Further allotment of 36 Equity Shares to following allottees:

S. No.	Name of the Allottee	Number of Shares
1.	Dipika Sirohia	8
2.	Jitendra Sirohia HUF	10
3.	Ratan Lal Sirohia	10
4.	Rohan Sirohia	8
	<b>Total</b>	<b>36</b>

(xv) Further allotment of 35,056 Equity Shares to following allottees:

S. No.	Name of the Allottee	Number of Shares
1.	Kamala Devi Sirohia	17,000
2.	Ratan Lal Sirohia HUF	990
3.	Ricky Credit Co. Pvt. Ltd.	7,470
4.	Ruchi Trades & Holdings Pvt. Ltd.	8,578
5.	Sangita Fiscal Services Pvt. Ltd.	1,018
	<b>Total</b>	<b>35,056</b>

(xvi) Further allotment of 35,58,200 Equity Shares to following allottees:

S. No.	Name of the Allottee	Number of Shares
1.	Gatik Realcon Private Limited	2,00,000
2.	Himalaya Investment Consultants Private Limited	50,000
3.	Kariwal Lifestyle Private Limited	66,600
4.	Mhagujkar Agrocon Private Limited	13,10,000
5.	Mountview Merchandise Private Limited	2,00,000
6.	Nextgen Health Solutions Private Limited	2,00,000
7.	Parasmani Planning & Development Private Limited	3,00,000
8.	Ruttonpore Tea Co. Private Limited	9,31,600
9.	Sunil Alloys & Steel Limited	50,000
10.	VRC Infotech Private Limited	2,00,000
11.	VRC Technology Private Limited	50,000
	<b>Total</b>	<b>35,58,200</b>

(xvii) Further allotment of 24,20,000 Equity Shares to Ruttonpore Tea Co. Private Limited.

(xviii) Further allotment of 4,96,600 Equity Shares to Ruttonpore Tea Co. Private Limited.

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

The Company has never issued any Equity Shares for consideration other than cash.

3. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956.

## 4. Issue of Equity Shares in the last one (1) year

Except as stated below, we have not issued any Equity Shares in the preceding one (1) year.

Date of Allotment	No. of Equity Shares	Name of the Allottee	Reasons for Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
18.01.2013	35,58,200	Mentioned in Para (xvi) of Point 1 above	Further Allotment	10	30

Date of Allotment	No. of Equity Shares	Name of the Allottee	Reasons for Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
30.03.2013	24,20,000	Ruttonpore Tea Co. Private Limited	Further Allotment	10	30
04.04.2013	4,96,600	Ruttonpore Tea Co. Private Limited	Further Allotment	10	30

**5. Shareholding of our Promoters:**

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

<b>MR. RAKESH SIROHIA</b>							
Date of Allotment / Transfer	Consideration (In Rs.)	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
28.05.1990	25	10	10	2.50	Acquisition	0.00	0.00
16.01.2000	25	10	10	2.50	Further Acquisition	0.00	0.00
05.02.2001	1,25,000	50,000	10	2.50	Further Acquisition	0.69	0.49
19.01.2009	50	20	10	2.50	Further Acquisition	0.00	0.00
<b>Total</b>		<b>50,040</b>				<b>0.69</b>	<b>0.49</b>

<b>MR. RAJAT SIROHIA</b>							
Date of Allotment / Transfer	Consideration (In Rs.)	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
15.02.2001	1,25,000	50,000	10	2.50	Acquisition	0.69	0.49
27.07.2002	1,25,000	50,000	10	2.50	Further Acquisition	0.69	0.49
<b>Total</b>		<b>1,00,000</b>				<b>1.38</b>	<b>0.98</b>

<b>MR. JITENDRA SIROHIA</b>							
Date of Allotment / Transfer	Consideration (In Rs.)	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
07.02.2000	100	10	10	10	Further Allotment	0.00	0.00
<b>Total</b>		<b>10</b>				<b>0.00</b>	<b>0.00</b>

MR. RAJESH SIROHIA							
Date of Allotment / Transfer	Consideration (In Rs.)	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
07.12.2002	100	10	10	10	Further Allotment	0.00	0.00
<b>Total</b>		<b>10</b>				<b>0.00</b>	<b>0.00</b>

M/S. RUTTONPORE TEA CO. PRIVATE LIMITED							
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 %
18.01.2013	3,72,64,000	9,31,600	10	40	Further Allotment	12.84	9.08
30.03.2013	9,68,00,000	24,20,000	10	40	Further Allotment	33.36	23.60
04.04.2013	1,98,64,000	4,96,600	10	40	Further Allotment	6.84	4.84
<b>Total</b>		<b>38,48,200</b>				<b>53.04</b>	<b>37.52</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 promoter's 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 Promoters 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 has 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.

Date of Allotment	No of shares allotted	Face Value (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Allotment	% of Post Issue Capital
<b>(A) Mr. Rakesh Sirohia</b>					
28.05.1990	10	10	2.50	Acquisition	0.00
16.01.2000	10	10	2.50	Further Acquisition	0.00
05.02.2001	50,00	10	2.50	Further Acquisition	0.49
19.01.2009	20	10	2.50	Further Acquisition	0.00
<b>Total A</b>		<b>50,040</b>			<b>0.49</b>
<b>(B) Mr. Rajat Sirohia</b>					
15.02.2001	50,000	10	2.50	Acquisition	0.49
27.07.2002	50,000	10	2.50	Further Acquisition	0.49



Date of Allotment	No of shares allotted	Face Value (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Allotment	% of Post Issue Capital
<b>Total B</b>		<b>1,00,000</b>			<b>0.98</b>
<b>(C) M/s. Ruttonpore Tea Co. Private Limited</b>					
30.03.2013	19,01,000	10	30	Further Allotment	18.53
<b>Total C</b>		<b>19,01,000</b>			<b>18.53</b>
<b>Total (A+B+C)</b>					<b>20.00</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/ Promoter Group 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 Promoter 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;

- c) 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;
- d) 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) i.e. 25,77,452 equity shares representing 25.13% of post issue paid up share capital of the Company shall be locked in for a period of one year from the date of Allotment in this Issue.

Further, 26,26,600 Equity Shares representing 25.61% of post issue paid up share capital of the Company held by persons other than our Promoters will be 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 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	21	4,64,826	6.41%	4,64,826	4.53%	--	--
Central Govt. / State Govts.	--	--	--	--	--	--	--
Bodies Corporate	6	41,63,666	57.39%	41,63,666	40.60%	--	--
Financial Institutions/Banks	--	--	--	--	--	--	--
Sub Total A (1)	27	46,28,492	63.80%	46,28,492	45.13%	--	--
FOREIGN							
Bodies Corporate	--	--	--	--	--	--	--
Individual	--	--	--	--	--	--	--

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 %
Institutions	--	--	--	--	--	--	--
Any others (specify)	--	--	--	--	--	--	--
<b>Sub Total A (2)</b>	--	--	--	--	--	--	--
<b>Total Shareholding of Promoter group A (1) + A (2)</b>	<b>27</b>	<b>46,28,492</b>	<b>63.80%</b>	<b>46,28,492</b>	<b>45.13%</b>	<b>--</b>	<b>--</b>
<b>PUBLIC SHAREHOLDING</b>							
<b>Institutions</b>							
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)	--	--	--	--	--	--	--
<b>Sub Total B (1)</b>	--	--	--	--	--	--	--
<b>Non Institutions</b>							
Bodies Corporate	10	26,26,600	36.20%	--	--	--	--
Individuals-shareholders holding normal share capital up to Rs. 1 Lac	--	--	--	--	--	--	--
Individuals-shareholders holding normal Share capital in excess of Rs.1 Lac	--	--	--	--	--	--	--
<b>Public Issue</b>	--	--	--	30,00,000	29.25%	--	--
<b>Sub Total B(2)</b>	<b>10</b>	<b>26,26,600</b>	<b>36.20%</b>	<b>56,26,600</b>	<b>54.87%</b>	<b>--</b>	<b>--</b>
<b>Total Public Shareholding B(1) + B(2)</b>	<b>10</b>	<b>26,26,600</b>	<b>36.20%</b>	<b>56,26,600</b>	<b>54.87%</b>	<b>--</b>	<b>--</b>
<b>Total A+B</b>	<b>37</b>	<b>72,55,092</b>	<b>100.00%</b>	<b>102,55,092</b>	<b>100.00%</b>	<b>--</b>	<b>--</b>
Shares held by Custodians and against which Depository receipts have been issued	--	--	--	--	--	--	--
<b>Grand Total A+B+C</b>	<b>37</b>	<b>72,55,092</b>	<b>100.00%</b>	<b>102,55,092</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.

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)
A	<b>Promoters</b>							
1	Rakesh Sirohia	50,040	0.69%	50,040	0.49%	--	--	--
2	Rajat Sirohia	1,00,000	1.38%	1,00,000	0.98%	--	--	--
3	Jitendra Sirohia	10	0.00%	10	0.00%	--	--	--
4	Rajesh Sirohia	10	0.00%	10	0.00%	--	--	--
5	Ruttonpore Tea Co Pvt. Ltd.	38,48,200	53.04%	38,48,200	37.52%	--	--	--
B	<b>Promoter Group, Relatives and other Associates</b>							
1.	J. L. Sirohia & Sons HUF	100	0.00%	100	0.00%	--	--	--
2.	Rajat Sirohia HUF	10	0.00%	10	0.00%	--	--	--
3.	Vijay Sirohia	1,25,010	1.72%	1,25,010	1.22%	--	--	--
4.	Rakesh Sirohia HUF	20	0.00%	20	0.00%	--	--	--
5.	Rajesh Sirohia HUF	50,020	0.69%	50,020	0.49%	--	--	--
6.	Vandana Sirohia	20	0.00%	20	0.00%	--	--	--
7.	Nirmala Devi Sirohia	10	0.00%	10	0.00%	--	--	--
8.	Kamala Devi Sirohia	27,020	0.37%	27,020	0.26%	--	--	--
9.	Kanak Devi Sirohia	10	0.00%	10	0.00%	--	--	--
10.	Ratan Lal Sirohia	50,000	0.69%	50,000	0.49%	--	--	--
11.	Raj Karan Sirohia	24,010	0.33%	24,010	0.23%	--	--	--
12.	Raveena Sirohia (Minor)	10	0.00%	10	0.00%	--	--	--
13.	Neena Sirohia	37,500	0.52%	37,500	0.37%	--	--	--
14.	Sangita Fiscal Services Pvt. Ltd.	71,018	0.98%	71,018	0.69%	--	--	--
15.	Dipka Sirohia	8	0.00%	8	0.00%	--	--	--
16.	Jitendra Sirohia HUF	10	0.00%	10	0.00%	--	--	--
17.	Ratan Lal Sirohia HUF	1,000	0.01%	1,000	0.01%	--	--	--
18.	Rohan Sirohia	8	0.00%	8	0.00%	--	--	--

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)
19.	Sirohia Finvest Co. Pvt. Ltd.	70,000	0.96%	70,000	0.68%	--	--	--
20.	Ricky Credit Co. Pvt. Ltd.	68,470	0.94%	68,470	0.67%	--	--	--
21.	Ruchi Trades & Holdings Pvt. Ltd.	43,578	0.60%	43,578	0.42%	--	--	--
22.	Sirohia Prop. & Trading Co. P. Ltd.	62,400	0.86%	62,400	0.61%	--	--	--
	<b>TOTAL (A+B)</b>	<b>46,28,492</b>	<b>63.80%</b>	<b>46,28,492</b>	<b>45.13%</b>	<b>--</b>	<b>--</b>	<b>--</b>

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.)
Mr. Rakesh Sirohia	50,040	2.50
Mr. Rajat Sirohia	1,00,000	2.50
Mr. Jitendra Sirohia	10	10/-
Mr. Rajesh Sirohia	10	10/-
M/s. Ruttonpore Tea Co. Private Limited	38,48,200	40/-

10. Shareholding details of our Directors or Key Managerial Personnel in our Company are as follows:

Name of the shareholder	No. of Equity Shares	Pre-Issue percentage Shareholding
Mr. Rakesh Sirohia	50,040	0.69
Mr. Rajesh Sirohia	10	0.00
Mr. Rajat Sirohia	1,00,000	1.38
Mr. Jitendra Sirohia	10	0.00
<b>TOTAL</b>	<b>1,50,060</b>	<b>2.07</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.	M/s. Ruttonpore Tea Co. Pvt. Ltd	38,48,200	53.04
2.	M/s. Mahagujkar Agrocon Pvt. Ltd.	13,10,000	18.06
3.	M/s. Parasmani Planning & Development Pvt. Ltd.	3,00,000	4.14

Sr. No.	Name of shareholder	No. of Shares	% age of pre-Issue capital
4.	M/s Mountview Merchandise Pvt. Ltd.	2,00,000	2.76
5.	M/s Nextgen Health Solutions Pvt. Ltd.	2,00,000	2.76
6.	M/s. VRC Infotech Pvt. Ltd.	2,00,000	2.76
7.	M/s. Gatik Realcon Pvt. Ltd.	2,00,000	2.76
8.	Mr. Vijay Sirohia	1,25,010	1.72
9.	Mr. Rajat Sirohia	1,00,000	1.38
10.	M/s. Sangita Fiscal Services Pvt. Ltd.	71,018	0.98
	<b>Total</b>	<b>65,54,228</b>	<b>90.34</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.	M/s. Ruttonpore Tea Co. Pvt. Ltd	38,48,200	53.04
2.	M/s. Mahagujkar Agrocon Pvt. Ltd.	13,10,000	18.06
3.	M/s. Parasmani Planning & Development Pvt. Ltd.	3,00,000	4.14
4.	M/s Mountview Merchandise Pvt. Ltd.	2,00,000	2.76
5.	M/s Nextgen Health Solutions Pvt. Ltd.	2,00,000	2.76
6.	M/s. VRC Infotech Pvt. Ltd.	2,00,000	2.76
7.	M/s. Gatik Realcon Pvt. Ltd.	2,00,000	2.76
8.	Mr. Vijay Sirohia	1,25,010	1.72
9.	Mr. Rajat Sirohia	1,00,000	1.38
10.	M/s. Sangita Fiscal Services Pvt. Ltd.	71,018	0.98
	<b>Total</b>	<b>65,54,228</b>	<b>90.34</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 pre-Issue capital <sup>#</sup>
1.	Mr. Vijay Sirohia	1,25,010	16.02
2.	Mr. Rajat Sirohia	1,00,000	12.82
3.	M/s. Sangita Fiscal Services Pvt. Ltd.	71,018	9.10
4.	M/s. Sirohia Finvest Co. Pvt. Ltd.	70,000	8.97
5.	M/s. Ricky Credit Co. Pvt. Ltd.	68,470	8.77
6.	M/s. Sirohia Prop. & Trading Co. Pvt. Ltd.	62,400	8.00
7.	Mr. Rakesh Sirohia	50,040	6.41
8.	M/s. Rakesh Sirohia (HUF)	50,020	6.41
9.	Mr. Ratan Lal Sirohia	50,000	6.41
10.	Ms. Neena Sirohia	37,500	4.81
	<b>Total</b>	<b>6,84,458</b>	<b>87.72</b>

<sup>#</sup> On the basis of the paid up share capital prevailing two years prior to the date of the Prospectus i.e. 7,80,292 equity shares.

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 Ltd.
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 "*Issue Procedure- Basis of Allotment*" on page 173 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. The issue is being made through Fixed Price Method.
20. As on the date of filing of this Prospectus with the Stock Exchange, the entire issued share capital of our Company is fully paid-up. The equity shares offered through this Public Issue will be fully paid-up.
21. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
22. Lead Manager to the Issue viz. VC Corporate Advisors Private Limited does not hold any Equity Shares of our Company.
23. Our Company has not revalued its assets since incorporation.
24. Our Company has not made any public issue since incorporation.
25. 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.
26. 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.

27. 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 split/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.
28. At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.
29. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
30. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
31. 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.
32. An investor cannot make a Bid 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.
33. 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.
34. Our Company has thirty seven (37) members as on the date of filing of this Prospectus.



## OBJECTS OF THE ISSUE

The objects of this Issue are to raise funds to:-

1. To enable us to meet our Long Term Working Capital Requirements
2. General corporate purpose
3. Issue expenses

In addition, our Company expects to receive the benefits of listing the Equity Shares on the SME Platform of BSE.

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment is based on internal management estimates and has not been appraised by any Bank or Financial Institution.

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 Issue are summarized in the table below: -

<i>(Rs. In Lacs)</i>		
S.N	Particulars	Proposed Utilizations of Issue Proceed
1	Long Term Working Capital	270.00
2	General corporate purpose	40.00
3	Issue Expenses	50.00
	<b>Total</b>	<b>360.00</b>

## MEANS OF FINANCE

<i>(Rs. In Lacs)</i>	
Particulars	Amount
Initial Public Offering	360.00
Internal accruals	0.00
<b>Total</b>	<b>360.00</b>

The fund requirements in the table above are based on our internal management estimates, our current plans and we may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may or may not be within the control of our management. This may entail revising, rescheduling and/or cancelling the fund requirements, increasing or decreasing the fund requirements for above object at the discretion of our management. The above mentioned requirements and deployment of funds have not been appraised by any Bank or Financial Institution. If the actual utilization towards the aforesaid objects is higher than what is stated above, such increased fund requirements will be financed by surplus funds, if any, available in respect of the other objects, debt and/or internal accruals and/or other sources of funds. In the event any surplus is left out of the Net Proceeds after meeting all the aforesaid objectives and Issue expenses, such surplus proceeds will be used for meeting future growth opportunities and general corporate purposes.

Our Company confirms that it is not required to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance, as it intends to raise the amount through proposed public issue.

## DETAILS OF THE UTILISATION OF ISSUE PROCEEDS

### 1. Long Term Working Capital Requirement:

Our business is Working Capital intensive as we are required to provide sufficient credit period to our customers. We are expecting an increase in working capital requirements in view of current & potential operations that may be awarded.

Accordingly, we have proposed to use Rs. 270.00 Lacs out of the issue proceeds to meet the increase in long term working capital requirements.

(Rs. in Lacs)				
S. No.	Particulars	31.03.2014 Actual	31.03.2015 Estimated	31.03.2016 Estimated
<b>A</b>	<b>Current Assets</b>			
	Inventory	55.12	60.63	66.70
	Debtors	252.47	277.72	305.49
	Other Current Assets	107.95	118.75	130.62
	<b>Total Current Assets</b>	<b>415.54</b>	<b>457.10</b>	<b>502.81</b>
<b>B</b>	<b>Current Liabilities</b>			
	Trade Payables	89.08	100.00	100.00
	Other Current Liabilities	26.19	30.00	30.00
	<b>Total Current Liabilities</b>	<b>115.27</b>	<b>130.00</b>	<b>130.00</b>
<b>C</b>	<b>Working Capital (A-B)</b>	<b>300.27</b>	<b>327.10</b>	<b>372.81</b>
	Internal Sources		222.10	157.81
	Working Capital Overdraft		25.00	25.00
	<b>IPO Proceeds</b>		<b>80.00</b>	<b>190.00</b>

As per our estimates, we would require Rs. 270.00 Lacs out of the issue proceeds to meet the Working Capital requirement.

### Basis of Estimation:

The Long Term Working Capital requirements are based on historical Company data and estimation of future requirements in FY 2014-15 & FY 2015-16 considering the growth in activities of our Company. We have estimated the future Working Capital requirements based on the following:

(No. of days)				
Particulars	Basis	31.03.2014 Actual	31.03.2015 Estimated	31.03.2016 Estimated
Inventory	Days of Production/ Inventory Holding (In days)	19	19	18
Receivables	Debtors Collection Period (In days)	80	80	80
Trade Payables	Creditors Payment Period (In days)	31	32	27

## 2. General corporate purposes

We intend to deploy Rs. 40 Lacs towards the General Corporate Purposes, including but not restricted to strengthening our marketing capabilities or any other purposes as approved by our Board of Directors.

## 3. To meet the expenses of the Issue

The expenses for this Issue include issue management fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others.

The total expenses for this Issue are estimated not to exceed Rs. 50 Lacs.

(Rs. In Lacs)

Sr. No.	Particulars	Amount
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.	33.00
2	Printing and distribution of issue stationery	8.50
3	Advertising and marketing expenses	6.00
4	Regulatory fees and other expenses	2.50
	<b>Total</b>	<b>50.00</b>

## SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

The funds raised from this Issue shall be utilized as under:

(Rs. In Lacs)

Activity	2014-15	2015-16	Total
Long Term Working Capital Requirements	80.00	190.00	270.00
General corporate Purposes	20.00	20.00	40.00
Issue Expenses	13.09	36.91	50.00
<b>Total</b>	<b>113.09</b>	<b>246.91</b>	<b>360.00</b>

## DEPLOYMENT OF FUNDS

M/s. Lahoti & Co., Chartered Accountants have vide certificate dated 14<sup>th</sup> August, 2014, confirmed that as on 18.01.2014, following funds were deployed for the proposed Objects of the Issue:

Deployment of Funds	Amount (Rs. in Lacs)
Issue Related Expenses	13.09
Project Related	0.00
<b>Total</b>	<b>13.09</b>

Sources of Funds	Amount (Rs. in Lacs)
Internal accruals	13.09
Bank Finance	0.00
<b>Total</b>	<b>13.09</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**

Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for the necessary duration or for reducing overdrafts. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds

## **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 10 and the details about the “Our Business” and its “Financial Information” included in this Prospectus on page 77 & 117 respectively to get a more informed view before making any investment decisions.*

### QUALITATIVE FACTORS

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

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

Mr. Rakesh Sirohia has a cumulative experience of twenty two (22) years in the field of supplying of materials like agrochemicals, fertilizers, etc. and has inculcated an ethical and transparent business practice, cost effective financial solution to the customers & contributed in the growth of our Company. He has been presently designated as the Managing Director of our Company.

Mr. Rajesh Sirohia has a cumulative experience of seventeen (17) years in the field of supplying of materials like agrochemicals, fertilizers, etc. and has been designated as Director of the Company on 01.04.1995.

Mr. Rajat Sirohia has a cumulative experience of twenty five (25) years in the field of supplying of materials like agrochemicals, fertilizers, etc. and has been designated as Whole-time Director of the Company on 01.04.2013.

Mr. Jitendra Sirohia has a cumulative experience of five (5) years in the field of supplying of materials like agrochemicals, fertilizers, etc. and has been designated as Director of the Company on 15.02.2007.

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

Our Company is managed by a team of experienced and professional personnel having adequate knowledge in the field of agrochemicals, fertilizers, pesticides, etc. The faith of the management in the staff and their performance has enabled us to build up capabilities to expand our business.

Our Company has excellent patronage with its existing suppliers and customers. Our Promoters are dealing in Agro Chemical products since two and a half decades and have made their own credentials in the market as a result of which our Company benefits.

### QUANTITATIVE FACTORS

Information presented in this section is derived from our Restated Financial Statements certified by the Statutory Auditors of the Company.

#### **1. Basic & Diluted Earnings Per Equity Share (EPS) (on Rs. 10 per share)**

Financial Year	Basic & Diluted EPS (In Rs.)	Weight
2011-12	0.62	1
2012-13	0.50	2
2013-14	0.19	3
<b>Weighted Average</b>	<b>Re. 0.37</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.
- 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 of Rs. 12.00 per equity share:

Particulars	P/E at issue price of Rs. 12.00 per equity share
a. Based on EPS of Financial Year 2013-14	63.16
b. Based on Weighted Average EPS as calculated above	32.43

## Industry P/E:

Particulars	Company Name	P/E
Highest	UPL Limited	32.00
Lowest	Bharat Rasayan Limited	8.40
Industry Composite		26.60

Source- Capital Market Vol. XXIX/12 dated August 04 - 17, 2014

## 3. Return on Net Worth:

Financial Year	Return on Net Worth (%)	Weight
2011-12	1.85	1
2012-13	0.37	2
2013-14	0.61	3
<b>Weighted Average</b>	<b>0.74</b>	

## 4. Minimum return on increased Networth required to maintain pre-Issue EPS:

Particulars	Basic & Diluted EPS (Rs. per share)	RONW (%)
FY 2013-14	0.19	0.76
Weighted Average EPS	0.37	1.47

## 5. Net Asset Value per Equity Share:

Particulars	NAV (In Rs.)
As on 31.03.2014	30.46
NAV per equity after the issue	25.14
Issue price per equity share	12.00

## 6. Peer Group Comparison of Accounting Ratios:

Particulars	Face Value (Rs.)	Total Revenue (Rs. in lacs) *	EPS (Rs. per share) *	P/E Ratio ^	RONW (%)	NAV (Rs.)
Sabero Organics Gujarat Limited	10.00	72,143.15	9.79	15.74	31.45%	3.11
Bharat Rasayan Limited	10.00	36,235.00	47.42	14.63	24.52%	193.42
Bhagiradha Chemicals & Industries Limited	10.00	17,500.88	3.88	17.58	17.58%	9.43
Sirohia & Sons Limited**	10.00	1,149.72	0.19	63.16	0.61%	30.46

All the figures of the Peer Group Companies are on Standalone basis.

\* The figures of the Peer Group Companies have been taken from their Annual Reports / Audited Financial Information for the Financial Year 2013-14 filed on BSE website- [www.bseindia.com](http://www.bseindia.com)

^ P/E Ratio of the Peer Group Companies have been calculated on the basis of their closing price on the floor of BSE on 26.08.2014

\*\* Based on the Restated Financials of the Company.

7. The face value of our shares is Rs.10.00 per share and the Issue Price is of Rs. 12.00 per share is 1.2 times of the face value.

The Company in consultation with the Lead Manager believes that the Issue Price of Rs. 12.00 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,**  
**Sirohia & Sons Limited,**  
16 Bonfields Lane  
Kolkata- 700 001

Dear Sirs,

**Sub: Certification of statement of Possible Tax Benefits in connection with Initial Public Offering by Sirohia & Sons Limited ("the Company") under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("the Regulations")**

We, Lahoti & Co., the statutory auditors of the Company have been requested by the management of the Company having its registered office at the above mentioned address to certify the statement of tax benefits to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961, Wealth-tax Act, 1957, presently in force in India, subject to the fact that 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 the business imperative, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. The current position is given based on the income tax provisions applicable for the financial year 2013-14.

Unless otherwise specified, sections referred to below are sections of the Income-tax Act, 1961 (the "Act"). All the provisions set out below are subject to conditions specified in the respective sections for the applicable period.

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

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

The contents of the enclosed 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. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes. We shall not be liable to the Company 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. We are not liable to any other person in respect of this statement. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For LAHOTI & CO.  
Chartered Accountants  
Firm Registration No.- 306045E**

14, Ganesh Chandra Avenue,  
Kolkata- 700 013  
Dated- 18<sup>th</sup> January, 2014

**C.A. PREMSUKH LAHOTI**  
Partner  
Membership No.- 017042

## ANNEXURE TO THE STATEMENT OF TAX BENEFITS

### A. SPECIAL TAX BENEFITS

Special Tax Benefits Available to the Company- NIL

### B. GENERAL TAX BENEFITS

#### Under the Income Tax Act, 1961 ("the Act")

The following tax benefits shall, inter alia, be available to the company and the prospective Shareholders under the Act.

#### General Tax Benefits Available to the Company

1. The corporate tax rate shall be 30% plus surcharge and education cess thereon. Minimum Alternate Tax ("MAT") rate is 18.5% plus surcharge and education cess thereon of book profits. MAT is also applicable on the profits derived by an undertaking of the company.

2. Subject to compliance of certain conditions laid down in Section 32 of the Act, the Company will be entitled to a deduction for depreciation:

a) In respect of tangible assets.

b) In respect of intangible assets being in the nature of knowhow, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired after 31st day of March, 1998 at the rates prescribed under Income Tax Rules, 1962.

c) In respect of any new machinery or plant (other than ships and aircraft which has been acquired and installed after 31st March, 2005, a further sum of 20% of the actual cost of such machinery or plant will be allowed as a deduction in the year of installation subject to satisfaction of certain conditions.

d) Unabsorbed depreciation if any, for an Assessment Year can be carried forward & set off against any sources of income in the same year or any subsequent Assessment Years as per section 32(2) of the Act.

3. Under the provisions of section 35(1) (i) of the Act read with clause (iv) of this subsection, the Company shall be eligible for 100% deduction of any expenditure (not being in the nature of capital expenditure) laid out or expended on scientific research related to the business.

4. Under the provisions of section 35(1) (ii) of the Act, the Company shall be eligible for a weighted deduction of 175% of any sum paid to a research association which has as its object the undertaking of scientific research or to a university, college or other institution to be used for scientific research subject to fulfilment of the prescribed conditions.

5. Under the provisions of section 35(1) (ia) of the Act, the Company shall be eligible for a weighted deduction of 125% of any sum paid to a company to be used by it for scientific purpose, subject to fulfillment of the prescribed conditions.

6. Under the provisions of section 35(1) (iii) of the Act, the Company shall be eligible for a weighted deduction of 125% of any sum paid to a any sum paid to a research association which has as its object the undertaking of research in social science or statistical research or to a university]], college or other institution to be used for research in social science or statistical research, subject to fulfillment of the prescribed conditions.

7. Under the provisions of section 35AC of the Act, the Company shall be entitled to deduction of 100% for payment of any sum to a public sector company or to a local authority or to an association or institution approved by the National Committee for carrying out any eligible project or scheme or for any expenditure directly made by it on the eligible project or scheme subject to fulfillment of the prescribed conditions.

8. Under the provisions of section 35CCA of the Act, the Company shall be entitled to deduction of 100% for payment of any sum to an association or institution which has as its object the undertaking of any programme of rural development or training of persons for implementing such programmes approved by the prescribed authority or to a rural development fund or to the National Urban Poverty Eradication Fund set up and notified by the Central Government in this behalf subject to fulfilment of the prescribed conditions.

9. Under the provisions of section 35CCB of the Act, the Company shall be entitled to deduction for any expenditure by way of payment of any sum to an association or institution which has as its object the undertaking of any programme of conservation of natural resources or afforestation or to a fund for afforestation set up and notified by the Central Government subject to fulfillment of the prescribed conditions.

10. Under Section 35D of the Act, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5th of such expenses over 5 successive Assessment Years, subject to the conditions and limits specified in the section.

11. Under section 72(1) of the Act, if the net result of the computation is a loss, such loss can be set off against any other income and the balance loss, if any, can be carried forward for 8 consecutive years and set off against business income.

12. Under section 80G of the Act, the Company is entitled to deduction either for whole of the sum paid as donation to specified funds or institutions or fifty percent of sums paid, subject to limits and conditions as provided in the section 80 G (5)

13. Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under section 10 (38) of the Act] arising on transfer of a long term capital asset, being listed securities, or specified units, and zero coupon bond, if held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) (without indexation), at the option of the assessee.

14. Minimum Alternate Tax (MAT) is a minimum tax which a company needs to pay when income-tax payable on the total income as computed under this Act is less than 18.5% of its book profit. Credit is allowable for the difference between MAT paid and the tax computed as per the normal provisions of the Act. MAT credit can be utilized to the extent of difference between any tax payable under the normal provisions and MAT payable for the relevant year. MAT credit in respect of MAT paid prior to AY 2006-07 shall be available for set-off upto 5 years succeeding the year in which the MAT credit initially arose. However, MAT credit in respect of MAT paid for AY 2006-07 or thereafter shall be available for set-off upto 7 years succeeding the year in which the MAT credit initially arose. Further, from AY 2010-2011,

MAT credit for MAT paid for AY 2010-11 or thereafter shall be available for set-off upto 10 years succeeding the year in which the MAT credit initially arose.

15. In accordance with Section 115 O of the Act, any amount declared, distributed or paid by the company by way of dividends (whether interim or otherwise) on or after 1 April 2003, whether out of current or accumulated profits shall be charged to income tax at the rate of 15% (plus applicable surcharge and education cess), in addition to the income tax chargeable in respect of the total income of a domestic company for any assessment year. Further section 115-O of the Act provides that, in order to compute the Dividend Distribution Tax (DDT) payable by a domestic holding Company, the amount of dividend paid by it would be reduced by the dividend received by it from its subsidiary company during the financial year, if:

- The subsidiary company has paid DDT @ 15% (plus applicable surcharge and education cess) on such dividend; and
- The Domestic Company is itself not a subsidiary of any company. For this purpose, a company would be considered as a subsidiary if the domestic company holds more than half of its nominal equity capital.

16. Income earned by the Company by way of dividend referred to in Section 115-O of the Income Tax Act, 1961 received from domestic companies is exempt from tax under section 10(34) of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt. Any income received by the Company from distribution made by any mutual fund specified under section 10(23D) of the Act or from the administrator of the specified undertaking or from the administrator of specified company referred to in Section 10(35) of the Act, is exempt from tax in the hands of the Company under section 10(35) of the Act. However, as per section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt.

17. Section 115BBD of Income-tax Act provides for taxation of gross dividends received by an Indian company from a specified foreign company (in which it has shareholding of 26% or more) at the rate of 15% if such dividend is included in the total income for the Financial Year 2013-14 i.e. Assessment Year 2014-15.

18. Long-term capital gain on sale of equity shares or units of an equity oriented mutual fund will be exempt from tax under section 10(38) of the Act provided that the transaction of such sale is chargeable to Securities Transaction Tax ("STT"). However, when the company is liable to tax on book profits under section 115JB of the Act, the said income is required to be included in book profits and taken into account in computing the book profit tax payable under section 115JB.

19. Under Section 111A of the Act, short-term capital gain on sale of equity shares or units of an equity oriented mutual fund shall be chargeable to tax at the rate of 15% (plus applicable surcharge and Education Cess) provided that transaction of such sale is chargeable to STT.

20. Under the provisions of section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains [not covered under the section 10(38) of the Act] arising on the transfer of long term capital assets by the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months from the date of transfer in the bonds redeemable after 3 years and issued by-

- National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988 on or after the 1st day of April 2006.
- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 on or after the 1st day of April, 2006 and notified by the Central Government in the Official Gazette for the purpose of this section

If only part of the capital gain 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 within three year from the date of their acquisition. However as per 1st Proviso to section 54EC(I), the investments made in the long Terms Specified Asset on or after April 1, 2007 by any assessee during the financial year should not exceed 50 Lakhs rupees.

## **GENERAL BENEFITS AVAILABLE TO PERSON OTHER THAN COMPANY**

### **A) AVAILABLE TO RESIDENT SHAREHOLDERS**

1. Under section 10(34) of the Act, income earned by way of dividend from domestic company referred to in section 115-O of the Act (i.e. dividends declared, distributed or paid on or after 1st April, 2003 by a domestic company) is exempt from income-tax in the hands of the shareholders. However, section 94(7) of the Act provides that the losses arising on account of Sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent of dividend on such shares are claimed as tax exempt by the shareholder.

2. Computation of Capital Gains- Capital assets may be categorized into Short Term Capital Assets and Long Term Capital Assets based on the period of holding All capital assets (except shares held in a company or any other listed securities or units of UTI or specified Mutual Fund units) are considered to be long term capital assets if they are held for a period in excess of 36 months. Shares held in a company, any other listed securities, units of UTI and specified Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months. Consequently capital gains arising on sale of shares held in a company or any other listed securities, or units of UTI or specified Mutual Fund units held for more than 12 months are considered as "long term capital gains". 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 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 a substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjust the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

3. Under the provisions of section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented Mutual fund (i.e. capital asset held for the period of twelve months or more) entered into on a recognized stock exchange in India after October 1, 2004 on which securities transaction tax has been paid, is exempt. However, from Financial Year 2006-2007, income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act.

4. Under section 111A of the Act, capital gains arising to a shareholder from transfer of short term capital assets, being an equity share in the company or unit of an equity oriented Mutual fund, entered into on a recognized stock exchange in India on which securities transaction tax has been paid will be subject to tax at the rate of 15% (plus applicable surcharge, educational cess and Secondary & Higher Education Cess on income tax).

5. Short-term capital loss on sale of shares can be set off against any capital gain income, long term or short term, in the same assessment year. It should be noted that such loss can be set off only against capital gain income and not against any other head of income. Balance short-term capital loss, if any, can be carried forward up to eight assessments years. In the subsequent year also, it can be set off against any capital gain income.

6. In terms of Section 88E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax (as computed in prescribed manner) on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions. No deduction under this section shall be allowed in, or after, AY 2009-2010. However, in such a case, the said securities transaction tax would be allowed as deduction in computing the profits & gains from business or profession under the provisions of section 36(1)(xv) of the Act.

7. Under the provisions of section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains [not covered under the section 10(38) of the Act] arising on the transfer of long term capital assets by the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months from the date of transfer in the bonds redeemable after 3 years and issued by:

- National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988 on or after the 1st day of April 2006.
- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 on or after the 1st day of April, 2006 and notified by the Central Government in the Official Gazette for the purpose of this section.

If only part of the capital gain 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 within three year from the date of their acquisition. However as per 1<sup>st</sup> Proviso to section 54EC(I), the investments made in the long Terms Specified Asset on or after April 1, 2007 by any assessee during the financial year should not exceed 50 Lakhs rupees.

8. Under Section 54F of the Act, where in the case of an individual or Hindu Undivided Family ('HUF') capital gain arise from transfer of long term assets [other than a residential house and whose exempt under section 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of a residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of a residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

## **B) MUTUAL FUNDS**

Under section 10 (23D) of the Act, all Mutual Funds set up by Public Sector Banks or Public Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from income-tax on all their income, including income from investment in the equity shares of a company.

### **C) VENTURE CAPITAL COMPANIES / FUNDS**

Under section 10 (23FB) of the Act, all venture capital companies / funds registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income-tax on all their income, including income from sale of shares of the company.

### **Company under the Wealth Tax Act, 1957**

Wealth Tax is applicable if the net wealth (as defined) of a company or an individual or HUF exceeds ` 30 lacs as on the valuation date (i.e. March 31 of the relevant financial year). Wealth Tax shall be charged in respect of the net wealth of every company or an individual or HUF at the rate of 1% of the amount by which net wealth exceeds ` 30 lacs. Shares of the company held by the shareholders will not be treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence Wealth Tax will not be applicable.

### **D) GENERAL BENEFITS AVAILABLE TO NON RESIDENT INDIANS/ MEMBERS OTHER THAN FIIS AND FOREIGN VENTURE CAPITAL INVESTORS**

1. By virtue of Section 10 (34) of the Act, income earned by way of dividend income from a domestic company referred to in section 115-O of the Act, is exempt from tax in the hands of the recipients.
2. Under Section 10 (38) of Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital assets held for the period of twelve months or more) entered into a recognized stock exchange in India after October 1, 2004 on which securities transaction tax has been paid, is exempt. However, from Financial Year 2006-2007, income by way of long-term capital gain, in case of non resident member being a company, shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act.
3. Under the first proviso to section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.
4. In terms of Section 88E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax (as computed in prescribed manner) on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions. No deduction under this section shall be allowed in, or after, AY 2009-2010. However, in such a case, the said securities transaction tax would be allowed as deduction in computing the profits & gains from business or profession under the provisions of section 36(1) (xv) of the Act.
5. Under the provisions of section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains [not covered under the section 10(38) of the Act] arising on the transfer of long term capital assets by the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months from the date of transfer in the bonds redeemable after 3 years and issued by:
  - National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988 on or after the 1st day of April 2006.

- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 on or after the 1st day of April, 2006 and notified by the Central Government in the Official Gazette for the purpose of this section.

If only part of the capital gain 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 within three year from the date of their acquisition. However as per 1st Proviso to section 54EC(I), the investments made in the long Terms Specified Asset on or after April 1, 2007 by any assesses during the financial year should not exceed 50 Lakhs rupees.

6. Under Section 54F of the Act, where in the case of an individual or Hindu Undivided Family ('HUF') capital gain arise from transfer of long term assets [other than a residential house and those exempt under section 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of a residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of a residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

7. Under the provisions of section 111A of the Act, capital gains arising to a shareholder from transfer of short terms capital assets, being an equity share in the company or unit of an equity oriented Mutual fund, entered into in a recognized stock exchange in India on which securities transaction tax has been paid will be subject to tax at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess on income-tax).

8. Under the provisions of Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of unlisted shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at @ 20% (plus surcharge and education cess on income-tax) after indexation as provided in the second proviso to section 48 or (w.e.f. FY 2012-13) at 10% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) (without indexation), at the option of the assessee.

9. Under the provisions of section 115E of the Act, capital gains arising to the non-resident Indian on transfer of shares held for a period exceeding 12 months shall [in cases not covered under section 10(38) of the Act] be concessional tax at a flat rate of 10% (plus applicable surcharge, educational cess and secondary & higher education cess on Income tax) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to section 48 of the Act, subject to satisfaction of certain conditions.

10. Under the provisions of section 115F of the Act, long term capital gains [not covered under section 10(38) of the Act] arising to a non-resident Indian from the 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 of 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.

11. Under the provisions of section 115G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of specified assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted therefrom.



12. Under the provisions of section 115H of the Act, a non-resident Indian (i.e. an individual being a citizen of India or person of India Origin) has an option to be governed by the provision of Chapter XII A of the Act viz. "Special Provisions Relating to certain Income of Non-Resident", even after the assessee becomes a resident, if he furnishes to the Assessing Officer a declaration alongwith the return of income under section 139 of the Act.

13. Under the provision of section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him, instead the other provisions of the Act shall apply.

14. As per the provisions of Section 90(2) of the Act, the provisions of the act would prevails over the provisions of DTAA between India and the country in which the shareholder has fiscal domicile to the extent they are more beneficial to the non-resident.

#### **E) GENERAL BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS (FIIS)**

1. By virtue of section 10(34) of the Act, income earned by way of dividend income from a domestic company referred to in section 115-O of the Act, are exempt from tax in the hands of the institutional investor.

2. Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India after October 1, 2004 on which securities transaction tax has been paid, is exempt. However, from Financial Year 2006-2007, the income by way of long- term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act.

3. The provisions of section 36(i)(xv) of the Act allow deduction for STT paid, if the taxable securities transactions are taxable as 'Business Income'.

4. The income realized by FIIs on sale of shares in the company by way of short term capital gains referred to in Section 111A of the Act would be taxed at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess on income tax), on which the securities transaction tax has been paid.

5. Under Section 115AD of the Act, capital gain arising on transfer of short term capital assets, being an equity share in a company which is not subject to Securities Transaction Tax will be taxable under the Act at the rate of 30% (plus applicable surcharge, if any and education cess). Further, as per Section 115AD of the Act, capital gain arising on transfer of long term capital assets, being shares in a company [not covered under Section 10(38) of the Act], are taxed at the rate of 10% (plus applicable surcharge, if any and education cess). Such capital gains would be computed without giving effect to the first and second proviso to Section 48 of the Act. In other words, the benefit of indexation, direct or indirect, as mentioned under the two provisos would not be allowed while computing the capital gains.

6. As per the provisions of Section 90(2) of the Act, the provisions of the act would prevails over the provisions of DTAA between India and the country in which the non-resident has fiscal domicile to the extent they are more beneficial to the non-resident.

### **Applicability of Wealth Tax Act, 1957**

Wealth Tax is applicable if the net wealth (as defined) of a company or an individual or HUF exceeds ` 30 lacs as on the valuation date (i.e. March 31 of the relevant financial year). Wealth Tax shall be charged in respect of the net wealth of every company or an individual or HUF at the rate of 1% of the amount by which net wealth exceeds ` 30 lacs. Shares of the company held by the shareholders will not be treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence Wealth Tax will not be applicable.

### **NOTES FOR CONSIDERATION**

- In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the DTAA, if any between India and the country in which the non-resident has fiscal domicile or any other qualifying criteria.
- 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. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The information presented in this section, some of which is produced elsewhere in this Prospectus, has been extracted and analyzed from publicly available documents and reports prepared or published by regulatory bodies, professional organizations and other external sources such as websites of various commodity exchanges. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates, and should therefore be regarded as indicative only and treated with appropriate caution. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them.*

#### Overview

##### The Indian Economy

India, the world's largest democracy in terms of population (122 crores people) had a GDP on a purchasing power parity of approximately Rs. 58 trillion in June 2013. It makes it the fourth largest economy in the world after United States of America, European Union and China. The outlook of India's medium term growth is positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates.

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 Fact book). 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 New Delhi 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 nonagricultural employment opportunities, insufficient access to quality basic and higher education, and accommodating rural-to-urban migration.

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

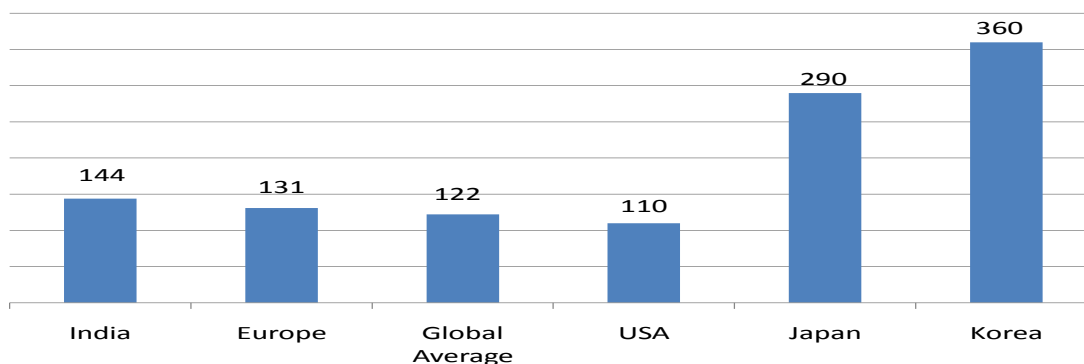
With nearly 1.2 billion population, India requires a robust, modernized agriculture sector to ensure the food security to its population. Scope for further increasing cultivable land is limited. In order to meet the food grain requirements, the agricultural productivity and its growth needs to be sustained and further improved. It is imperative to manage critical inputs and resources like cultivable land, irrigation, agrochemicals including pesticides and fertilizers as also plasticulture for higher food production. Balanced use of fertilizers, based on the soil conditions as also judicious usage of pesticides will certainly improve the agricultural productivity in India.

India produces 90,000 metric tons of pesticides a year. India's pesticide industry is the largest in Asia and the twelfth largest in the world. With over 400 million acres under cultivation and over 60% of the country's population dependent on agriculture, the country's economy depends on the agricultural sector to a substantial extent. India loses nearly 30% of its potential crop to insects, weeds and rodent attacks. The Pesticides/ Crop Protection/ Agrochemicals industry plays a crucial role in protecting crops from damage by weeds, pests, insects and fungus, both before and after harvest. This helps to increase crop yields, which is important given the rate at which cultivable land is shrinking. Pesticides, also referred to as agrochemicals, are chemical compounds used for crop protection. The industry manufactures two main types of products: a) technical grade pesticides (the basic concentrated chemical compound) and b) formulations from these technical grade pesticides (the usable form of pesticides). Technical grade pesticides are both manufactured locally as well as imported.

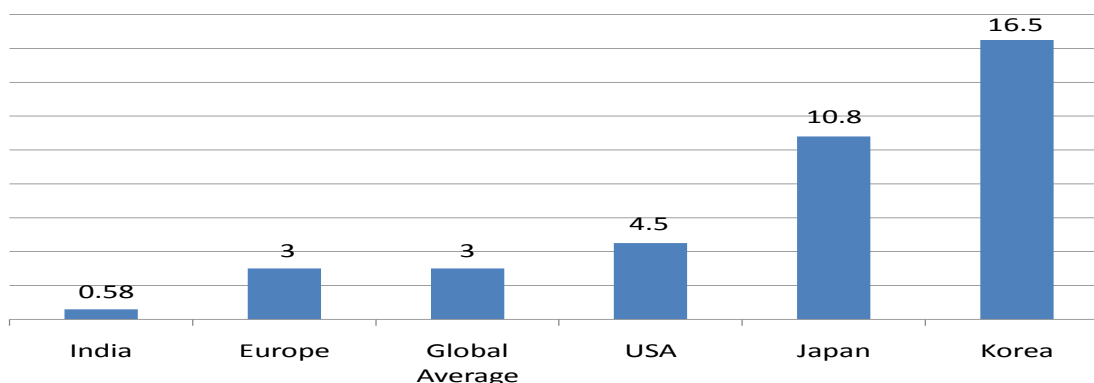
India's agrochemicals (Pesticides) consumption is one of the lowest in the world with per hectare consumption of just 0.58 Kg compared to US (4.5 Kg/ha) and Japan (10.8 Kg/ha). Whereas India's chemical fertilizer consumption (~144 Kg/ ha) is higher than global average (~122 Kg/ ha). In India, paddy accounts for the maximum share of pesticide consumption, around 28%, followed by cotton (20%).

The scenario which is likely to unfold is that India's incremental consumption for fertilizer is going to tone down while incremental consumption of agrochemicals is expected to grow with any additional income of farmers being spent on agrochemicals and not fertilizers. Besides increasing in domestic consumption, the exports by the Indian Agrochemicals Industry can be doubled in the next five years if proper strategies and sophisticated technologies are adopted by the industry.

### Average Fertilizer Consumption (kg/ ha)



## Average Pesticide Consumption (kg/ ha)



(Source- [www.ficci.com](http://www.ficci.com) and <http://www.researchandmarkets.com/reports/54548/pesticides>)

India produces 90,000 metric tons of pesticides a year. India's pesticide industry is the largest in Asia and the twelfth largest in the world. With over 400 million acres under cultivation and over 60% of the country's population dependent on agriculture, the country's economy depends on the agricultural sector to a substantial extent.

India loses nearly 30% of its potential crop to insects, weeds and rodent attacks. The Pesticides/Crop Protection/Agrochemicals industry plays a crucial role in protecting crops from damage by weeds, pests, insects and fungus, both before and after harvest. This helps to increase crop yields, which is important given the rate at which cultivable land is shrinking.

Pesticides, also referred to as agrochemicals, are chemical compounds used for crop protection. The industry manufactures two main types of products: a) technical grade pesticides (the basic concentrated chemical compound) and b) formulations from these technical grade pesticides (the usable form of pesticides). Technical grade pesticides are both manufactured locally as well as imported.

(Source: [http://www.researchandmarkets.com/reports/54548/pesticides\\_industry\\_in\\_india](http://www.researchandmarkets.com/reports/54548/pesticides_industry_in_india))

Cotton and paddy are the major crops where pesticides consumption is 50% and 18%, respectively. Fruits and vegetables account for the significant share of agrochemicals. Cotton covers only 5% of the cropped area but accounts for 50% of pesticides. Rice is grown over 24% of the cropped area consume 18% of the pesticides. The fruits, vegetables account for 18% cropped areas, while cereals, millets and oilseeds cover 58% areas. Sugarcane uses 2% of the pesticides and other crops grown over 6% of the cropped area account for 1% only.

The per capita consumption of pesticides in India is 0.6 Kg/ha which is the lowest in the world. The per capita pesticide consumption in China and USA is 13 Kg/ha and 7 Kg/ha, respectively. The main reason for low per capita consumption of pesticides in India is low purchasing power of farmers and small land holdings. The majority of agricultural farm land belongs to Marginal farmers but maximum contribution to the produce is also from marginal farmers. The large scale farming is increasing and therefore, there is good scope for increase of per capita consumption of pesticides in India.

(Source- <http://news.agropages.com/News/NewsDetail---10649.htm>)

## OUR BUSINESS

*In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Sirohia & Sons 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 10 and "Industry Overview" on page 74 of the Prospectus.*

### BUSINESS OVERVIEW

Our Company was originally incorporated in Kolkata as "Sirohia & Sons Private Limited" on 28th May, 1990 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, West Bengal. Our Company was subsequently converted in to a public limited company and consequently name was changed to "Sirohia & Sons Limited " vide fresh certificate of incorporation dated 18th June, 2013 issued by the Registrar of Companies, West Bengal. For further details in relation to the changes to the name of our Company, please refer to the section titled "History and Certain Corporate Information" beginning on page 85 of this Prospectus.

Since incorporation we are engaged in the business of dealing in fertilizers and pesticides catering to primarily to Tea Industry located in the North East region of the Country particularly the state of Assam and West Bengal. We receive orders of the specific fertilizers and pesticides required by the Tea Estates through our direct marketing and procure them from the manufacturers which are mostly multinational companies like BASF India Limited Bayer Cropscience India Limited, Biostadt India Limited, DIC India Limited etc,. Fertilizers and Pesticides are very important ingredient for Tea and other plantation and they protect the crop from the weeds and increase productivity. Some of the products which we deal in are as under:

- DELTAMETHREINE
- CYPERMETHRIN
- BACILLUS
- THIACLOPRID
- METHOMYL

### LOCATION:

We are currently operating from the following premises:

Type of facility	Location
Registered Office	16 Bonfields Lane, Kolkata- 700 001
Corporate Office	6, Bishop Lefroy Road, 4th Floor, Suite No.: 19, Kolkata- 700 020
Godown/ Warehouse/ Branch	Premtala Road, P.O. Silchar- 1, District: Cachar, Assam

### OUR COMPETITIVE STRENGTHS

#### ➤ Experience of our Promoters:

All our promoters are experienced and qualified in the field of supplying of materials like agrochemicals, fertilizers, etc. and have inculcated an ethical and transparent business practice, cost effective financial solution to the customers & contributed in the growth of our Company. Our company feels that the strength of any successful organization lies in the experience and guidance of its team leaders and staff

alike. A lot of care is taken in choosing the right people for the right job. It has been only due to the highly empathetic management style that our Promoters have developed over the years. Our company provides an environment that induces an employee as an entrepreneur in his own work area.

➤ **Strategic location of our Storage unit**

We believe that the strategic location of our storage unit / Godown allows us to cater to a larger consumer base, reduce logistic costs and achieve economies of scale. Our godown is located at Premtala Road, P.O. Silchar- 1, District: Cachar, Assam having location advantage allows lower procurement costs.

➤ **Strong Customer Base**

Our Company has strong customer base in the local as well as interstate market. Over a period of time, our Company has built-up a track record for timely delivery of required products. Our marketing team interacts with the customers, understands their requirements and procures the products as per their requirements. Our Company has been able to retain customers and further strengthen the relationship by providing them end-to-end solutions for their requirements.

➤ **Distributorship of renowned Multinational Companies :**

- American Spring & Pressing Works Limited
- Bayer Cropscience India Limited
- Aspee Plant Protection App. Private Limited
- DIC India Limited
- Excel Corp Care Limited
- Chemtura Chemicals India Limited
- Indian Potash Limited
- Rallis India Limited
- Brahmaputra Valley Fertilizers & Chemicals Limited
- United Phosphorus Limited
- Atul Limited

➤ **Continue to develop client relationships**

We plan to grow our business primarily by growing the number of client relationships, as we believe that increased client relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients.

## **SWOT**

### **Strengths**

- Experienced Promoters and Management team
- Cordial relationship with Customers

### **Weaknesses**

- Limited geographical coverage
- Dependent upon growth in Agrochemicals industry
- Dependence upon existing Customers for our business

## Opportunities

- Establishment of market in neighboring states
- Potential to increase the business in the existing facility

## Threats

- Industry is prone to change in government policies
- There are no entry barriers in our industry which puts us to the threat of competition from new entrants.

## OUR PROPERTIES

The Registered Office of our Company is not owned by us and same is the property of M/s. HTC Trading Private Limited (formerly known as Hind Trading Company), which is forming part of Promoters Group Companies Our Company has not entered into any leave and license agreement with M/s. HTC Trading Private Limited for using the said premise.

## 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 policies covering the following:

<b>Policy type</b>	Shopkeepers Insurance Policy
<b>Property insured</b>	Fire & Allied perils, Burglary, Housebreaking, Money & baggage insurance
<b>Coverage</b>	Rs. 10,00,000/-
<b>Policy no.</b>	130500/48/14/34/00000058
<b>Agency</b>	United India Insurance Company Limited
<b>Sum insured (Rs.)</b>	Rs. 10,00,000/-
<b>Total premium (Rs.)</b>	4,378/-
<b>From</b>	26 <sup>th</sup> April, 2014
<b>Valid up to</b>	25 <sup>th</sup> April, 2015

<b>Policy type</b>	Standard Fire and Special Perils Policy
<b>Property insured</b>	Building
<b>Coverage</b>	Rs. 65,00,000/-
<b>Policy no.</b>	130500/11/13/11/00000488
<b>Agency</b>	United India Insurance Company Limited
<b>Sum insured (Rs.)</b>	65,00,000/-
<b>Total premium (Rs.)</b>	9,093/-
<b>From</b>	8 <sup>th</sup> October, 2013
<b>Valid up to</b>	7 <sup>th</sup> October, 2014

<b>Policy type</b>	Motorcycle / Scooter Package Policy
<b>Property insured</b>	Vehicle
<b>Coverage</b>	Rs. 5,000/-



<b>Policy no.</b>	1305003113P104001654
<b>Agency</b>	United India Insurance Company Limited
<b>Sum insured (Rs.)</b>	5,000/-
<b>Total premium (Rs.)</b>	548/-
<b>From</b>	30 <sup>th</sup> September, 2013
<b>Valid up to</b>	29 <sup>th</sup> September, 2014

<b>Policy type</b>	Private Car Package Policy
<b>Property insured</b>	Vehicle
<b>Coverage</b>	Rs. 2,08,334/-
<b>Policy no.</b>	1305003113P104002105
<b>Agency</b>	United India Insurance Company Limited
<b>Sum insured (Rs.)</b>	Rs. 2,08,334/-
<b>Total premium (Rs.)</b>	4,575/-
<b>From</b>	30 <sup>th</sup> September, 2013
<b>Valid up to</b>	29 <sup>th</sup> September, 2014

<b>Policy type</b>	Private Car Package Policy
<b>Property insured</b>	Vehicle
<b>Coverage</b>	Rs. 1,60,000/-
<b>Policy no.</b>	1305003113P104743026
<b>Agency</b>	United India Insurance Company Limited
<b>Sum insured (Rs.)</b>	Rs. 1,60,000/-
<b>Total premium (Rs.)</b>	4,316/-
<b>From</b>	31 <sup>st</sup> October, 2013
<b>Valid up to</b>	30 <sup>th</sup> October, 2014

## INFRASTRUCTURE FACILITIES

## MANPOWER

Our Company is committed towards creating an organization that nurtures talent. We provide our employees an open atmosphere with a continuous learning platform that recognizes meritorious performance:

The following is a department-wise breakup of our Employees as on the date of this Prospectus:

<b>Sr. No.</b>	<b>Category</b>	<b>Total</b>
1	Senior Management	3
2	Medium Management	4
3	Others	8
<b>Total</b>		<b>15</b>

## INTELLECTUAL PROPERTIES

Our Company does not own any trademark.

## **COMPETITION**

We face the competition in our business from other existing traders. We compete with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and offer broader range products. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products.

## **APPROACH TO MARKETING AND MARKETING SET-UP**

Our top management and key executives enjoy the confidence of several clients and we currently market only to a selected setup of clients i.e., mostly to tea manufacturers. We interact with our customers to abreast ourself with their specific requirements and provide them cost effective and timely delivery of products and services and improve the same as well.

## **EMPLOYEES**

As on date of filing this Prospectus, we have employed 15 persons on a full-time basis. Further the Company expects that Human Resources and employee recruitment activities will increase as the Company grows.

## **COLLABORATIONS**

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

## **REGULATIONS AND POLICIES IN INDIA**

The following description is a summary of the relevant regulations and policies as prescribed by the Central/State Governments that are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal 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.

### **The Companies Act, 2013 (to the extent notified)**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated 12<sup>th</sup> September, 2013 and 26<sup>th</sup> March, 2013 notified a total of 283 Sections of the Companies Act, 2013, which have become effective as on the date of this Prospectus.

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

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the Automatic Route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

### **Trademarks 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.

### **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.

### **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.

### **Income-tax Act, 1961**

The Income Tax Act, 1961 deals with the taxation of individuals, corporates, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses.

## **Central Sales Tax Act ('CST')**

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for Levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

## **Value Added Tax ('VAT')**

VAT is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

## **Foreign Trade (Development and Regulation) Act, 1992**

This statute seeks to increase foreign trade by regulating the imports and exports to and from India. This legislation read with the Indian Foreign Trade Policy provides that no export or import can be made by a person or company without an importer exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

## **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.

## **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.

## HISTORY AND CERTAIN CORPORATE INFORMATION

### HISTORY & BACKGROUND

Our Company was originally incorporated in Kolkata as "Sirohia & Sons Private Limited" on 28th May, 1990 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, West Bengal. Our Company was subsequently converted in to a Public Limited Company and consequently name was changed to "Sirohia & Sons Limited " vide fresh certificate of incorporation dated 18th June, 2013 issued by the Registrar of Companies, West Bengal.

We are engaged in the business of dealing in fertilizers and pesticides catering to primarily to Tea Industry located in the North East region of the Country particularly the state of Assam and West Bengal. Our Company is registered under the Companies Act, 1956 with registration no. U51109WB1990PLC049105.

The Company is promoted by Mr. Rakesh Sirohia, Mr. Rajesh Sirohia, Mr. Rajat Sirohia, Mr. Jitendra Sirohia and RTCPL.

The Registered Office and Corporate office of our Company is situated at 16, Bonfields Lane, Kolkata-700 001 and 6, Bishop Lefroy Road, 4th Floor, Suite-9, Kolkata- 700 020 respectively.

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

Our Company has not shifted registered office of the Company since incorporation.

### CHANGES IN THE MEMORANDUM OF ASSOCIATION

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

Date	Particulars	From	To
19 <sup>th</sup> November, 1990	Increase in Authorised Share Capital of the Company	50,000	1,50,000
20 <sup>th</sup> April, 1994		1,50,000	3,00,000
3 <sup>rd</sup> April, 1995		3,00,000	4,00,000
27 <sup>th</sup> September, 1996		4,00,000	7,50,000
12 <sup>th</sup> December, 2011		7,50,000	8,00,000
29 <sup>th</sup> November, 2012		8,00,000	1,08,00,000
28 <sup>th</sup> May, 2013	Conversion of our Company from Private Limited to Public Limited and subsequently name changed from Sirohia & Sons Private Limited to Sirohia & Sons Limited		

### MAJOR EVENTS AND MILESTONES

YEAR	PARTICULARS
1990	Incorporation of the Company in the name and style of "Sirohia & Sons Private Limited"
2004	Received Rank 1 award by M/s. Indian Potash Limited in sales of IPL MOP in the Assam & North East state.
2012	Our Company was recognized as an Elitia Member for their continued contribution towards business growth and customer service from M/s. Bayer Cropscience Limited
2012	Our Company was awarded Regional Champion- Runner up in region of North East and Nepal
2012	Our Company was awarded DSO Champion - Winner in region of North East and Nepal
2013	Conversion of Company from Private Limited to Public Limited

## **HOLDING COMPANY OF OUR COMPANY**

Our Company is promoted by M/s. Ruttonpore Tea Company Private Limited, which holds 53.07% of pre issue equity and voting share capital.

## **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 37 (Thirty Seven) shareholders on date of the Prospectus.

## **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 hardware merchant, suppliers of stores in all its branches, general order suppliers, chemicals, manufacturers of and dealers in papers including card board, card board boxes,

cartons, packing materials, containers, boxes and cases made of paper corrugated sheets, wood or otherwise plastics, building materials, deal in merchandise, commodities and articles of all kinds and description and to undertaking all kinds of agency business and to import and export of every marketable commodity.

2. To carry on the business as manufacturers of and dealers in pulp, papers and straw boards of all kinds, and articles in which pulp, paper of straw-board is used, including card board, mill-board and railway ticket board, oil papers, packing cartons and also of manufacturers and dealers in any materials or substances used in the manufacture or treatment of paper and straw boards or pulp or of such article as aforesaid.
3. To manufacture, export, import, distribute or sell in retail and wholesale pulp, writing and printing paper, specialty papers, all varieties of boards and papers and board products, art paper, newsprint, drawing paper, filter paper, grease paper, insulation paper, craft paper, cheque paper, absorbent paper, decorative laminate paper, coated paper, hard boards, soft boards, particle boards, simplex, duplex and triplex boards.
4. To acquire by lease, grant, assignment, transfer or otherwise tea gardens, plantations or lands from any person, firms, companies, corporation, Government or Municipality in India or elsewhere and to open out there on such new gardens and plantations as may be considered expedient for the purpose of the company and to carry on the business of plantation and cultivating the tea plant & the manufacture, sale of and dealing in tea and tea seeds and also acquisition of other tea companies, firms as may be considered for the purpose of the company.

Our Promoter Mr. Rakesh Sirohia had entered into an agreement with M/s. Assambrook Limited ('ABL') on 27<sup>th</sup> February 2008 whereby ABL had agreed to Demerge / transfer one of its tea estate viz, Tinkharia Tea Estate into Tinkharia Tea Pvt. Ltd. ('TTPL'), a Company wholly owned by our Promoter Group for an agreed consideration of Rs. 1100 lacs. Our Company has entered into an Agreement dated 28<sup>th</sup> October, 2012 with TTPL to purchase the aforesaid Tea Estate and in this regard our Company has advanced an unsecured interest free advance of Rs. 1500.00 lacs to TTPL against purchase consideration of the said Tea Estate. Further, our Promoter Mr. Rakesh Sirohia had entered into an agreement with M/s. Hanuman Tea Company Limited ('HTCL') on 15<sup>th</sup> October 2009 whereby HTCL had agreed to transfer / sell one of its Tea Estate viz, Sonajuli Tea Estate into Sonajuli Plantations Pvt. Ltd. ('SPPL') for an agreed consideration of Rs. 1251.00 lacs. Our Company had entered into an agreement dated 1<sup>st</sup> April, 2013 with SPPL to purchase the Sonajuli Tea Estate. The Tea Estate was mortgaged with Bank of Baroda as collateral security for loan obtained by HTCL. Subsequently, one of our Promoter Group Company, Sudhir Credit Private Limited ('SCPL') had approached Bank of Baroda and agreed to takeover the loan of HTCL outstanding with the Bank of Baroda for an aggregate consideration of Rs. 1350.00 lacs in lieu of release of mortgage on the Tea Estate and assignment of the same in favor of SCPL. Bank of Baroda vide deed of assignment dated 18<sup>th</sup> June 2014 assigned the same in favor of SCPL. SCPL vide agreement dated 24<sup>th</sup> June 2014 had agreed to transfer the Tea estate to SPPL for an aggregate consideration of Rs. 1200.00 lacs. In this regard our Company has advanced an unsecured interest free advance of Rs. 400.00 lacs to SPPL against purchase consideration of the said Tea Estate. HTCL has already provided the physical possession of the Tea Estate to SPPL and SPPL has started the operations at the Tea Estate w.e.f 26<sup>th</sup> May 2012. However the execution and registration of the deed of conveyance is not yet completed.

Our Company cannot comment on the timeframe within which the aforesaid Tea Estates will be effectively transferred to respective group entities and till the Tea Estates are received, our Company will not be earning any interest on the unsecured interest free advance made to both TTPL and SPPL.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under clause 114 of 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 eight (8) 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 (in years)	Status of Directorship in our Company	Other Directorships
<b>Rakesh Sirohia</b> S/o Ratan Lal Sirohia  <b>Address:</b> 2, Clyde Row, Hastings, Kolkata- 700 020  <b>Occupation-</b> Business <b>Nationality-</b> Indian <b>Tenure-</b> 23 years w.e.f. 28.05.1990 <b>DIN-</b> 00228967	56	Managing Director  <b>Term-</b> Appointed as Managing Director w.e.f. 01.12.2013 for a period of 5 years	1. GCS Chemicals Private Limited 2. Navnita Tradefin Private Limited 3. Ricky Credit Co. Private Limited 4. Ridhima Holdings Private Limited 5. Sangita Fiscal Services Private Limited 6. Sudhir Credit Private Limited 7. Anita Trading Co. Limited 8. Rajat Vyapaar Private Limited 9. Siliguri Developers Private Limited 10. Dhullie Tea Plantations Private Limited 11. Dibrudarrang Tea Private Limited 12. Maheshpur Tea & Industries Private Limited 13. Sonajuli Plantations Private Limited 14. Tinkharia Tea Private Limited 15. Shree Fabrications Private Limited
<b>Rajesh Sirohia</b> S/o Ratan Lal Sirohia  <b>Address:</b> 16 Bonfields Lane, 2 <sup>nd</sup> Floor Kolkata- 700 001  <b>Occupation-</b> Business <b>Nationality-</b> Indian <b>Tenure-</b> 18 years w.e.f. 01.04.1995 <b>DIN-</b> 00356431	47	Director  <b>Term-</b> Liable to retire by rotation	1. Ricky Credit Co. Private Limited 2. Ridhima Holdings Private Limited 3. Asom Properties Private Limited 4. Jitendra Vyapaar Private Limited
<b>Rajat Sirohia</b> S/o Raj Karan Sirohia  <b>Address:</b> 2, Clyde Row, Hastings, Kolkata- 700 020  <b>Occupation-</b> Business <b>Nationality-</b> Indian	44	Whole-time Director  <b>Term-</b> 5 years w.e.f. 01.07.2013	1. Navnita Tradefin Private Limited 2. Sudhir Credit Private Limited 3. Ruchi Trades & Holdings Private Limited 4. Sirohia Finvest Company Private Limited 5. Anita Trading Co. Limited 6. Rajat Vyapaar Private Limited 7. Nirmala Tie-up Private Limited

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age (in years)	Status of Directorship in our Company	Other Directorships
<b>Tenure-</b> 1 year w.e.f. 01.04.2013 <b>DIN-</b> 00244597			8. Silver Leaf Tea Private Limited 9. Tinkharia Tea Private Limited 10.Dibrudarrang Tea Private Limited
<b>Jitendra Sirohia</b> S/o Vijay Sirohia  <b>Address:</b> 2, Clyde Row, Hastings, Kolkata- 700 020  <b>Occupation-</b> Business <b>Nationality-</b> Indian <b>Tenure-</b> 7 years w.e.f. 15.02.2007 <b>DIN-</b> 00244740	35	Director  <b>Term-</b> Liable to retire by rotation	1. Ridhima Holdings Private Limited 2. Sudhir Credit Private Limited 3. Anita Trading Co. Limited 4. Jitendra Vyapaar Private Limited 5. Rajat Vyapaar Private Limited 6. HTC Trading Private Limited 7. Dibrudarrang Tea Private Limited 8. Tinkharia Tea Private Limited 9. Yash Infrastructural Engineers Private Limited
<b>Richa Choudhary</b> D/o Ramesh Kr. Choudhary  <b>Address:</b> Baghmara Bazar, near Thakurbari Mandir, Dhanbad- 828 306  <b>Occupation-</b> Professional <b>Nationality-</b> Indian <b>Tenure-</b> Joined w.e.f. 10.01.2014 <b>DIN-</b> 06648795	23	Independent Director	1. Bright Impex & Agencies Private Limited
<b>Ajay Kumar Shaw</b> S/o Babunath Shaw  <b>Address:</b> 18/19, Dr. Abani Dutta Road, 15, Golabari, House no- 9-201, Howrah- 711 106  <b>Occupation-</b> Business <b>Nationality-</b> Indian <b>Tenure-</b> Joined w.e.f. 10.01.2014 <b>DIN-</b> 06785397	29	Independent Director	--
<b>Akhtar Khan</b> S/o Habib Khan  <b>Address:</b> 35/H/5, Palm Avenue, Kolkata- 700 019  <b>Occupation-</b> Business	35	Independent Director	--

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age (in years)	Status of Directorship in our Company	Other Directorships
<b>Nationality-</b> Indian <b>Tenure-</b> Joined w.e.f. 10.01.2014 <b>DIN-</b> 06710464			
<b>Debjit Banerjee</b> S/o Shyamal Chandra Banerjee  <b>Address:</b> P/1, Unique Park, Behala, Kolkata- 700 034  <b>Occupation-</b> Business <b>Nationality-</b> Indian <b>Tenure-</b> Joined w.e.f. 10.01.2014 <b>DIN-</b> 06636323	41	Independent Director	--

**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**

1. **Mr. Rakesh Sirohia**, aged 56, is the Managing Director of our Company. He is B.com (Honors) by qualification. He has more than two decades of experience in the field of Tea industry and supplying of materials like agrochemicals, fertilizers etc. The Board has the advantage of his experience in the above mentioned field. Further he is associated with the Company since 28.05.1990 and has been appointed as Managing Director of the Company w.e.f. 1<sup>st</sup> December, 2013 for a term of 5 years.
2. **Mr. Rajesh Sirohia**, aged 47, is B.com (Honors) by qualification. He has more than fifteen years of experience in the field of supplying of materials like agrochemicals, fertilizers, etc. The Board has the advantage of his experience in the above mentioned field. Further he is associated with the Company since 28.05.1990.
3. **Mr. Rajat Sirohia**, aged 44, is Whole-time director of our Company. He is having an experience of more than two decades in the field of materials like agrochemicals, fertilizers, etc. The Board has the advantage of his experience in the above mentioned field and has been appointed as Whole-time Director of the Company w.e.f. 1<sup>st</sup> July, 2014 for a term of 5 years.

4. **Mr. Jitendra Sirohia**, aged 35, is B.com (Honors) by qualification. He is having an experience of more than 5 years in the field of materials like agrochemicals, fertilizers, etc. Further, he is associated with the Company w.e.f. 15.02.2007 for a term of 7 years.
5. **Ms. Richa Choudhary**, aged 23, is an Independent director of our Company. She is a Chartered Accountant and B. Com (Hons.). She has 2 years of experience as Chartered Accountant.
6. **Mr. Ajay Kumar Shaw**, aged 29, is an Independent director of our Company. He is a qualified Higher Secondary. He has 3 years of experience in the field of trading business.
7. **Mr. Akhtar Khan**, aged 35, is an Independent director of our Company. He is a B. Com (Hons.). He has 5 years of experience in the field of real estate broking.
8. **Mr. Debjit Banerjee**, aged 41, is an Independent director of our Company. He is a B. Com (Hons.) He has 5 years of experience in the field of Finance.

## 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

As on date of this Prospectus, following is the relationship amongst the Directors of the Company:

Sr. No.	Name of Director	Relationship amongst Directors
1.	Mr. Rakesh Sirohia	Brother of Mr. Rajesh Sirohia and cousin of Mr. Rajat Sirohia and Mr. Jitendra Sirohia.
2.	Mr. Rajesh Sirohia	Brother of Mr. Rakesh Sirohia and cousin of Mr. Rajat Sirohia and Mr. Jitendra Sirohia.
3.	Mr. Rajat Sirohia	Cousin of Mr. Rakesh Sirohia, Mr. Jitendra Sirohia and Mr. Rajesh Sirohia.
4.	Mr. Jitendra Sirohia	Cousin of Mr. Rakesh Sirohia, Mr. Rajat Sirohia and Mr. Rajesh Sirohia.

## BORROWING POWERS OF THE DIRECTORS

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on 6th February, 2014 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 5000 Lacs.

## TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

<b>Name</b>	Mr. Rakesh Sirohia
<b>Designation</b>	Managing Director
<b>Period</b>	Five years with effect from 01.12.2013
<b>Date of Appointment</b>	Board Meeting dated 25.11.2013
<b>Remuneration</b>	<b>(a) Remuneration:</b> Rs. 50,000/- per month <b>(b) Perquisites:</b> <ul style="list-style-type: none"> <li>- Reimbursement of Medical Expense;</li> <li>- Leave Travel Concession for self and family;</li> <li>- Club fees;</li> <li>- Premium for medical/ accidental insurance subject to maximum amount of Rs. 50,000 in a FY.</li> </ul>
<b>Remuneration paid in Financial year 2013-14</b>	Rs. 2,00,000/-

<b>Name</b>	Mr. Rajat Sirohia
<b>Designation</b>	Whole-time Director
<b>Period</b>	Five years with effect from 01.07.2013
<b>Date of Appointment</b>	Board Meeting dated 01.06.2013
<b>Remuneration</b>	<b>(a) Remuneration:</b> Rs. 50,000/- per month from 01.07.2013 to 31.03.2015 and then Rs. 75,000/- per month for the remaining tenure. <b>(b) Perquisites:</b> <ul style="list-style-type: none"> <li>- Reimbursement of Medical Expense;</li> <li>- Leave Travel Concession for self and family;</li> <li>- Club fees;</li> <li>- Premium for medical/ accidental insurance subject to maximum amount of Rs. 50,000/- in a FY.</li> </ul>
<b>Remuneration paid in Financial year 2013-14</b>	Rs. 4,50,000/-

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, the Directors are not paid any sitting fees for attending Board Meetings.

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

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

- A) Audit Committee
- B) Shareholders/Investors Grievance Committee
- C) Compensation / 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 / section 177 of the Companies Act, 2013 and Clause 52 of the SME Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 16<sup>th</sup> January 2014.

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. Ajay Kumar Shaw is the Chairman of the Audit Committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Ajay Kumar Shaw	Chairman	Independent Director
2.	Mr. Akhtar Khan	Member	Independent Director
3.	Ms. Richa Choudhary	Member	Independent Director
4	Mr. Pratik Kanitkar	Secretary	N.A.

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

The role of the audit committee shall include the following:

1. Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- a. Matters required 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 / clause (c) of sub section 3 of section 134 of Companies Act, 2013. Changes, if any, in accounting policies and practices and reasons for the same
  - b. Major accounting entries involving estimates based on the exercise of judgment by management
  - c. Significant adjustments made in the financial statements arising out of audit findings
  - d. Compliance with listing and other legal requirements relating to financial statements
  - e. Disclosure of any related party transactions
  - f. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  9. Discussion with internal auditors any significant findings and follow up there on.
  10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### 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 16<sup>th</sup> January 2014. Mr. Ajay Kumar Shaw is the Chairman of the Shareholders/ Investors Grievance committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Ajay Kumar Shaw	Chairman	Independent Director
2.	Mr. Debjit Banerjee	Member	Independent Director
3.	Ms. Richa Choudhary	Member	Independent Director
4	Mr. Pratik Kanitkar	Secretary	N.A.

#### 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.

#### COMPENSATION / REMUNERATION COMMITTEE

Our Company has constituted a Remuneration/ Compensation Committee. The constitution of the Committee was approved vide resolution passed at the meeting of the Board of Directors held on 16<sup>th</sup> January 2014. The Committee currently comprises of three (3) Directors. Ms. Richa Choudhary is the Chairman of the IPO Committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Ms. Richa Choudhary	Chairman	Independent Director
2.	Mr. Ajay Kumar Shaw	Member	Independent Director
3.	Mr. Debjit Banerjee	Member	Independent Director
4	Mr. Pratik Kanitkar	Secretary	N.A.

The terms of reference of the Remuneration/ Compensation Committee are:

1. To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);



2. To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/ Executive Directors, including pension rights and any compensation payment;
3. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

## **IPO COMMITTEE**

Our Company has constituted an IPO Committee. The IPO Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 16<sup>th</sup> January 2014. The Committee currently comprises of three (3) Directors. Mr. Jitendra Sirohia is the Chairman of the IPO Committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Jitendra Sirohia	Chairman	Non Executive Promoter Director
2.	Mr. Ajay Kumar Shaw	Member	Independent Director
3.	Mr. Debjit Banerjee	Member	Independent Director
4	Mr. Pratik Kanitkar	Secretary	N.A.

The IPO Committee has been vested with powers and authority to take all decisions relating to the Issue and do all such acts and things as may be necessary and expedient for, incident and ancillary to the Issue.

### ***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. Pratik Kanitkar 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 shareholding of our Directors as on the date of this Prospectus is as follows:

Name of the Directors	Number of Equity Shares	% of Pre-Issue Paid up Share Capital	% of Post-Issue Paid up Share Capital
Mr. Rakesh Sirohia	50,040	0.69%	0.49%
Mr. Rajat Sirohia	1,00,000	1.38%	0.97%
Mr. Jitendra Sirohia	10	0.00%	0.00%
Mr. Rajesh Sirohia	10	0.00%	0.00%
<b>Total</b>	<b>1,50,060</b>	<b>2.07%</b>	<b>1.46</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**

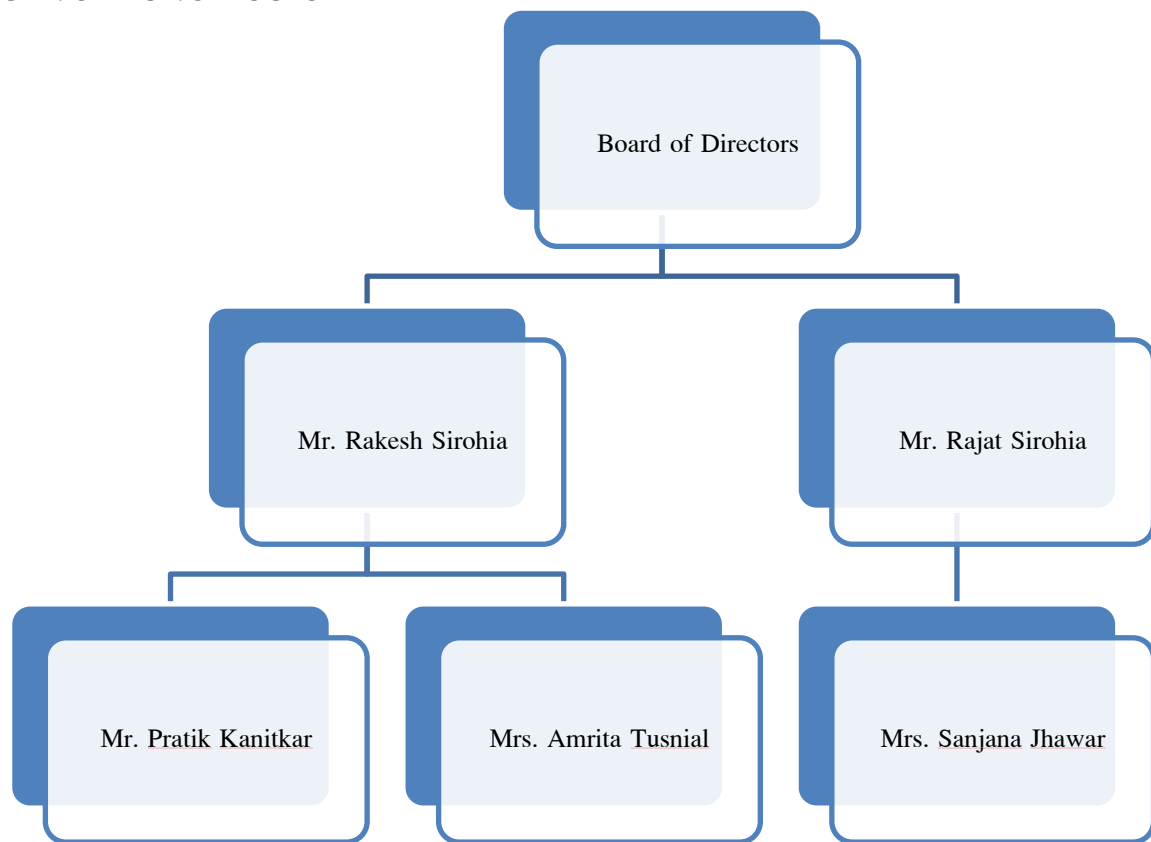
Our Company has not entered into any contract, agreements or arrangement during the preceding two (2) years from the date of this Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

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

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

<b>Name</b>	<b>Date</b>	<b>Nature of event</b>	<b>Reason</b>
Mr. Rajat Sirohia	01.04.2013	Appointment	Appointment as Additional Director
Mr. Rajesh Sirohia	15.04.2013	Change in designation	Appointment as Director from Managing Director
Mr. Rajat Sirohia	01.07.2013	Change in designation	Appointed as Whole-time Director
Mr. Rakesh Sirohia	01.12.2013	Change in designation	Appointed as Managing Director
Ms. Richa Choudhary	10.01.2014	Appointment	Appointed as Additional Director
Mr. Ajay Kumar Shaw	10.01.2014	Appointment	Appointed as Additional Director
Mr. Akhtar Khan	10.01.2014	Appointment	Appointed as Additional Director
Mr. Debjit Banerjee	10.01.2014	Appointment	Appointed as Additional Director

## 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 Responsibility	Qualification
Mr. Pratik Kanitkar	16.01.2014	Company Secretary	Drafting of agreements, drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act, 1956.	ACS
Mrs. Amrita Tusnial	01.04.2013	General Manager	Develops strategic plan by studying technological and financial opportunities; presenting assumptions; recommending objective, Builds company image by collaborating with customers, government, community organizations, and employees; enforcing ethical business practices.	B. Com (H)
Mrs. Sanjana Jhavar	01.07.2013	Marketing Manager	Researching and reporting on external opportunities Understanding current and potential customers and Managing the customer journey.	B. Com (H)

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

1. **Mr. Pratik Kanitkar** is a member of The Institute of Company Secretaries of India having Membership No: - A23459 and LLB from Jitendra Chauhan College of Law, University of Mumbai. He also holds a degree of Bachelor of Commerce from University of Mumbai. He worked as Senior Associate with SG & Associates, Practicing Company Secretaries (PCS) for Four Years, also worked as Company Secretary of B4U Television Networks (India) Limited for One and Half Years and Topworth Steels & Power Private Limited for One and Half Years. He has been appointed as a Company Secretary and Compliance Officer of Sirohia and Sons Limited from 16<sup>th</sup> January, 2014.
2. **Mrs. Amrita Tusnial** aged 42 years holds a degree of B.com from Calcutta University. She has over 2 years experience in tea industry in various senior and top management positions. She played a key role in developing strategic direction, achieving rapid expansion at operational level and profitability in a short period in all her earlier engagements. She took over the responsibility as an employee of our company from 1<sup>st</sup> April, 2013. In the Company she is responsible for looking over the legal matters like

filing demerger petition, she also monitors the manufacturing of tea in the factory. She is paid a gross remuneration of Rs. 50,000/- per month

3. **Mrs. Sanjana Jhawar** aged 33 years holds a degree of B.com. She has over 2 years experience in tea industry in various senior and top management positions. She played a key role in developing marketing strategy and selling the products to big corporate houses like Duncans Industries Ltd., Goodricke Group Ltd., Andrew Yule & Co. Ltd., and Mcleod Russel India Ltd. She took over the responsibility as an employee of our company from 1<sup>st</sup> July, 2013. In the Company she is responsible for looking over the matters like marketing the products. She is paid a gross remuneration of Rs. 15,000/- per month.

#### **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 31<sup>st</sup> March, 2014.

#### **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>
Mrs. Amrita Tusnial	01.04.2013	-	Appointment
Mrs. Sanjana Jhawar	01.07.2013	-	Appointment
Mr. Pratik Kanitkar	16.01.2014	-	Appointment

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 AND PROMOTER GROUP

Our Promoters are Mr. Rakesh Sirohia, Mr. Rajesh Sirohia, Mr. Rajat Sirohia, Mr. Jitendra Sirohia and M/s. Ruttonpore Tea Company Private Limited


Details of our Promoters are as under:

### 1. Mr. Rakesh Sirohia

	<p><b>Mr. Rakesh Sirohia</b>, aged 56 years is a Promoter and Managing Director of our Company. He is a B.Com (Hons.). He has 22 years of experience in the field of supplying of materials like agrochemicals, fertilizers, etc. The Board has the advantage of his experience in the above mentioned field. He has been designated as Director of our Company since incorporation. For further details relating to Mr. Rakesh Sirohia, including address and other directorship, see the section titled as “Our Management” on page 88 of this Prospectus.</p>
---	--


Particulars	Details
Name	<b>Mr. Rakesh Sirohia</b>
Permanent Account Number	AMAPS4035K
Passport No.	F9036086
Voter ID	WB/23/146/423047
Driving License	WB-011993656371
Bank Account Details	5-285596-019 CITI BANK

### 2. Mr. Rajesh Sirohia

	<p><b>Mr. Rajesh Sirohia</b>, aged 47 years is a Promoter and Director of our Company. He is a B.Com (Hons.). He has 17 years of experience in the field of supplying of materials like agrochemicals, fertilizers, etc. The Board has the advantage of his experience in the above mentioned field. He has been designated as Director of our Company since 1<sup>st</sup> April, 1995. For further details relating to Mr. Rakesh Sirohia, including address and other directorship, see the section titled as “Our Management” on page 88 of this Prospectus.</p>
---	--


Particulars	Details
Name	<b>Mr. Rajesh Sirohia</b>
Permanent Account Number	ALIPS0665C
Passport No.	H7201578
Voter ID	N.A.
Driving License	AS-1119930006557
Bank Account Details	5-285854-018 CITI BANK

### 3. Mr. Rajat Sirohia

	<p><b>Mr. Rajat Sirohia</b>, aged 44 years is a Promoter and Whole-time Director of our Company. He is a B.Com (Hons.). He has 25 years of experience in the field of supplying of materials like agrochemicals, fertilizers, etc. The Board has the advantage of his experience in the above mentioned field. He has been designated as Whole-time Director of our Company since 1<sup>st</sup> April, 2013. For further details relating to Mr. Rajat Sirohia, including address and other directorship, see the section titled as “Our Management” on page 88 of this Prospectus.</p>
---	--

Particulars	Details
Name	<b>Mr. Rajat Sirohia</b>
Permanent Account Number	AQIPS4907Q
Passport No.	E5161662
Voter ID	WB/23/146/423041
Driving License	WB-012002122552
Bank Account Details	5-285598-003 CITI BANK

### 4. Mr. Jitendra Sirohia

	<p><b>Mr. Jitendra Sirohia</b> aged 35, is Promoter &amp; Director of our Company. He is a B.Com (Hons.). He has 5 years of experience in the field of supplying of materials like agrochemicals, fertilizers, etc. The Board has the advantage of his experience in the above mentioned field. He has been designated as Director of our Company since 15<sup>th</sup> February, 2007. For further details relating to Mr. Jitendra Sirohia, including address and other directorship, see the section titled as “Our Management” on page 88 of this Prospectus.</p>
--	---

Particulars	Details
Name	<b>Mr. Jitendra Sirohia</b>
Permanent Account Number	ALUPS9266M
Passport No.	G0706691
Voter ID	DWK1274067
Driving License	WB- 0120090659943
Bank Account Details	5-285602-019 CITI BANK

### 5. M/s. Ruttonpore Tea Co. Private Limited (“RTCPL”)

RTCPL was incorporated as Ruttonpore Tea Company Limited under the provisions Indian Companies Act, 1913 as a public limited Company pursuant to Certificate of Incorporation dated 25.02.1954. RTCPL was subsequently converted into private limited Company and the name was changed to its present name vide fresh certificate of incorporation dated 06.11.1980. The corporate identification number of RTCPL is U01132WB1954PTC021487. The registered office of RTCPL is situated at 6, Bishop Lefroy Road, 4<sup>th</sup> Floor, Suite No. 19, Kolkata- 700 020.

The Authorized Share Capital of RTCPL is Rs. 2,95,00,000/- comprising of 2,95,000 equity shares of Rs. 100/- each. The Issue, Subscribed and Paid-up capital of RTCPL is Rs. 2,92,00,100/- comprising of 2,92,001 equity shares of Rs. 100/- each. As on date of this Prospectus RTCPL does not have any partly paid- up equity shares.

Main Objects:	To grow, manufacture tea and to sell dispose of, export, import and deal in tea either in its raw or manufactured state either wholesale or retail, to acquire by lease, grant, assignment, transfer or otherwise gardens, plantations or lands from any persons, firms, corporations, Government or Municipality in India or elsewhere and to open out there on such new gardens and plantations as may be considered expedient for the purposes of the company and to carry on the business of planting and cultivating the tea plant and the manufacture and sale of and dealing in tea and tea seeds. To deal in tea as brokers in Kolkata or elsewhere.		
Date of Incorporation	25.02.1954		
CIN	U01132WB1954PTC 021487		
PAN Card No.	AABCR6019E		
Address of ROC with which the Company is registered	Nizam Palace, 2nd MSO Building 2nd Floor, 234/4, A.J.C.B. Road Kolkata- 700 020		
Bank Account Number	13040200024462		
Name of the Bank	Federal Bank		
Registered Office address	6, Bishop Lefroy Road, 4 <sup>th</sup> Floor, Suite No.- 19, Kolkata- 700 020		
Board of Directors	1.Rohan Sirohia 2.Rahul Sirohia		
Audited Financials Information			
	(Rs. in lacs except in per share data)		
	For the year ended		
	31.03.2013	31.03.2012	31.03.2011
Equity Capital	275.00	3.25	3.25
Reserves & Surplus (excluding Revaluation Reserve)	826.26	11.34	10.89
Networth	1101.26	14.59	14.14
Sales	-	-	-
Other Income	0.08	0.73	0.66
Total Income	0.08	0.73	0.66
Profit/ (Loss) after tax	(0.32)	0.44	0.34
Earnings per share (FV of Rs. 10/-)	(0.12)	13.67	10.41
NAV per share (Rs.)	400.46	448.69	435.02

Further, post 31.03.2013, 17,000 fully paid up equity shares of Rs. 100/- each have been allotted to the following allottees:



Name of the Allottee	Number of Shares allotted
Albino Investment Consultants Private Limited	8,000
Atlantic Invest Advisory Private Limited	9,000
<b>Total</b>	<b>17,000</b>

**Shareholding Pattern of the RTCPL as on date of this Prospectus is as under:**

Sr. No.	Name of the Shareholders	Number Shares held	Percentage of Holding
1	Rajesh Sirohia	813	0.28%
2	Rahul Sirohia	812	0.28%
3	Jitendra Sirohia	813	0.28%
4	Rohan Sirohia	813	0.28%
5	Assambrook Ltd.	38,750	13.27%
6	Atlantic Invest Advisory Pvt. Ltd.	35,000	11.99%
7	Gatik Realcon Pvt. Ltd.	5,000	1.71%
8	Hubek Engineering Pvt. Ltd.	1,14,250	39.13%
9	Mahagujkar Agrocon Pvt. Ltd.	52,250	17.89%
10	Sudera Services Pvt. Ltd.	7,500	2.57%
11	Welkin Investments Consultants Pvt. Ltd.	28,000	9.59%
12	Albino Investment Consultants Pvt. Ltd.	8,000	2.74%
<b>Total</b>		<b>2,92,001</b>	<b>100.00%</b>

## **PROMOTERS OF RTCPL**

The Company is currently controlled, managed and promoted by the Sirohia Group.

## **DETAILS OF CHANGE IN CONTROL OR MANAGEMENT OF RTCPL**

The existing Promoters of RTCPL i.e., Mr. Jitendra Sirohia alongwith his relatives acquired entire share capital of RTCPL from Mr. Punya Brata Dutta and Mr. Kalyan Brata Dutta alongwith their relatives in the financial year 12-13. Except for this there has not been any change in the management / control of RTCPL in the last three years.

## **OTHER DISCLOSURES:**

The equity shares of RTCPL are not listed on any stock exchange. No action has been taken against the Company by any stock exchange or SEBI.

RTCPL is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further RTCPL is not under winding up, neither does it have a negative net – worth.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against RTCPL.

## **OTHER UNDERTAKINGS AND CONFIRMATIONS**

Our Company undertakes that the details of Permanent Account Number, bank account number, Company registration number, the address of the ROC where RTCPL is registered and passport number of the Individual Promoters will be submitted to the BSE Limited, where the securities of our Company are proposed to be listed at the time of submission of Prospectus.

## **COMMON PURSUITS OF OUR PROMOTERS**

Our Promoters, Mr. Rakesh Sirohia, Mr. Rajesh Sirohia, Mr. Rajat Sirohia and Mr. Jitendra Sirohia are presently partners holding equal shares in M/s. Jai Trading Company which is also engaged in business similar to that of our Company. This may result in a conflict of interest with respect to business strategies of our Company. Further, neither our Promoters nor the members of our Promoter Group have undertaken to refrain from competing with our business.

## **INTEREST OF THE PROMOTERS**

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

Our Promoters are Mr. Rakesh Sirohia, Mr. Rajesh Sirohia, Mr. Rajat Sirohia, Mr. Jitendra Sirohia and RTCPL. Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by themselves as well as their relative and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters 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 either of them are interested as a director, member or partner.

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

Except as disclosed in the section titled “Our Business” on page 77 of Prospectus 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 together hold 39,98,260 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 92, our Promoters does not hold any other interest in our Company.

Also see “Our Management- Interest of Directors” on page 96 of Prospectus.

## **PAYMENT AMOUNTS OR BENEFIT TO OUR PROMOTERS 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. 88, 117 and 41 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 them, please refer to the section titled *“Outstanding Litigation and Material Developments”* on page 138 of the Promoters. Our Promoters have 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 116, our Company has not entered into any related party transactions with our Promoters.

## PROMOTER GROUP

The following companies and firms have been promoted by the Promoters of the Company and are referred to in the prospectus as the Group Companies. The Companies that form part of Promoter group are as follows:

### (a) Listed Companies:

- Anita Trading Co. Limited

### (b) Unlisted Companies:

- Asom Properties Private Limited
- Dhullie Tea Plantations Private Limited
- Dibrudarrang Tea Private Limited
- GCS Chemicals Private Limited
- HTC Trading Private Limited
- Jitendra Vyapaar Company Private Limited
- Maheshpur Tea & Industries Private Limited
- Mekhlipara Tea Company Limited
- Narendrapur Tea Company (P) Limited
- Navnita Tradefin (P) Limited
- Nirmala Tie-up Private Limited
- Rajat Vyapaar Private Limited
- Ricky Credit Company Private Limited
- Ridhima Holdings Private Limited
- Ruchi Trades & Holdings Private Limited
- Sangita Fiscal Services Private Limited
- Siliguri Developers Private Limited
- Silver Leaf Tea Private Limited
- Sirohia Finvest Company Private Limited
- Sirohia Properties & Trading Company Private Limited
- Sonajuli Plantations Private Limited
- Sudhir Credit Private Limited
- Kalyani Tea Co Limited
- Tinkharia Tea Private Limited

### (c) Partnership Firms:

- Jai Trading Co.

- Yash Marketing (India)
- Universal Enterprise

**(d) Individual Promoters**

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

Relationship	Mr. Rakesh Sirohia	Mr. Rajat Sirohia	Mr. Jitendra Sirohia	Mr. Rajesh Sirohia
<b>Father</b>	Mr. Ratan Lal Sirohia	Mr. Raj Karan Sirohia	Mr. Vijay Sirohia	Mr. Ratan Lal Sirohia
<b>Mother</b>	Mrs. Kamala Devi Sirohia	Mrs. Kanak Devi Sirohia	Mrs. Nirmala Devi Sirohia	Mrs. Kamala Devi Sirohia
<b>Spouse</b>	Mrs. Neena Sirohia	Mrs. Anju Sirohia	Mrs. Dipika Sirohia	Mrs. Vandana Sirohia
<b>Brother</b>	Mr. Rajesh Sirohia	--	--	Mr. Rakesh Sirohia
<b>Children</b>	Mr. Rohan Sirohia	Mr. Rahul Sirohia Mr. Raunak Sirohia	Ms. Samaira Sirohia	Ms. Raveena Sirohia Ms. Ruchi Sirohia

- Companies, firms and HUF's which form part of Promoter Group by virtue of Regulation 2(zb) of SEBI (ICDR) Regulations are as follows:

Nature of Relationship	Entity
Anybody corporate in which ten percent or more of the equity share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relative is a member.	<ol style="list-style-type: none"> <li>1. Anita Trading Co. Limited</li> <li>2. Asom Properties Private Limited</li> <li>3. Jitendra Vyapaar Private Limited</li> <li>4. Narendrapur Tea Company (P) Limited</li> <li>5. Dhullie Tea Plantations Private Limited</li> <li>6. Dibrudarrang Tea Private Limited</li> <li>7. Nirmala Tie-up Private Limited</li> <li>8. Rajat Vyapaar Private Limited</li> <li>9. Siliguri Developers Private Limited</li> <li>10. Silver Leaf Tea Private Limited</li> <li>11. Sonajuli Plantations Private Limited</li> <li>12. Tinkharia Tea Private Limited</li> <li>13. Ricky Credit Company Private Limited</li> <li>14. Sirohia Properties &amp; Trading Company Private Limited</li> <li>15. Sangita Fiscal Services Private Limited</li> <li>16. Maheshpur Tea &amp; Industries Private Limited</li> <li>17. Kalyani Tea Co Limited</li> <li>18. Sirohia Finvest Company Private Limited</li> <li>19. Ruchi Trades &amp; Holdings Private Limited</li> <li>20. The Mekhlipara Tea Company Limited</li> </ol>
Any Body corporate in which a body corporate as provided above holds ten percent or more of the	<ol style="list-style-type: none"> <li>1. GCS Chemicals Private Limited</li> <li>2. HTC Trading Private Limited</li> </ol>

Nature of Relationship	Entity
equity share capital	3. Navnita Tradefin Private Limited 4. Ridhima Holdings Private Limited 5. Sudhir Credit Private Limited
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent of the total	1. Jai Trading Co. 2. Yash Marketing (India) 3. Universal Enterprise 4. Vijay Sirohia (HUF) 5. Ratan Lal Sirohia (HUF) 6. Rakesh Sirohia (HUF) 7. Jitendra Sirohia (HUF) 8. Rajat Sirohia (HUF) 9. Rajesh Sirohia (HUF) 10. J. L. Sirohia & Sons (HUF)

## INFORMATION OF OUR GROUP ENTITIES

### (A) COMPANIES

#### (1) Anita Trading Company Limited ('ATCL'):

Main Objects:	To carry on all or any of the business of buyers , sellers, suppliers, traders, merchants, importers, exporters, indentors, brokers, agents, assembler, packers, stockists, distributors and dealers of and in Hardware & stores, plant & machinery, stores, spare parts and accessories, commercial, natural and man-made fibers, textiles of all kinds, all types of yarn. Jute products, cement, chemicals, building materials, vehicle, vehicle parts, automobile parts, machine parts industrial components, plastics and electronic parts & devices, bullion, precious stones, work of art, antique, curios Jewellery and ornaments and in all kinds of machinery, accessories and other things required in connection therewith		
Date of Incorporation	26.02.1983		
CIN	L51909WB1983PLC035944		
PAN Card No.	AACCA1135H		
Registered Office address	16, Bonfields Lane, 3 <sup>rd</sup> Floor, Room No. 128, Kolkata- 700 001		
Board of Directors	1. Rakesh Sirohia 2. Rajat Sirohia 3. Jitendra Sirohia		
Audited Financials Information			
	(Rs. in lacs except in per share data)		
	For the year ended		
	31.03.2013	31.03.2012	31.03.2011
Equity Capital	24.90	24.90	24.90
Reserves & Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenditure, if any)	14.44	14.16	13.94

<b>Networth</b>	<b>39.34</b>	<b>39.06</b>	<b>38.84</b>
Sales	3.13	2.94	3.70
Other Income	-	-	-
<b>Total Income</b>	<b>3.13</b>	<b>2.94</b>	<b>3.70</b>
<b>Profit/ (Loss) after tax</b>	<b>0.29</b>	<b>0.21</b>	<b>0.31</b>
<b>Earnings per share (FV of Rs. 10/-)</b>	<b>0.11</b>	<b>0.09</b>	<b>0.18</b>
<b>NAV per share (Rs.)</b>	<b>15.80</b>	<b>15.69</b>	<b>15.60</b>

**Nature & extent of interest of our Promoters:**

<b>Name</b>	<b>Director of ATCL</b>	<b>Number of equity shares held</b>	<b>%age of shareholding</b>
Mr. Rakesh Sirohia	Yes	16,000	6.43
Mr. Rajat Sirohia	Yes	Nil	0.00
Mr. Jitendra Sirohia	Yes	Nil	0.00
Mr. Rajesh Sirohia	No	28,000	11.24
<b>Total</b>		<b>44,000</b>	<b>17.67</b>

The Promoters of our Company are interested to the extent of the shareholding in Anita Trading Co. Limited

**(2) Maheshpur Tea & Industries Private Limited ('MTIPL'):**

Main Objects:	To acquire by lease, grant, assignment, transfer or otherwise, tea gardens, plantations or lands from any person or persons, firms, Syndicate or Corporation, Government or Municipality in British India, on in the Feudatory and Native States in India or elsewhere and to open out there on such new tea gardens and plantations as may be considered expedient for the purpose of the Company and to carry on the business of planting and cultivating the tea plant and the manufacture and sale of and dealing in tea and tea seeds		
Date of Incorporation	08.09.1976		
CIN	U01132WB1976PTC019283		
PAN Card No.	AACCM2320E		
Registered Office address	16, Bonfields Lane, Kolkata- 700 001		
Board of Directors	1. Rakesh Sirohia 2. Raj Karan Sirohia 3. Vijay Sirohia 4. Ratan Lal Sirohia		
Audited Financials Information			
	(Rs. in lacs except in per share data)		
	For the year ended		
	31.03.2013	31.03.2012	31.03.2011
Equity Capital	2.45	2.45	2.01
Reserves & Surplus (excluding Revaluation Reserve)	(47.91)	(78.94)	(6.94)
Networth	(45.46)	(76.49)	(4.93)

Sales	593.39	401.74	430.43
Other Income	0.04	1.87	2.06
<b>Total Income</b>	<b>593.43</b>	<b>403.61</b>	<b>432.49</b>
<b>Profit/ (Loss) after tax</b>	<b>31.02</b>	<b>(72.00)</b>	<b>(60.85)</b>
<b>Earnings per share (FV of Rs. 10/-)</b>	<b>126.61</b>	<b>(340.09)</b>	<b>(302.49)</b>
<b>NAV per share (Rs.)</b>	<b>(185.53)</b>	<b>(312.14)</b>	<b>(15.60)</b>

**Nature & extent of interest of our Promoters:**

Name	Director of MTIPL	Number of equity shares held	%age of shareholding
Mr. Rakesh Sirohia	Yes	999	4.08
Mr. Rajat Sirohia	No	5	0.01
Mr. Jitendra Sirohia	No	Nil	0.00
Mr. Rajesh Sirohia	No	999	4.08
<b>Total</b>		<b>2,003</b>	<b>8.17</b>

The Promoters of our Company are interested to the extent of the shareholding in Maheshpur Tea & Industries Private Limited.

**(3) Narendrapur Tea Co. Private Limited ('NTCPL'):**

(b) Narendrapur Tea Co. Private Limited (NTPCL):

Main Objects:	To cultivate, grow, manufacture, process and pack tea, to buy green tea leaf, to set up, manufacture and process instant tea; and to buy, sell, dispose of, export, import and otherwise deal in tea either in its raw or manufactured state in packed or loose form.		
Date of Incorporation	29.12.1986		
CIN	U01132WB1986PTC041695		
PAN Card No.	AABCN2066M		
Registered Office address	16, Bonfields Lane, Kolkata- 700 001		
Board of Directors	3. Raj Karan Sirohia 4. Vijay Sirohia 5. Ratan Lal Sirohia		
Audited Financials Information			
	(Rs. in lacs except in per share data)		
	For the year ended		
	31.03.2013	31.03.2012	31.03.2011
Equity Capital	12.01	12.01	12.01
Reserves & Surplus (excluding Revaluation Reserve)	1368.04	1217.03	1160.59
Networth	1380.05	1229.04	1172.60
Sales	606.96	425.55	499.97
Other Income	99.50	69.38	98.78
Total Income	706.46	494.93	598.75
Profit/ (Loss) after tax	151.01	56.44	104.53
Earnings per share (FV of Rs. 10/-)	125.83	47.03	87.10
NAV per share (Rs.)	1149.06	1023.33	976.34

**Nature & extent of interest of our Promoters:**

Name	Director of NTCPL	Number of equity shares held	%age of shareholding
Mr. Rakesh Sirohia	No	12,750	10.62
Mr. Rajat Sirohia	No	5,000	4.16
Mr. Jitendra Sirohia	No	10,000	8.33
Mr. Rajesh Sirohia	No	17,750	14.78
<b>Total</b>		<b>45,500</b>	<b>37.89</b>

The Promoters of our Company are interested to the extent of the shareholding in Narendrapur Tea Co. Private Limited.

**(4) Sonajuli Plantations Private Limited ('SPPL'):**

<b>Main Objects:</b>	To carry on the business of cultivation, processing, manufacturing, blending, packaging, selling, buying, importing, exporting and otherwise dealing in tea and allied products and to carry on in India or elsewhere the business to plant, produce, grow, cultivate, raise, commercialize, compound, distribute, derive, cut, process, pack, repack, mix, granule, grade, handle, manipulate, ferment, prepare, preserve, protect, promote, supervise, supply, import, export, buy, sell, turn to account and to act as agent, broker, concessionaires, consultant, collaborator, job worker or otherwise to deal in all varieties, descriptions, characteristics of tea whether fermented or not including green tea black tea, flavored tea, and for the purpose to establish, acquire, develop, manage and run tea estates & tea gardens and to acquire Sonajuli Tea Estate as a going concern by way of demerger scheme or outright purchase		
<b>Date of Incorporation</b>	25.11.2009		
<b>CIN</b>	U01132AS2009PTC009412		
<b>PAN Card No.</b>	AANCS6003R		
<b>Registered Office address</b>	P.O. Borjuli, Borjuli- 784 504		
<b>Board of Directors</b>	1. Raj Karan Sirohia 2. Rakesh Sirohia		
<b>Audited Financials Information</b>			
	<b>(Rs. in lacs except in per share data)</b>		
	<b>For the year ended</b>		
	<b>31.03.2013</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Equity Capital	1.00	1.00	1.00
Reserves & Surplus (excluding Revaluation Reserve)	(72.93)	0.12	0.03
<b>Networth</b>	<b>(71.93)</b>	<b>1.12</b>	<b>1.03</b>
Sales	813.76	--	--



Other Income	5.86	1.37	0.12
<b>Total Income</b>	<b>819.62</b>	<b>1.37</b>	<b>0.12</b>
<b>Profit/ (Loss) after tax</b>	<b>(73.05)</b>	<b>0.09</b>	<b>0.06</b>
<b>Earnings per share (FV of Rs. 10/-)</b>	<b>(730.53)</b>	<b>0.90</b>	<b>0.6</b>
<b>NAV per share (Rs.)</b>	<b>(719.30)</b>	<b>11.23</b>	<b>10.33</b>

**Nature & extent of interest of our Promoters:**

Name	Director of SPPL	Number of equity shares held	%age of shareholding
Mr. Rakesh Sirohia	Yes	4,990	49.90
Mr. Rajat Sirohia	No	Nil	0.00
Mr. Jitendra Sirohia	No	Nil	0.00
Mr. Rajesh Sirohia	No	Nil	0.00
<b>Total</b>		<b>4,990</b>	<b>49.90</b>

The Promoters of our Company are interested to the extent of the shareholding in Sonajuli Plantations Private Limited.

**(5) Kalyani Tea Company Limited ('KTCL'):**

<b>Main Objects:</b>	To acquire, promote, start and carry on agriculture, sericulture, plantation, industries, forestry, mining, quarrying, manufacture of Cotton, Jute, Hosiery, Woolen goods or of heavy and light Chemicals, manufacture of Caffeine, Tannin, Drugs, Mineral oils and by-products there from, Gas fertilizers and/or Cement industries, Generating Electricity for Commercial purpose, Manufacture of Electric or Sanitary goods and start and manage laboratories for improving these Industries by constant research work concerning the Industries taken up and to start manufacture of machineries in use in all or any of the business		
<b>Date of Incorporation</b>	02.01.1926		
<b>CIN</b>	U01132WB1926PLC004539		
<b>PAN Card No.</b>	AAACT9812G		
<b>Registered Office address</b>	16, Bonfields Lane, 3 <sup>rd</sup> Floor, Room No. 128, Kolkata- 700 001		
<b>Board of Directors</b>	1. Dipankar Chatterjee 2. Tapan Kumar Chowdhury 3. Raj Karan Sirohia 4. Vijay Sirohia 5. Ratan Lal Sirohia 6. Ashish Kumar Chowdhury		
<b>Audited Financials Information</b>			
	<b>(Rs. in lacs except in per share data)</b>		
	<b>For the year ended</b>		
	<b>31.03.2013</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Equity Capital	9.88	9.88	9.88

Reserves & Surplus (excluding Revaluation Reserve)	2080.19	1963.32	1845.04
<b>Networth</b>	<b>2090.07</b>	<b>1973.20</b>	<b>1854.92</b>
Sales	2620.13	2247.70	2145.95
Other Income	25.29	23.91	21.00
<b>Total Income</b>	<b>2645.42</b>	<b>2271.61</b>	<b>2166.95</b>
<b>Profit/ (Loss) after tax</b>	<b>128.43</b>	<b>129.77</b>	<b>122.43</b>
<b>Earnings per share (FV of Rs. 10/-)</b>	<b>129.96</b>	<b>131.32</b>	<b>123.90</b>
<b>NAV per share (Rs.)</b>	<b>2115.03</b>	<b>1996.77</b>	<b>1877.07</b>

**Nature & extent of interest of our Promoters:**

Name	Director of KTCL	Number of equity shares held	%age of shareholding
Mr. Rakesh Sirohia	No	4,990	49.90
Mr. Rajat Sirohia	No	Nil	0.00
Mr. Jitendra Sirohia	No	Nil	0.00
Mr. Rajesh Sirohia	No	Nil	0.00
<b>Total</b>		<b>4,990</b>	<b>49.90</b>

The Promoters of our Company are interested to the extent of the shareholding in Kalyani Tea Company Limited

**(B) PARTNERSHIP FIRMS**

**(1) Yash Marketing (India)**

Yash Marketing (India) is a partnership firm between Mr. Jitendra Sirohia, M/s. S.P. Jaiswal & Sons and M/s. Gulgulia Trade Private Limited, sharing profits and losses in equal ratio. The partnership firm was incorporated on 01.10.2008. The main object of the firm is to act as Marketing agent, C & F agent, Sole Selling Agent, Commission Agent, Whole Seller, Retailer, supplier in all kinds of Paper and Paper products.

Financial Performance of the firm for the financial years ending 31.03.2013, 31.03.2012 and 31.03.2011 are as follows:

Particulars	For the year ended		
	31.03.2013	31.03.2012	31.03.2011
Proprietor's Capital	239.18	72.16	315.46
Total Income	1252.18	1801.61	2410.62
Net Profit/ (Loss)	14.01	24.62	31.57

(Rs. in lacs)

**(2) Jai Trading Co.**

Jai Trading Co. is a partnership firm between Mr. Rakesh Sirohia, Mr. Rajesh Sirohia, Mr. Rajat Sirohia and Mr. Jitendra Sirohia, sharing profits and losses in equal ratio. The partnership firm was incorporated on 01.07.2006. The main object of the firm is to act as Suppliers, Contractors, Selling Agents, Handling Agents, Distributors, Traders, Brokers and Commission Agents in all lines as mutually decided by the partners from time to time.

Financial Performance of the firm for the financial years ending 31.03.2013, 31.03.2012 and 31.03.2011 are as follows:

(Rs. in lacs)

Particulars	For the year ended		
	31.03.2013	31.03.2012	31.03.2011
Proprietor's Capital	211.90	186.27	138.66
Total Income	3942.35	2603.34	1190.44
Net Profit/ (Loss)	219.27	35.27	74.44

### (3) Universal Enterprise

Universal Enterprise a partnership firm between Mr. Rajesh Sirohia and Mr. Narendra Kumar Baid, sharing profits and losses in ratio of 80:20. The partnership firm was incorporated on 15.12.2006. The main object of the firm is to act as Suppliers, Contractors, Selling Agents, Handling Agents, Distributors, Traders, Brokers and Commission Agents in all lines as mutually decided by the partners from time to time.

Financial Performance of the firm for the financial years ending 31.03.2013, 31.03.2012 and 31.03.2011 are as follows:

(Rs. in lacs)

Particulars	For the year ended		
	31.03.2013	31.03.2012	31.03.2011
Proprietor's Capital	3.15	2.75	2.48
Total Income	332.44	354.46	373.74
Net Profit/ (Loss)	0.53	0.42	0.46

### (C) Hindu Undivided Family (HUF's)

Sr. No.	Name of HUF & PAN	Name of Karta	Members of HUF
1	Rakesh Sirohia HUF PAN- AADHR3205F 22.11.1979	Mr. Rakesh Sirohia	- Rakesh Sirohia - Neena Sirohia - Rohan Sirohia - Isha Sirohia
2	Rajat Sirohia HUF PAN- AACHR8296P 01.04.1991	Mr. Rajat Sirohia	- Rajat Sirohia - Anju Sirohia - Rahul Sirohia - Raunak Sirohia
3	Jitendra Sirohia (HUF) PAN- AAEHJ6324A 20.02.2007	Mr. Jitendra Sirohia	- Jitendra Sirohia - Dipika Sirohia - Samaira Sirohia
4	Rajesh Sirohia HUF PAN- AAHR1686K 15.02.1989	Mr. Rajesh Sirohia	- Rajesh Sirohia - Vandana Sirohia - Ruchi Sirohia - Raveena Sirohia

(All Rs. in lacs)

Name of HUF	Capital as on 31 <sup>st</sup> March			Income for the year ended 31 <sup>st</sup> March		
	2013	2012	2011	2013	2012	2011
Rakesh Sirohia HUF	12.77	102.11	94.37	9.34	9.85	38.65
Rajat Sirohia HUF	117.30	111.31	104.51	9.00	10.10	37.98
Jitendra Sirohia (HUF)	65.42	57.71	51.48	10.49	8.87	38.42
Rajesh Sirohia HUF	103.95	98.59	90.79	9.04	9.87	40.07

## DECLARATION

We confirm that the permanent account number, bank account number and passport number of our individual promoters will be submitted to BSE Limited at the time of filing the Prospectus.

## SICK COMPANIES

No Promoter Group companies listed above have been declared as a sick company under the SICA. There are no winding up proceedings against any of the Promoter Company and Promoter Group companies. Except as disclosed in this chapter 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 Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoter or Group Companies has a negative net worth as of the date of the respective last audited financial statements.

## LITIGATION

For details on litigations and disputes pending against the Promoters and Promoter Group entities and defaults made by them, please refer to the chapter titled “Outstanding Litigations and Material Developments” on page 138 of the Prospectus.

## DISASSOCIATED BY THE PROMOTER IN THE LAST THREE YEAR

One of our Promoters Mr. Rakesh Sirohia has disassociated himself from M/s. Abhiruchi Estate Private Limited pursuant to resignation from the Directorship w.e.f. 30<sup>th</sup> November, 2012.

## SALES/PURCHASES BETWEEN OUR COMPANY AND PROMOTER COMPANY & PROMOTER GROUP ENTITIES

There are no sales or purchases between our Company and Promoter Group entities which exceeds in value aggregating ten per cent of the total sales or purchases of our Company.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, 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.

## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to Annexure 14 of restated financial statement under the section titled “*Financial Information*” on page 131 of the Prospectus.

## SECTION V

### FINANCIAL INFORMATION AUDITORS REPORT ON RESTATED FINANCIAL INFORMATION

The Board of Directors,  
SIROHIA & SONS LIMITED  
16, Bonfields Lane, 2<sup>nd</sup> Floor,  
Kolkata-700 001, West Bengal

Dear Sirs,

1. We have examined the financial information of SIROHIA & SONS LIMITED (“the Company”), annexed to this report, as approved by the Board of Directors of the Company & Audit Committee of Board of Directors, which has been prepared in accordance with requirements of :
  - a) Paragraph B of Part II of Schedule II to the Companies Act, 1956 (‘the Act’) and amendments thereof;
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, and related clarifications and the amendments made thereto from time to time (‘the SEBI ICDR Regulation);
  - c) The Guidance Note on the Reports in Company Prospectuses (Revised) and Guidance Note on audit Reports / Certificates on Financial information in Offer Documents Issued by the Institute of Chartered Accountants of India (ICAI);
  - d) In terms of our engagement agreed upon with you in accordance with our Engagement letter.

#### **Financial Information as per audited financial statements:**

- 2) Audit of the financial statements for the financial years ended 31st March 2014, 31st March 2013, 31st March 2012, 31st March 2011 and 31st March 2010 has been conducted by Company’s Statutory Auditor, M/s. Lahoti & Co., Chartered Accountants. Further, financial statements for financial years ended 31st March 2014 and 31st March 2013 has been re-audited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the financial years ended 31st March 2012, 31st March 2011, 31st March 2010 and 31st March 2009 is based on the audited financial statements of the Company which were audited by the Statutory Auditor, M/s. Lahoti & Co., Chartered Accountants and whose Auditors’ report has been relied upon by us for the said periods.
- 3) The Management of the Company is responsible for the preparation of the restated Financial Statements from the audited financial statements for the financial years ended 31st March 2014, 31st March 2013, 31st March 2012, 31st March 2011 and 31st March 2010.
- 4) In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of SIROHIA & SONS LIMITED, we, M/s. R S V A & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the ‘Peer Review Board’ of the ICAI.

- 5) The financial information for the above periods was examined to the extent practicable, for the purpose of audit of financial information in accordance with the Engagement Standards issued by the Institute of Chartered Accountants of India (ICAI). Those standards require that we plan and perform the audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement. We have reported on the financial information on the basis information and explanations provided by the management, books and records produced to us and such other tests and procedures, which in our opinion, were necessary for our reporting. These procedures included comparison of the attached financial information of the company with the respective audited financial statements.
- 6) In accordance with the requirements of Paragraph B Part II of Schedule II of the Act, the SEBI ICDR Regulations and the Engagement Letter, we further report that:
- a) The Restated Statement of Assets and Liabilities of the Company for financial years ended 31st March 2014, 31st March 2013, 31st March 2012, 31st March 2011 and 31st March 2010 examined by us, as set out in Annexure 1 to this report are after making such adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes on adjustments and Notes to accounts set out in Annexure 3.
  - b) The Restated Statement of Profit or Loss of the Company for financial years ended 31st March 2014, 31st March 2013, 31st March 2012, 31st March 2011 and 31st March 2010 examined by us, as set out in Annexure 2 to this report are after making such adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes on adjustments and Notes to accounts set out in Annexure 3.
  - c) The Restated Statement of Cash flows of the Company for financial years ended 31st March 2014, 31st March 2013, 31st March 2012, 31st March 2011 and 31st March 2010 examined by us, as set out in Annexure 4 to this report are after making such adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes on adjustments and Notes to accounts set out in Annexure 3.
  - d) Based on the above, we are of the opinion that the restated financial information has been made after incorporating:
    - i) Adjustments for any material amounts in the respective financial years to which they relate; and
    - ii) There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.
    - iii) Recomputation of Financial Statements in accordance with the correct accounting policies
    - iv) There was no change in accounting policies, which needs to be in the "Restated Summary Statements".
    - v) There are no revaluation reserves, which need to be disclosed separately in the "Restated Summary Statements".

- vi) There are no audit qualifications requiring adjustments in the "Restated Summary Statements" and audit qualifications which do not require any adjustments in the "Restated Summary Statements" and Non – quantifiable / Non- adjustments items are included in the Notes on accounts as set out in Annexure 3.

**Other Financial Information:**

- 7) We have also examined the following other restated financial information related to the Company for financial years ended 31st March 2014, 31st March 2013, 31st March 2012, 31st March 2011 and 31st March 2010 set out in the following annexure prepared by the Management and approved by the Board of Directors for the purpose of inclusion in Offer Document.
- i. Significant Accounting Policies & Notes to Adjustments in Restated Financial Statements 'Annexure 3' to this report;
  - ii. Statement of Cash Flow as appearing in 'Annexure 4' to this report;
  - iii. Statement of Reserves & Surplus as appearing in 'Annexure 5' to this report;
  - iv. Accounting Ratios as appearing in 'Annexure 6' to this report;
  - v. Statement of Dividends as appearing in 'Annexure 7' to this report;
  - vi. Statement of Tax Shelter as appearing in 'Annexure 8' to this report;
  - vii. Statement of Investments as appearing in 'Annexure 9' to this report;
  - viii. Statement of Debtors as appearing in 'Annexure 10' to this report;
  - ix. Details of deposits, loans and advances as given in 'Annexure 11' to this report;
  - x. Capitalization Statement as appearing in 'Annexure 12' to this report;
  - xi. Statement of Current Liabilities as appearing in 'Annexure 13' to this report;
  - xii. Details of transactions with the Related Parties as appearing in 'Annexure 14' to this report;
  - xiii. Details of Contingent Liabilities as appearing in 'Annexure 15' to this report.
- 8) In our opinion, the "Financial information as per Audited Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 15 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI ICDR Regulations and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).
- 9) 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 / period.
- 10) This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed public issue of the Company. Our report should not be used, referred to, or distributed for any other purpose without our prior written consent.



- 11) This report should not be in any way be constructed as a re-issuance or redrafting of any of the previous audit reports issued by us or by any other firm of Chartered Accountants, nor should this report be constructed as a new opinion on any of the financial statements referred to herein.

For, **R S V A & Co.,**  
**Chartered Accountants**  
**Firm Registration No:- 110504W**

**Partner**  
**Shekhar Kulkarni**  
**Membership No: 046285**

**Place: Mumbai**  
**Date: 21<sup>st</sup> August, 2014**

## Annexure- 1

## STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
<b>(1) Equity &amp; Liability</b>					
Shareholders Fund					
(c) Share Capital	725.51	675.85	78.03	74.52	74.52
(d) Reserves & Surplus	1484.38	1368.92	176.09	164.43	159.60
<b>(2) Share Application money pending allotment</b>	0.00	81.00	0.00	0.00	0.00
<b>(3) Non Current Liabilities</b>	-	-	-	-	-
<b>(4) Current Liabilities</b>					
(e) Short term borrowings	18.43	72.81	310.07	761.50	663.23
(f) Trade Payables	89.08	254.84	192.18	0.31	0.43
(g) Other Current Liabilities	1.58	52.98	4.51	2.86	2.89
(h) Short term provisions	6.18	5.56	2.16	5.34	20.30
<b>Total</b>	<b>2325.16</b>	<b>2511.96</b>	<b>763.04</b>	<b>1008.96</b>	<b>920.97</b>
<b>(5) Non Current Assets</b>					
(f) Fixed Assets	3.63	4.41	5.48	6.82	8.68
(g) Non Current Investments	0.00	0.00	0.00	0.00	0.00
(h) Long Term Loans and Advances	0.00	0.00	0.00	0.00	0.00
(i) Deferred Tax Assets	0.69	0.70	0.68	0.62	0.49
(j) Other Non Current Assets	5.30	9.46	9.80	9.81	8.18
<b>(6) Current Assets</b>					
(g) Current Investments	0.00	0.00	0.00	0.00	0.00
(h) Inventories	55.12	232.09	21.58	100.18	165.86
(i) Trade receivables	252.47	743.39	664.65	689.09	568.60
(j) Cash and Bank balances	85.16	51.10	53.38	118.30	106.91
(k) Short term Loans & Advances	1922.67	1470.71	7.33	83.86	62.05
(l) Other Current Assets	0.12	0.10	0.14	0.28	0.20
<b>Total</b>	<b>2325.16</b>	<b>2511.96</b>	<b>763.04</b>	<b>1008.96</b>	<b>920.97</b>

## Annexure- 2

## STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
<b>Income</b>					
Sales	1146.37	1686.21	2283.66	2469.49	2253.88
Commission	0.37	0.22	1.26	0.00	0.00
Interest Income	2.47	2.69	4.58	2.87	10.79
Miscellaneous Income	0.50	0.00	0.00	3.29	1.29
<b>Total Income (A)</b>	<b>1149.71</b>	<b>1689.12</b>	<b>2289.50</b>	<b>2475.65</b>	<b>2265.96</b>
<b>Expenditure</b>					
Cost of Goods Sold	1048.72	1619.07	2210.05	2387.22	2178.06
Employee's Cost	29.08	19.72	13.84	13.36	10.18
Administration Expenses	46.49	18.03	14.44	19.52	20.96
Preliminary expenditure w/off	0.00	0.00	0.01	0.00	0.00
<b>Total Expenditure (B)</b>	<b>1124.29</b>	<b>1656.82</b>	<b>2238.34</b>	<b>2420.10</b>	<b>2209.20</b>
<b>Profit before Depreciation, Interest and Tax (C) = (A) – (B)</b>	<b>25.42</b>	<b>32.30</b>	<b>51.16</b>	<b>55.55</b>	<b>56.76</b>
Depreciation (D)	0.78	1.08	1.47	1.98	2.18
<b>Profit before Interest &amp; Tax (E) = (C) – (D)</b>	<b>24.64</b>	<b>31.22</b>	<b>49.69</b>	<b>53.57</b>	<b>54.58</b>
Interest & Finance Charges (F)	4.60	20.30	42.88	45.88	45.53
<b>Net Profit before Tax (G) = (E) – (F)</b>	<b>20.04</b>	<b>10.92</b>	<b>6.81</b>	<b>7.69</b>	<b>9.05</b>
<b>Less: Provision for Tax-Current Tax</b>	<b>6.18</b>	<b>3.40</b>	<b>2.17</b>	<b>2.51</b>	<b>2.84</b>
Deferred Tax	0.01	(0.02)	(0.06)	(0.13)	(0.04)
Fringe Benefit Tax	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.48	0.13
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>13.85</b>	<b>7.54</b>	<b>4.70</b>	<b>4.83</b>	<b>6.12</b>
<b>Extraordinary Item (Net of Tax)</b>	<b>0.31</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Profit After Extraordinary Items</b>	<b>13.54</b>	<b>7.54</b>	<b>4.70</b>	<b>4.83</b>	<b>6.12</b>

### **Annexure- 3**

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

### **A. SIGNIFICANT ACCOUNTING POLICIES:**

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

- a. The Restated Financial Information for financial years ended 31st March 2014, 31st March 2013, 31st March 2012, 31st March 2011 and 31st March 2010 has been extracted by the management of the Company from the audited financial statements of the company for financial years ended 31st March 2014, 31st March 2013, 31st March 2012, 31st March 2011 and 31st March 2010.
- b. The Restated Financial Information are after making adjustments/ restatements and regrouping as necessary in accordance with paragraph B(1) of Part II of Schedule II of The Companies Act, 1956 and SEBI Regulations.
- c. The Financial Statements have been prepared under Historical Cost conventions and 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.
- d. The company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

#### **2. Use of Estimates**

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets and intangible assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

#### **3. Fixed Assets and Depreciation**

- i. Fixed Assets are shown at historical cost inclusive of incidental expenses less accumulated depreciation.
- ii. Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956.
- iii. Depreciation on fixed assets sold during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

#### **4. Revenue Recognition**

- i. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except in the case of dividend income, debenture interest and interest receivable from/payable to government on tax refunds/late payment of taxes, duties/levies which are accounted for on cash basis.

#### **5. Investments**

Investments in Quoted as well as unquoted are stated at Cost.

#### **6. 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.

#### **7. 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.

#### **8. 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 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI.

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. 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.

#### **9. Leases**

##### **Finance Lease**

Leases which effectively transfer to the company the entire risk 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. Finance charges are charged directly against income life of the assets at the following rates.

## **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.

### **10. Earnings per Share**

In determining the Earnings Per share, the company considers the net profit after tax 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.

### **11. 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

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

### **12. Foreign Exchange Transactions**

- (i) Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions.
- (ii) Foreign Exchange monetary items in the Balance Sheet are translated at the year-end rates. Exchange differences on settlement / conversion are adjusted to Profit and Loss Account.

## **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**

(I) There are no material regroupings or restatements requiring adjustments in the restated financials

### **(III) OTHER NOTES**

#### **General**

#### **1. Contingent liabilities**

The details of Contingent Liabilities are provided in Annexure 15.

#### **2. Details of Dues to Micro enterprises and Small enterprises:**

Under the Micro, Small and Medium Enterprise Development Act, 2006 certain disclosure is required to be made related to micro, small and medium enterprise. The company does not have any transaction with micro, small and medium enterprise defined under the act and hence there are no amounts due to such undertakings.

#### **3. Segment Reporting**

The company operates only in one reportable business segment namely commodity broking and other related ancillary services. Hence, there are no reportable segments under Accounting Standard -17. During the years/period under report, the Company was engaged in its business only within India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

4. In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

#### **5. Investments**

Investment represents Unquoted and Quoted Investments which are stated at cost. For details, please refer to Annexure 09.

#### **6. Impairment of Assets**

Assets of the Company are being tested for impairment. Considering the internal and external sources of information, there was no indication of potential impairment loss, and hence estimation of recoverable amount does not arise.

#### **8. Earnings per Share**

The details of Earnings Per Share as per AS-20 are provided in Annexure 06.

#### **9. Related Party Transactions:**

The details of Related Party Transactions as per AS-18 are provided in Annexure 14.

10. The figures in the Restated Financials are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

## Annexure- 4

## STATEMENT OF CASH FLOW, AS RESTATED

(Rs. in Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net profit before tax	20.04	10.92	6.81	7.69	9.05
Adjustment for:					
Add: Depreciation	0.78	1.08	1.47	1.98	2.18
Add: Income Tax Paid	(5.56)	0.00	0.00	(17.94)	(0.61)
Add: Exceptional / Prior Period Adjustments	(0.31)	0.00	0.00	0.00	0.00
Operating Profit before Working capital changes	<b>14.95</b>	<b>12.00</b>	<b>8.28</b>	<b>(8.27)</b>	<b>10.62</b>
Adjustments for:					
Decrease (Increase) in Current Assets	215.91	(1752.59)	179.70	(78.33)	154.85
Increase (Decrease) in Current Liabilities	(217.17)	111.14	(263.25)	(0.16)	(73.11)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>13.69</b>	<b>(1629.45)</b>	<b>(75.27)</b>	<b>(86.76)</b>	<b>92.36</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
(Purchase) / Sale of fixed assets	0.00	0.00	(0.13)	(0.12)	(5.23)
Other Non-Current Assets	6.77	(10.03)	(0.03)	0.00	0.00
<b>Net Cash Flow from Investing Activities (B)</b>	<b>6.77</b>	<b>(10.03)</b>	<b>(0.16)</b>	<b>(0.12)</b>	<b>(5.23)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Issue of share capital	49.66	597.82	3.51	0.00	0.00
Share Premium	99.32	1195.64	7.01	0.00	0.00
Share Application Money	(81.00)	81.00	0.00	0.00	0.00
Secured Loans Taken / (Repaid)	(39.83)	80.32	0.00	(31.89)	9.92
Unsecured Loans Taken/ (Repaid)	(14.55)	(317.58)	0.00	130.16	(156.19)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>13.60</b>	<b>1637.20</b>	<b>10.52</b>	<b>98.27</b>	<b>(146.27)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A) + (B) + (C)</b>	<b>34.06</b>	<b>(2.28)</b>	<b>(64.91)</b>	<b>11.39</b>	<b>(59.14)</b>



## Annexure- 5

### STATEMENT OF RESERVES & SURPLUS, AS RESTATED

(Rs. in Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Share Premium (A)	1400.39	1301.07	105.42	98.42	98.43
Profit / (Loss) Brought Forward	78.25	70.71	66.01	61.18	55.05
Add: Profit / (Loss) for the Year	13.54	7.54	4.70	4.83	6.12
Profit / (Loss) Carried Forward (B)	91.79	78.25	70.71	66.01	61.17
Miscellaneous Expenditure to the extent not written off (C)	7.80	10.40	0.04	0.00	0.00
Reserves & Surplus (A+B-C)	1484.38	1368.92	176.09	164.43	159.60

## Annexure- 6

### ACCOUNTING RATIOS

(Rs. in Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Networth (A)	2209.89	2125.77	254.12	238.95	234.12
Net Profit before extraordinary items but after Tax (B)	13.85	7.54	4.70	4.83	6.12
Net Profit after extraordinary items and after Tax (C)	13.54	7.54	4.70	4.83	6.12
No. of Shares outstanding at the end [F.V Rs.10] (D)	72,55,092	67,58,492	7,80,292	7,45,326	7,45,326
Weighted average number of shares outstanding [F.V Rs.10](E)	72,51,011	15,05,193	7,56,114	7,45,326	7,45,326
Earnings per Share before Extraordinary Items (EPS) (B / E) (Rs.)	0.19	0.50	0.62	0.65	0.82
Earnings per Share after Extraordinary Items (EPS) (C / E) (Rs.)	0.19	0.50	0.62	0.65	0.82
Return on Networth before Extraordinary Items(B/A)	0.01	0.00	0.02	0.02	0.03
Return on Networth after Extraordinary Items(C/A)	0.01	0.00	0.02	0.02	0.03
Net Assets Value per Share (A/D)	30.46	31.45	32.57	32.06	31.41

#### Definitions of key ratios:

#### I. Earnings per share (Rs.):

Net Profit attributable to equity shareholders/weighted average number of equity shares outstanding as at the end of the year/period. Earnings per share are calculated in accordance with Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India. In terms of paragraph 24 of AS-20, the number of equity shares outstanding before the issue of bonus shares is adjusted for the change in number of equity shares issued as bonus shares as if the shares were issued at the beginning of the earliest reported period.

**II. Return on Net Worth (%):** Net Profit after tax / Networth 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, has been considered for the purpose of computing the above ratios.

**Annexure- 7**

**STATEMENT OF DIVIDEND PAID**

**(Rs. in Lacs)**

<b>Particulars</b>	<b>31.03.14</b>	<b>31.03.13</b>	<b>31.03.12</b>	<b>31.03.11</b>	<b>31.03.10</b>
On Equity Share Capital	Nil	Nil	Nil	Nil	Nil
Paid up Share Capital	Nil	Nil	Nil	Nil	Nil
Less: Calls in Arrears	Nil	Nil	Nil	Nil	Nil
Net Share Capital	Nil	Nil	Nil	Nil	Nil
Eligible Share Capital for Dividend	Nil	Nil	Nil	Nil	Nil
Face Value (Rs.)	Nil	Nil	Nil	Nil	Nil
Rate of Dividend (%)	Nil	Nil	Nil	Nil	Nil
Amount of Dividend	Nil	Nil	Nil	Nil	Nil
Tax on Dividend	Nil	Nil	Nil	Nil	Nil

**Annexure- 8**

**STATEMENT OF TAX SHELTERS**

**(Rs. in Lacs)**

<b>Particulars</b>	<b>31.03.14</b>	<b>31.03.13</b>	<b>31.03.12</b>	<b>31.03.11</b>	<b>31.03.10</b>
Profit before tax as per Restated P/L	20.04	10.92	6.81	7.69	9.05
Corporate Tax Rate	30.9	30.9	30.9	30.9	30.9
Tax at Notional Rate	6.19	3.37	2.10	2.38	2.80
Adjustments					
Difference between Tax Depreciation and Book Depreciation	0.03	(0.08)	(0.19)	(0.41)	(0.12)
Exempted Income	-	-	-	-	-
Items Chargeable at special rates	-	-	-	-	-
Other Items	-	-	-	-	-
Set off of Business Losses / Unabsorbed Depreciation	-	-	-	-	-
Net Adjustments	(0.03)	(0.08)	(0.19)	(0.41)	(0.12)
Tax Saving thereon	-	0.02	0.06	0.13	0.04
Tax Saving to the extent of Tax at Notional Rate	(0.01)	-	-	-	-
Tax Payable [A]	<b>6.18</b>	<b>3.39</b>	<b>2.16</b>	<b>2.51</b>	<b>2.84</b>
Tax Payable on items chargeable at special rates [B]	-	-	-	-	-
Total Tax Payable [C=A+B]	<b>6.18</b>	<b>3.39</b>	<b>2.16</b>	<b>2.51</b>	<b>2.84</b>
Tax Rebates [D]	-	-	-	-	-
Net Tax Payable [E=C-D]	<b>6.18</b>	<b>3.39</b>	<b>2.16</b>	<b>2.51</b>	<b>2.84</b>
Tax Payable under MAT (115)B of Income Tax Act, 1961 [D]	3.82	2.08	1.29	1.38	1.36
Net Tax Payable [Higher of C & D]	<b>6.18</b>	<b>3.39</b>	<b>2.16</b>	<b>2.51</b>	<b>2.84</b>

**Annexure- 9**

**DETAILS OF INVESTMENTS**

**(Rs. In Lacs)**

<b>Particulars</b>	<b>31.03.14</b>	<b>31.03.13</b>	<b>31.03.12</b>	<b>31.03.11</b>	<b>31.03.10</b>
<b>Investments</b>	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	Nil	Nil	Nil	Nil	Nil

**Annexure- 10**

**DETAILS OF SUNDRY DEBTORS**

**(Rs. in Lacs)**

<b>Particulars</b>	<b>31.03.14</b>	<b>31.03.13</b>	<b>31.03.12</b>	<b>31.03.11</b>	<b>31.03.10</b>
(A) Less than six months					
Considered good	170.89	598.99	539.80	581.62	481.22
Others	-	-	-	-	-
(B) More than six months					
Considered good	81.58	144.40	124.84	107.47	87.38
Others	-	-	-	-	-
<b>Total</b>	<b>252.47</b>	<b>743.39</b>	<b>664.64</b>	<b>689.09</b>	<b>568.60</b>

**Annexure- 11**

**DETAILS OF DEPOSITS, LOANS AND ADVANCES**

**(Rs. In Lacs)**

<b>Particulars</b>	<b>31.03.14</b>	<b>31.03.13</b>	<b>31.03.12</b>	<b>31.03.11</b>	<b>31.03.10</b>
(A) Loans					
Unsecured, Considered Good	1900.00	1465.00	2.12	35.40	31.12
Others	0.00	0.00	0.00	0.00	0.00
(B) Advances					
Recoverable in cash or in kind or for value to be received	27.97	15.18	15.01	58.55	39.31
Others	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>1927.97</b>	<b>1480.18</b>	<b>17.13</b>	<b>93.95</b>	<b>70.43</b>

**Annexure- 12**

**CAPITALIZATION STATEMENT**

**(Rs. In Lacs)**

<b>Particulars</b>	<b>Pre-issue as at 31.03.14</b>	<b>Post Issue *</b>
<b>Borrowing</b>		
Short – Term Debt	18.43	(*)
Long – Term Debt	-	
<b>Total Debt</b>	<b>18.43</b>	<b>(*)</b>
<b>Shareholders' Funds</b>		
Share Capital		
- Equity	725.51	(*)
Less: Calls – in – arrears	-	

Particulars	Pre-issue as at 31.03.14	Post Issue *
- Preference	-	
Reserves & Surplus	1492.18	(*)
Less: Miscellaneous Expenditure not written off	7.80	(*)
<b>Total Shareholders' Funds</b>	<b>1484.38</b>	<b>(*)</b>
Total Debt / Shareholders Fund	0.01	(*)

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

### Annexure- 13

#### DETAILS OF CURRENT LIABILITIES & PROVISIONS

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
<b>Current Liabilities</b>					
Sundry Creditors	89.08	254.84	192.18	0.00	0.00
Sundry deposits received	0.00	0.00	0.00	0.00	0.00
Outstanding liability for expenses	0.51	0.26	0.54	0.31	0.43
Advance against expenses	0.00	40.00	0.00	0.00	0.00
Duties & Taxes	1.06	12.73	3.97	2.85	2.89
<b>Sub Total (A)</b>	<b>90.65</b>	<b>307.83</b>	<b>196.69</b>	<b>3.16</b>	<b>3.32</b>
<b>Provisions</b>					
Provision for Gratuity	0.00	0.00	0.00	0.00	0.00
Provision for Income Tax	6.18	5.56	2.16	5.34	20.30
Provision for FBT	0.00	0.00	0.00	0.00	0.00
Proposed Dividend	0.00	0.00	0.00	0.00	0.00
Tax on Dividend	0.00	0.00	0.00	0.00	0.00
<b>Sub Total (B)</b>	<b>6.18</b>	<b>5.56</b>	<b>2.16</b>	<b>5.34</b>	<b>20.30</b>
<b>Total (A+B)</b>	<b>96.83</b>	<b>313.39</b>	<b>198.85</b>	<b>8.50</b>	<b>23.62</b>

### Annexure- 14

#### STATEMENT OF RELATED PARTY TRANSACTIONS

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
<b>Transactions with Related Parties (Rs. In Lacs)</b>					
<b>REVENUE ITEMS</b>					
<b>Debits (A)</b>		<b>1693.30</b>	<b>378.03</b>	<b>894.40</b>	<b>987.44</b>
Sales	82.95	165.87	63.48	96.79	322.22
Interest Received	0.00	0.26	2.48	0.71	7.57
<b>NON-REVENUE ITEMS</b>					
Unsecured Loan Taken	7.62	22.17	309.95	761.50	626.53
Unsecured Loan Given	18.87	0.004	2.12	35.40	31.12
Advances Given*	1900.00	1465.00	-	-	-
Advance against Sale	0.00	40.00	-	-	-

<p>* Mr. Rakesh Sirohia, the Promoter of the Company had entered into an agreement with M/s. Assambrook Limited ('ABL') on 27<sup>th</sup> February 2008 whereby ABL had agreed to Demerge / transfer one of its tea estate viz, Tinkharia Tea Estate ('Tea Estate') into Tinkharia Tea Private Limited ('TTPL') for an agreed consideration of Rs. 1100 lacs. The Company on 28<sup>th</sup> October, 2012 had entered into an agreement with TTPL for acquiring the aforesaid Tea Estate from TTPL once the same is transferred to it by ABL. In this regard the Company has advanced an unsecured interest free advance of Rs. 1500.00 lacs to TTPL against purchase consideration of the said Tea Estate as on 31.03.2014.</p> <p>Mr. Rakesh Sirohia, the Promoter of the Company had entered into an agreement with M/s. Hanuman Tea Company Limited ('HTCL') on 15<sup>th</sup> October 2009 whereby HTCL had agreed to transfer / sell one of its Tea Estate viz, Sonajuli Tea Estate ('Tea Estate') into Sonajuli Plantation Private Limited ('SPPL') for an agreed consideration of Rs. 1251.00 lacs. The Company on 1<sup>st</sup> April, 2013 had entered into an agreement with SPPL for acquiring the aforesaid Tea Estate from SPPL once the same is transferred to it by HTCL. The Tea Estate was mortgaged with Bank of Baroda as collateral security for loan obtained by HTCL. Subsequently, one of the Promoter Group Companies, Sudhir Credit Private Limited ('SCPL') had approached Bank of Baroda and agreed to takeover the loan of HTCL outstanding with the Bank of Baroda for an aggregate consideration of Rs. 1350.00 lacs in lieu of release of mortgage on the Tea Estate and assignment of the same in favor of SCPL. Bank of Baroda vide deed of assignment dated 18<sup>th</sup> June 2014 assigned the same in favor of SCPL. SCPL vide agreement dated 24<sup>th</sup> June 2014 had agreed to transfer the Tea estate to SPPL for an aggregate consideration of Rs. 1200.00 lacs. In this regard our Company has advanced an unsecured interest free advance of Rs. 400.00 lacs to SPPL as part purchase consideration of the said Tea Estate as on 31.03.2014.</p>					
Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
<b>Credits (B)</b>	<b>12.14</b>	<b>24.69</b>	<b>47.32</b>	<b>55.63</b>	<b>54.21</b>
Purchases	0.00	0.65	1.17	6.32	4.01
Interest Paid	3.27	19.29	42.31	45.47	46.12
Rent Paid	1.54	1.44	1.44	1.44	1.44
Remuneration to KMP	7.33	3.30	2.40	2.40	2.64
<b>Equity Contribution</b>					
<b>Allotment of Shares other than Bonus Issue (Figures in Numbers)</b>					
<b>- Relatives of Key Management Personnel / Other Related Parties</b>					
Kamala Devi Sirohia	-	-	17000	-	-
<b>- Group Enterprises</b>					
Jitendra Sirohia HUF	-	-	-	-	-
Ratan Lal Sirohia HUF	-	-	990	-	-
Ricky Credit Co. Pvt. Ltd.	-	-	7470	-	-
Ruchi Trades & Holdings Pvt. Ltd.	-	-	8578	-	-
Sangita Fiscal Services Pvt. Ltd.	-	-	1018	-	-
Ruttonpore Tea Co Pvt Ltd	496600	3351600	-	-	-

#### Annexure- 15

#### DETAILS OF CONTINGENT LIABILITIES

(Rs. in Lacs)

Particulars	31.03.2014	31.03.2013	31.03.12	31.03.11	31.03.10
	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	Nil	Nil	Nil	Nil	Nil

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated audited financial statements and the reports thereon and annexures thereto, which have been restated in accordance with paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 and with the SEBI (ICDR) Regulations, 2009, and which are all included in this Prospectus. The financial statements are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from U.S. GAAP and other accounting principles and auditing standards in other countries with which prospective investors may be familiar. The degree to which the financial statements included in this Prospectus will provide meaningful information is dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009.

Any reliance on the financial disclosures presented in this Prospectus by persons not familiar with these Indian practices, law and rules should be limited. We have not attempted to explain these 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 the financial data herein. The following discussion is also based on internally prepared statistical information and other sources.

### **Business Overview**

Our Company was originally incorporated in Kolkata as "Sirohia & Sons Private Limited" on 28th May, 1990 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, West Bengal. Our Company was subsequently converted in to a public limited company and consequently name was changed to "Sirohia & Sons Limited " vide fresh certificate of incorporation dated 18th June, 2013 issued by the Registrar of Companies, West Bengal. For further details in relation to the changes to the name of our Company, please refer to the section titled "History and Certain Corporate Information" beginning on page 85 of this Prospectus.

Since incorporation we are engaged in the business of dealing in fertilizers and pesticides catering to primarily to Tea Industry located in the North East region of the Country particularly the state of Assam and West Bengal. We receive orders of the specific fertilizers and pesticides required by the Tea Estates through our direct marketing and procure them from the manufacturers which are mostly multinational companies like BASF India Limited Bayer Cropscience India Limited, Biostadt India Limited, DIC India Limited etc,. Fertilizers and Pesticides are very important ingredient for Tea and other plantation and they protect the crop from the weeds and increase productivity.

### **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS**

#### **• *Performance of Indian Economy***

As a company dealing in Trading of Agro Chemicals products operating in the domestic Indian market, our performance and the growth of our business are significantly dependent on the performance of the Indian economy specially the Tea Industry. India's economy and its Tea Industry could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting food and agriculture, commodity and electricity prices or various other factors. A slowdown in the Indian economy could adversely affect our business, including its ability to implement our strategy. The Indian economy is currently in a state of transition and it is difficult to predict the impact of certain fundamental economic changes upon our business. Conditions outside India, such as slowdowns in the economic growth of other countries or increases in the price of oil, have an impact on the growth of the Indian

economy, and Government policy may change in response to such conditions. Any downturn in the macroeconomic environment could have an adverse effect on our results of operations and financial condition

- *Intense Competition and undercutting from existing and new entrants*
- *Significant concentration of business in the North - Eastern region*

We are headquartered at Kolkata located in the Eastern region and a substantial portion of our revenues are generated from operations in North Eastern India. As on the date of this Prospectus, our operations are mainly focused in the North Eastern India. The future growth in business and revenues will be achieved through a pan-India footprint. Failure to expand our operations either through branches, business associates or otherwise may restrict our growth potential and adversely affect our results of operations.

- *Ability to attract, recruit and retain key personnel.*

We are highly dependent on our senior management, our directors and other key personnel. Our future performance will depend upon the continued services of these persons. The loss of any of the members of our senior management, our directors or other key personnel may adversely affect our results of operations and financial condition. Our continued ability to compete effectively in our businesses depends on our ability to attract new employees and to retain and motivate our existing employees. Our inability to hire and retain such employees could adversely affect our business.

## DISCUSSION ON THE RESULTS OF OPERATIONS

The following discussion on the financial operations and performance is based on our restated financial statements for financial years ended 2013-14, 2012-13, 2011-12 and 2010-11. The same should be read in conjunction with the restated audited financial results of our Company for the financial years ended 31 2013-14, 2012-13, 2011-12 and 2010-11.

### Analysis of Results and Operations

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	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Revenue from Operating Operations	1146.74	1686.43	2284.92	2469.49
Increase/ (Decrease) (%)	(32.00%)	(26.19%)	(7.47%)	9.57%
Other Income	2.97	2.69	4.58	10.77
Increase/ (Decrease) (%)	10.41%	(41.27%)	(25.65%)	(49.01%)
<b>Total Income</b>	<b>1149.71</b>	<b>1689.12</b>	<b>2289.5</b>	<b>2475.65</b>
Purchase of Stock in Trade & Direct Expense	871.76	1829.57	2131.46	2321.54
Increase/ (Decrease) (%)	(52.35%)	(14.16%)	(8.19%)	0.71%
Change in inventories of Stock in trade	176.96	(210.50)	78.59	65.68
Increase/ (Decrease) (%)	(184.07%)	(367.85%)	19.66%	151.69%
<b>Cost of Goods Sold</b>	<b>1048.72</b>	<b>1619.07</b>	<b>2210.05</b>	<b>2387.22</b>
Employee Benefit Expense	29.08	19.72	13.84	13.36
Increase/ (Decrease) (%)	47.46%	42.49%	3.59%	31.24%
Administrative Expense	46.49	18.03	14.45	19.52

Particulars	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Increase/ (Decrease) (%)	157.85%	24.78%	(25.97%)	(6.87%)
<b>Profit before depreciation, interest &amp; tax</b>	<b>25.42</b>	<b>32.30</b>	<b>51.16</b>	<b>55.55</b>
Depreciation & Amortization expense	0.78	1.08	1.47	1.98
<b>Profit before interest &amp; tax</b>	<b>24.64</b>	<b>31.22</b>	<b>49.69</b>	<b>53.57</b>
Interest (Finance Cost)	4.60	20.30	42.88	45.88
<b>Profit before tax</b>	<b>20.04</b>	<b>10.92</b>	<b>6.81</b>	<b>7.69</b>
<b>Net Profit After Tax &amp; Before Extraordinary Items</b>	<b>13.85</b>	<b>7.54</b>	<b>4.70</b>	<b>4.84</b>
Increase/ (Decrease) (%)	83.69%	60.43%	(2.89%)	(20.92%)

#### COMPARISON OF FINANCIAL YEAR ENDED 31ST MARCH, 2014 WITH FINANCIAL YEAR ENDED 31ST MARCH, 2013

**Revenue from Operating Expenses:** Our total income from operations for the financial year ended 31st March, 2014 was at Rs. 1146.74 Lacs as against the total of Rs. 1686.43 Lacs for the fiscal 2013 with a decrease of 32.00% and such decrease was attributed to decrease in Sale of Goods from Rs. 1519.25 Lacs for FY ended 2013 to Rs. 1075.13 Lacs for FY 2014.

**Expenditure:** Cost of Goods Sold accounted 91.45% of Revenue from Operating Activities. The Employee cost accounted for 2.54% of income from operations during the financial year ended 31st March, 2014 at Rs. 29.08 Lacs as compared to 1.17% of Income from operations at Rs. 19.72 Lacs for the FY 2013. The administrative expenses have registered an increase of 157.85% at Rs. 46.49 Lacs in FY 2014 as compared to Rs. 18.03 Lacs for the FY 2013 due to increase in Bad Debts from Rs. 0.50 Lacs in FY 2013 to Rs. 26.16 Lacs in FY 2014.

**Profits after Taxes (PAT):** PAT of Company has recorded a jump of 83.69% with Rs. 13.85 Lacs for FY 2014 as against Rs. 7.54 Lacs for FY 2013 due to optimal utilization of resources.

#### COMPARISON OF FINANCIAL YEAR ENDED 31ST MARCH, 2013 WITH FINANCIAL YEAR ENDED 31ST MARCH, 2012

**Revenue from Operating Expenses:** Our total income from operations for the financial year ended 31st March, 2013 was at Rs. 1686.43 Lacs as against the total of Rs. 2284.92 Lacs for the fiscal 2012 with a decrease of 26.19% and such decrease was attributed to decrease in Sale of Goods from Rs. 2168.27 Lacs for FY ended 2012 to Rs. 1519.25 Lacs for FY 2013.

**Expenditure:** Cost of Goods Sold accounted 96.01% of Revenue from Operating Activities. The Employee cost accounted for 1.17% of income from operations during the financial year ended 31st March, 2013 at Rs. 19.72 Lacs as compared to 0.61% of Income from operations at Rs. 13.84 Lacs for the FY 2012. The administrative expenses have registered an increase of 24.78% at Rs. 18.03 Lacs in FY 2013 as compared to Rs. 14.45 Lacs for the FY 2012 due to increase in traveling & conveyance, rent, NSDL, CDSL fees.

**Profits after Taxes (PAT):** PAT of Company has recorded a jump of 60.43% with Rs. 7.54 Lacs for FY 2013 as against Rs. 4.70 Lacs for FY 2012 due to optimal utilization of resources.



## COMPARISON OF FINANCIAL YEAR ENDED 31ST MARCH, 2012 WITH FINANCIAL YEAR ENDED 31ST MARCH, 2011

**Revenue from Operating Expenses:** Our total income from operations for the financial year ended 31st March, 2012 was at Rs. 2284.92 Lacs as against the total of Rs. 2469.49 Lacs for the fiscal 2011 with a decrease of 7.47% and such decrease was attributed to decrease in Sale of Goods from Rs. 2331.58 Lacs for FY ended 2011 to Rs. 2168.27 Lacs for FY 2012.

**Expenditure:** Cost of Goods Sold accounted 96.72% of Revenue from Operating Activities. The Employee cost accounted for 0.61% of income from operations during the financial year ended 31st March, 2012 at Rs. 13.84 Lacs as compared to 0.54% of Income from operations at Rs. 13.36 Lacs for the FY 2011. The administrative expenses have decreased by 25.97% at Rs. 14.45 Lacs in FY 2012 as compared to Rs. 19.52 Lacs for the FY 2011 as during FY 2011 bad debts for Rs. 4.55 lacs had been recorded against NIL for FY 2012.

**Profits after Taxes (PAT):** PAT of Company has declined by 2.89% from Rs. 4.84 Lacs for FY 2011 to Rs. 4.70 lacs for FY 2012.

### OTHER INFORMATION REQUIRED AS PER SEBI ICDR REGULATIONS

#### 1. Unusual or infrequent events or transactions

Except as described in this Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

#### 2. Significant economic changes

Our Company's operations are dependent on the general economic conditions and any changes in economic conditions may have an adverse impact on the entire industry and consequently on our operations.

#### 3. Known trends or uncertainties

Except as described in “Risk Factors” in the Prospectus, our Company believes there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

#### 4. *Future changes in relationship between costs and revenues in case of events such as future increase in labour 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 be able to pass on the increase in prices of the product to the customers in full and this can be offset through cost reduction

**5. The extent to which material increase in net sales or revenues are due to increased 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.

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

The Company operates in single segment i.e., Trading in Agro-Chemicals Fertilizers and Pesticides.

**7. New Products or business segments**

The Company has not announced any new products. Our Company has entered into agreements with Tinkharia Tea Estate Private Limited and Sonajuli Plantations Private Limited for acquisition of Tea Estates which are proposed to be new business segment of the Company.

**8. Seasonality of business**

Our business is not seasonal.

**9. Any significant dependence on a single or few suppliers or customers**

The % of Contribution of our Company's customer and supplier viz a viz the total income and total purchase respectively for the FY 2013-14 is as follows:

Particulars	Customers	Suppliers
Top 5 (%)	34.08	66.89
Top 10 (%)	46.16	82.22

**10. Competitive conditions**

Our Company operates in a competitive environment. For further details please refer to "Risk Factors", "Industry Overview" and "Our Business" on page 10, 74 and 77 respectively of this Prospectus.

***Details of material developments after the date of last balance sheet i.e., March 31, 2014***

Apart from elsewhere mentioned in this Prospectus, in the opinion of the Board of our Company, there has not arisen, since the date of the last financial statements included in this Prospectus, any circumstance that materially and adversely affect or is likely to affect our business or profitability or the value of our assets or our ability to pay our liabilities within the next 12 months. There is no subsequent development after the date of the Auditor's Report which we believe is expected to have a material impact on reserves, profits, earning per share and book value of our business.

## SECTION VI: LEGAL AND REGULATORY 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.*

#### A) OUTSTANDING LITIGATION INVOLVING OUR COMPANY:

##### I. Cases filed by our Company

*Civil Cases*

*Nil*

*Criminal Cases*

*Nil*

##### 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. Income tax proceedings involving our Company

Cases pending with Income Tax Authorities:

Sr. No.	Description	Assessment Year	Amount (In Rupees)	Pending with
1	Assessment Proceedings	2012-2013	Case Pending	DCIT, Circle 5 / Kol

#### **IV. Litigations involving our Promoters**

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

(a) By the Promoters

**Cases pending with Income Tax Authorities:**

**Mr. Jitendra Sirohia**

<b>Name of Promoter</b>	<b>Description</b>	<b>Assessment Year</b>	<b>Amount (In Rupees)</b>	<b>Pending with</b>
Mr. Jitendra Sirohia	Rectification	2007-2008	14,306/-	Ward 4(3) / KOL
		2008-2009	10,462/-	

(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 Criminal nature

#### (a) By our Group Companies

Sr. No.	Case No.	Name of Group Company (Plaintiff)	Respondent	Brief Description of the case and status
1	C-3737	Sirohia Finvest Company Private Limited	1. Tirrihannah Company Limited 2. Mr.Vivek Bajoria 3. Mr.C.L.Agarwal	<p><b>Brief Description:</b> The Plaintiff had filed the cases against the respondents under the provisions of section 138 of the Negotiable Instrument Act for dishonor of cheques of Rs. 5,50,000/- (Rupees Five Lacs Fifty Thousand Only) towards payment of advance granted by Plaintiff in ordinary course of business.</p> <p><b>Status:</b> Matter is pending for hearing and next date for the same is 19.09.2014.</p>
2	C-3738	Sirohia Finvest Company Private Limited	1. Tirrihannah Company Limited 2. Mr.Vivek Bajoria 3. Mr.C.L.Agarwal	<p><b>Brief Description:</b> The Plaintiff had filed the cases against the respondents under the provisions of section 138 of the Negotiable Instrument Act for dishonor of cheques of Rs. 11,00,000/- (Rupees Eleven Lacs Fifty Thousand Only) towards payment of advance granted by Plaintiff in ordinary course of business.</p> <p><b>Status:</b> Matter is pending for hearing and next date for the same is 19.09.2014.</p>
3	C-3939	Sirohia Finvest Company Private Limited	1. Tirrihannah Company Limited 2. Mr.Vivek Bajoria 3. Mr.C.L.Agarwal	<p><b>Brief Description:</b> The Plaintiff had filed the cases against the respondents under the provisions of section 138 of the Negotiable Instrument Act for dishonor of cheques of Rs. 13,50,000/- (Rupees Thirteen Lacs Fifty Thousand Only) towards payment of advance granted by Plaintiff in ordinary course of</p>

Sr. No.	Case No.	Name of Group Company (Plaintiff)	Respondent	Brief Description of the case and status
				business.  <b>Status:</b> Matter is pending for hearing and next date for the same is 19.09.2014.
4	C-3940	Sirohia Finvest Company Private Limited	1. Tirrihannah Company Limited 2. Mr.Vivek Bajoria 3. Mr.C.L.Agarwal	<b>Brief Description:</b> The Plaintiff had filed the cases against the respondents under the provisions of section 138 of the Negotiable Instrument Act for dishonor of cheques of Rs. 27,50,000/- (Rupees Twenty Seven Lacs Fifty Thousand Only) towards payment of advance granted by Plaintiff in ordinary course of business.  <b>Status:</b> Matter is pending for hearing and next date for the same is 19.09.2014.
5	C-3941	Sirohia Finvest Company Private Limited	1. Tirrihannah Company Limited 2. Mr.Vivek Bajoria 3. Mr.C.L.Agarwal	<b>Brief Description:</b> The Plaintiff had filed the cases against the respondents under the provisions of section 138 of the Negotiable Instrument Act for dishonor of cheques of Rs. 11,50,000/- (Rupees Eleven Lacs Fifty Thousand Only) towards payment of advance granted by Plaintiff in ordinary course of business.  <b>Status:</b> Matter is pending for hearing and next date for the same is 19.09.2014.
6	C-7363	Sirohia Finvest Company Private Limited	1. Tirrihannah Company Limited 2. Mr.Vivek Bajoria 3. Mr.C.L.Agarwal	<b>Brief Description:</b> The Plaintiff had filed the cases against the respondents under the provisions of section 138 of the Negotiable Instrument Act for dishonor of cheques of Rs. 19,50,000/- (Rupees Nineteen Lacs Fifty Thousand Only) towards payment of advance granted by

Sr. No.	Case No.	Name of Group Company (Plaintiff)	Respondent	Brief Description of the case and status
				Plaintiff in ordinary course of business.  <b>Status:</b> Matter is pending for hearing and next date for the same is 19.09.2014.
7	C-6124	Sirohia Finvest Company Private Limited	1. Tirrihannah Company Limited 2. Mr.Vivek Bajoria 3. Mr.C.L.Agarwal	<b>Brief Description:</b> The Plaintiff had filed the cases against the respondents under the provisions of section 138 of the Negotiable Instrument Act for dishonor of cheques of Rs. 27,50,000/- (Rupees Twenty Seven Lacs Fifty Thousand Only) towards payment of advance granted by Plaintiff in ordinary course of business.  <b>Status:</b> Matter is pending for hearing and next date for the same is 19.09.2014.

**(b) Against our Group Companies**

Cases pending with Income Tax Authorities:

Sr. No.	Name of the Entity	Description / Nature	Assessment Year	Amount (In Rupees)	Pending with
1	GCS Chemicals Private Limited	Rectification of TDS	2009-10 2008-09	101457/- 11286/-	Ward 6(2) / Kol Ward 6(2) / Kol
2	Navnita Tradefin Private Limited	Rectification of TDS	2009-10	14769/-	Ward 6(3) / Kol
3	Nirmala Tie-Up Private Limited	Rectification of TDS	2011-12	1479/-	Ward 6(3) / Kol
4	Ridhima Holdings Private Limited	Rectification of TDS	2009-10	14884/-	Ward 4(1) / Kol
5	Ruchi Trades & Holdings Private Limited	Rectification of TDS	2009-10	61318/-	Ward 4(1) / Kol
6	Sirohia Properties & Trading Co Private Limited	Rectification of TDS	2008-09	26820/-	Ward 5(1) / Kol
7	Sudhir Credit Private Limited	Rectification of TDS	2009-10	98794/-	Ward 1(2) / Kol
8	Kalyani Tea Company Limited	Rectification of TDS	2013-14	34210-	CPC - Traces

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

**(a) By our Group Companies**

Sr. No.	Case No.	Name of Group Company (Plaintiff)	Respondent	Brief Description of the case and status
1	CS No 164 of 2007 and G.A No 2972 of 2007	Sirohia Finvest Company Private Limited	Tirrihannah Company Limited	<p><b>Brief Description:</b></p> <p>The Plaintiff had filed Suit no CS 164 of 2007 against the respondents for recovery of Rs. 2,21,03,022.82 p/- (Rupees Two Crore Twenty One Lacs Three Thousand Twenty Two and Paise Eight Two Only) towards Recovery of advance granted by Plaintiff in ordinary course of business. The Defendant has not filed written statement with stipulated time and so the Plaintiff has filed application under Chapter XIII-A under High court rules being GA no 2972 of 2007 praying for summary trial of the suit.</p> <p><b>Status:</b></p> <p>Contested Hearing on Chapter XIII- A concluded and Judgment Reserved.</p>

**(b) Against our Group Companies**

NIL

**PAST PENALTIES IMPOSED ON OUR COMPANY AND OUR GROUP COMPANIES:**

NIL

**MATERIAL DEVELOPMENT**

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. 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 Exchanges.



## GOVERNMENT 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 10<sup>th</sup> January, 2014 authorized the Issue.
2. The shareholders of our Company have, pursuant to a resolution dated 6<sup>th</sup> January, 2014 authorized the Issue.
3. The Company has obtained approval from SME platform of BSE Limited vide their letter dated 16<sup>th</sup> May, 2014 to use the name of the Stock Exchange in the prospectus for listing of equity shares on the exchange.

### Incorporation Details

1. Corporate Identity Number- U51109WB1990PLC049105.
2. Certificate of Incorporation dated 28<sup>th</sup> May, 1990 issued by the Registrar of Companies, West Bengal.
3. Fresh Certificate of Incorporation dated 18<sup>th</sup> June, 2013 issued by the Registrar of Companies, West Bengal upon change in name of our Company upon conversion to Public Limited Company.

### Other Registration and Licenses

1. Permanent Account Number AAEC54758G under the Income Tax Act, 1961.
2. Tax Deduction Account Number CALS04670B under the Income Tax Act, 1961.
3. Registered as a dealer in the state of Assam under the provisions of The Central Sales Tax (Registration and Turnover) Rules, 1957. Registration number is SIL/CST/1969 valid from 28.04.1995.
4. Certificate of Registration bearing number 18520025758 w.e.f. 01.05.2005 issued under The Assam Value Added Tax Rules, 2005.
5. License to sell stock and exhibit for sale or distribution of Insecticides in accordance with provisions of Insecticides Act, 1968 and the rules thereunder. Details of the license are as follows:

<b>License valid upto</b>	December 2014
<b>Categories of Insecticides in which our Company can deal</b>	All types of Pesticides, Insecticides, Fungicides, etc.
<b>License No.</b>	Agri/Sir/DAO/Tech-47/Pest/02

6. ISIN Number is INE785O01019.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE ISSUE**

The shareholders of Sirohia & Sons 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 6<sup>th</sup> February, 2014.

We have received approval from BSE vide letter dated 16<sup>th</sup> May, 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)(2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is more than Ten Crores Rupees and upto Twenty Five Crores Rupees and hence propose to list on the Small and Medium Enterprise Exchange ("SME Exchange"), 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 37 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 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 38 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 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:**

##### **1. Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results**

The Company has Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results.

**(Rs. In lacs)**

Particulars	31.03.2014	31.03.2013	31.03.2012
<i>Net tangible Assets</i>	2203.90	2115.60	243.65

*"Net Tangible Assets" are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.*

##### **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 financial statements is as under:

**(Rs. In lacs)**

Particulars	31.03.2014	31.03.2013	31.03.2012
<i>Net Worth</i>	2209.89	2044.77	254.12

*"Net Worth" has been computed as the aggregate of equity share capital and reserves (excluding revaluation reserves) and after deducting 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*

Our Company has distributable profits in terms of sec. 205 of Companies Act, 1956, as detailed below:

(Rs. In lacs)

Particulars	31.03.2014	31.03.2013	31.03.2012
Distributable Profit*	13.54	7.54	4.70

*"Distributable profits" have been computed in terms section 205 of the Companies Act, 1956.*

#### 4. Other Requirements

*The post-issue paid up capital of the company shall be at least Rs. 1 crore*

Our Company currently has a paid up capital in excess of Rs. 1 crore, and the Post Issue Capital shall be Rs. 10.26 crores.

*The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.*

Our Company has entered into tripartite agreements with CDSL and NSDL along with our Registrar for facilitating trading in dematerialized mode. Also the Equity Shares allotted through this Issue will be in dematerialized mode.

*Companies shall mandatorily have a website:*

Our Company has an operational website: [www.sirohia.com](http://www.sirohia.com)

*Certificate from the applicant company / promoting companies stating the following:*

- The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against the company that has been accepted by a court or a liquidator has not been appointed.
- There has been no change in the Promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

#### 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, VC 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, VC CORPORATE ADVISORS PVT. LTD HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED 30<sup>TH</sup> AUGUST, 2014 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 / 2013, 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- NOT APPLICABLE

- 11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
- 12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
  - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
- 13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
- 14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE 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.
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR 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 110[106P] AND 111[106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

#### DISCLAIMER CLAUSE OF BSE

BSE Limited ("BSE") has given vide its letter dated 16<sup>th</sup> May, 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.vccorporate.com](http://www.vccorporate.com)*

## CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Lead Manager and our Company dated 27<sup>th</sup> January, 2014, the Underwriting Agreement dated 4<sup>th</sup> April, 2014 entered into among the Underwriters and our Company and the Market Making Agreement dated 4<sup>th</sup> April, 2014 entered into among the Lead Manager 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 centres 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.

## **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 the Corporate Finance Department, Plot No. C-4A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, will be delivered to the RoC situated Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C. Bose Road Kolkata- 700 020.

## **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 16<sup>th</sup> May, 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 39 and 40 of the Companies Act, 2013. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

## **TRACK RECORD OF PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/2012 dated 10<sup>th</sup> January, 2012 issued by SEBI, please see the website of the Lead Manager – [www.vccorporate.com](http://www.vccorporate.com)

## **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 68A of the Companies Act, 1956, 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.”**

Attention of the applicants is also specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

**“Any person who:**

**(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**

**(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**

**(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.**

## **CONSENTS**

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to the Company; and (b) the Lead Manager, Escrow Collection Bankers, 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 section 32 of the Companies Act, 2013 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, R S V A & Co., Chartered Accountants, the Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their report dated 21<sup>st</sup> August, 2014 on restated financial statements. M/s. Lahoti & Co., Chartered Accountants, our Statutory Auditors have already agreed to provide their written consents for inclusion of their report statements of funds deployed dated 14<sup>th</sup> August, 2014 and statement of Tax Benefits, dated 18<sup>th</sup> January, 2014.

## **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. 50 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:

<b>No.</b>	<b>Particulars</b>	<b>Amount (Rs. In Lacs)</b>
1.	Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	33.00
2.	Printing & Stationery, Distribution, Postage, etc	8.50
3.	Advertisement & Marketing Expenses	6.00
4.	Regulatory & other expenses	2.50
Total		50.00

## 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, payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	33.00	66.00	9.17
Printing & Stationery, Distribution, Postage, etc	8.50	17.00	2.36
Advertisement & Marketing Expenses	6.00	12.00	1.67
Regulatory & other expenses	2.50	5.00	0.69
Total	50.00	100.00	13.89

## 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 dated 11<sup>th</sup> January, 2014.

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 Lead Manager. 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 37 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.

## PREVIOUS PUBLIC OR RIGHTS ISSUES

Our Company has not made any public or rights issue since its inception.

## **PREVIOUS ISSUE OF SHARES OTHERWISE THAN FOR CASH**

Please refer to the Section titled “Capital Structure” and “History and Certain Corporate Information” on page nos. 41 and 85 respective of the Prospectus for details of shares issued otherwise than for cash.

## **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES**

Since this is the initial public offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

## **PROMISES V. PERFORMANCE**

Our Company has not made any public or rights issue since its inception.

## **OUTSTANDING DEBENTURES OR BOND ISSUES**

As on the date of filing the Prospectus, our Company does not have any outstanding debentures or has made any bond issue.

## **OUTSTANDING PREFERENCE SHARES**

As on the date of filing this Prospectus, our Company does not have any outstanding preference shares.

## **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 during the last three years.

## **PARTLY PAID-UP SHARES**

There are no partly paid-up equity shares of our Company.

## **OPTION TO SUBSCRIBE**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

## **STOCK MARKET DATA**

This being the first public Issue of the equity shares of our Company, the equity shares of our Company is not listed on any stock exchange and hence no stock market data is available.

## **INVESTOR GRIEVANCES AND REDRESSAL SYSTEM**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-

routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Shareholders/ Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on 16<sup>th</sup> January, 2014. For further details, please refer to the chapter titled “*Our Management*” beginning on page 88 of this Prospectus

Our Company has appointed Mr. Pratik Kanitkar 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. Pratik Kanitkar**

6, Bishop Lefroy Road,  
4th Floor, Suite no.- 19,  
Kolkata- 700 020

Tel: +91-33-4017 0700

Fax: +91-33-4017 0701

Email: [cspratik.kanitkar@gmail.com](mailto:cspratik.kanitkar@gmail.com)

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

There has not been any change in the statutory auditor of our Company in the past three financial years.

**CAPITALIZATION OF RESERVES OR PROFITS DURING LAST FIVE (5) YEARS**

Our Company has not capitalized any reserve during last five (5) years.

**REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS**

Our Company has not revalued its assets since incorporation.

## SECTION VII

### TERMS AND PROCEDURE OF THE ISSUE

#### 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 186 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 10<sup>th</sup> January, 2014 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 6<sup>th</sup> February, 2014.

#### 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 / 2013. For further details, please refer to the section titled “Dividend Policy” on page 116 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. 12/- 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 60 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 / 2013 and the Memorandum and Articles of Association of the Company.

## **MINIMUM APPLICATION VALUE; MARKET LOT AND TRADING LOT**

As per the provisions of the Depositories Act, 1996, the shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

The investors have an option either to receive the security certificate or to hold the securities with depository.

The trading of the Equity Shares will happen in the minimum contract size of 10,000 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 10,000 Equity Share subject to a minimum allotment of 10,000 Equity Shares to the successful applicants.

## **MINIMUM NUMBER OF ALLOTTEES**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 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 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, 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 Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## **MINIMUM SUBSCRIPTION**

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 40 of the Companies Act, 2013.

## **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 10,000 shares in terms of SEBI circular No. CIR/MRD/DSA/06/2012 dated 21<sup>st</sup> February, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

## **RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution as detailed in chapter titled "*Capital Structure*" beginning on page 41 of this Prospectus, and except as provided in the Articles. 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 186 of this Prospectus.

## **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 equity 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 38 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:

- (i) 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
- (ii) 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.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Kolkata, West Bengal, 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)(2) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, An issuer whose post-issue face value capital is more than ten Crore Rupees and upto twenty five crore rupees, may also 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 nos. 158 and 165 of this Prospectus.

### Following is the Issue structure:

Public Issue of 30,00,000 equity shares of Rs. 10/- each (the “Equity Shares”) for cash at a price of Rs. 12/- per Equity Share (including a share premium of Rs. 2/- per Equity Share) aggregating to Rs. 360.00 lacs (“the Issue”) by Sirohia & Sons Limited (“SSL” or the “Company” or the “Issuer”).

The Issue comprises a Net Issue to Public of 28,50,000 Equity Shares (“the Net Issue”) and a reservation of 1,50,000 Equity Shares for subscription by the designated Market Maker (“the Market Maker Reservation Portion”).

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation</b>	28,50,000 Equity Shares	1,50,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	95.00% of the Issue size	5.00% of the Issue size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of 10,000 Equity Shares and further allotment in multiples of 10,000 Equity Shares each.  For further details please refer to the section titled “ <i>Issue Procedure – Basis of Allotment</i> ” on page 173 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 10,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/-  <b>For Retail Individuals:</b> 10,000 equity shares	1,50,000 Equity Shares

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Maximum Application Size</b>	<p><i>For QIB and NII:</i> Such number of equity shares in multiples of 10,000 Equity Shares such that the Application Size does not exceed 28,50,000 Equity Shares.</p> <p><i>For Retail Individuals:</i> 10,000 equity shares</p>	1,50,000 Equity Shares
<b>Mode of Allotment</b>	Dematerialized Form or Physical Form, at the option of the applicant	Dematerialized Form only
<b>Trading Lot</b>	10,000 Equity Shares	10,000 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.

<b>ISSUE OPENING DATE</b>	<b>8<sup>th</sup> September, 2014, Monday</b>
<b>ISSUE CLOSING DATE</b>	<b>10<sup>th</sup> September, 2014, Wednesday</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).

#### WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before Allotment. If our Company withdraws the Issue, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and 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.

## ISSUE PROCEDURE

### FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M)(2) 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.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

### 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 authorised to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorised to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional applicants category;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorised 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 authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 25 Crores and who are authorised 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**

- Investors will have the option of getting the allotment of specified securities in dematerialization form only in accordance with provisions of section 29(1) of Companies Act, 2013.
- The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON REPATRIATION**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for



those applying on non repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

#### **APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

#### **APPLICATIONS BY ELIGIBLE NRIS/FII'S ON REPATRIATION BASIS**

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. 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 lac, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

## APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 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 VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c). With respect to applications made by provident funds with minimum corpus of Rs. 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 10,000 Equity Shares and in multiples of 10,000 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 10,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should

not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

#### **INFORMATION FOR THE APPLICANTS:**

- a) Our Company will file the Prospectus with the 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 Mumbai.

#### **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 10,000 equity shares the allotment will be made as follows:
  - (i) Each successful applicant shall be allotted 10,000 equity shares; and
  - (ii) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 10,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 10,000 equity shares subject to a minimum allotment of 10,000 equity shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 10,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 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 retail 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.

In accordance with provisions of regulation 43(4) of the SEBI (ICDR) Regulations, if the Retail Individual Investor Category is entitled to more than fifty per cent 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. 12/- 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: "Sirohia & Sons Limited– Public Issue - R".
  - In case of Non Resident Retail Applicants applying on repatriation basis: "Sirohia & Sons Limited– 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 15 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 5<sup>th</sup> November, 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.

No separate applications is to be made.

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 27<sup>th</sup> April, 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.

## GROUPS 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 10,000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by 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 Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole;
- 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.”**

Attention of the applicants is also specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

**“Any person who:**

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.**

## **SIGNING OF UNDERWRITING AGREEMENT**

Vide an Underwriting agreement dated 4<sup>th</sup> April, 2014 this issue is 100% Underwritten.

## **FILING OF THE PROSPECTUS WITH THE ROC**

Our Company will file a copy of this Prospectus with the ROC- West Bengal, at Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C. Bose Road Kolkata- 700 020 as required under the Companies Act.

## **PRE-ISSUE ADVERTISEMENT**

Subject to Section 33 of the Companies Act 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

## **DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

The Company will issue and dispatch letters of allotment i.e., credit to the successful applicant's depository account will be completed/ 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 days of the Issue Closing Date.

In accordance with provisions of section 29(1) of Companies Act, 2013, Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 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 centres will be payable by the Applicants.

## **PAYMENT OF REFUND**

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

### **Mode of making refunds**

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) *ECS (Electronic Clearing System)* – Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
- 2) *Direct Credit* – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- 3) *RTGS (Real Time Gross Settlement)* – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ` 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 centres will be payable by the Applicants.

#### **DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 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 seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 12 (twelve) 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 15 (fifteen) 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) 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 15 (fifteen) 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 seven working days of finalization of the basis of Allotment;
- 3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;

- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That the certificates of the securities/ refund orders to the non resident Indians shall be dispatched within specified time; and
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
- 7) 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 40 of the Companies Act, 2013;
- 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 utilisation 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**

Our Company, in consultation with the LM reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, QIB Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## **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 22<sup>nd</sup> May, 2013 between NSDL, the Company and the Registrar to the Issue;
  - (b) Agreement dated 10<sup>th</sup> April, 2013 between CDSL, the Company and the Registrar to the Issue;
- The Company's shares bear an ISIN No. INE785O01019

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The 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

#### I. INTERPRETATION

1. In the interpretation of these Articles, unless repugnant to the subject or context:

"The Company" or "This Company" means "SIROHIA & SONS LIMITED"

"The Act" means "The Companies Act 1956" or any statutory modification or reenactment therefore for the time being in force.

"Annual General Meeting" means a general meeting of the Members held in accordance with the provisions of Section 166 of the Act or any adjourned meeting thereof.

"Auditors" means and include those persons appointed as such for the time being by the Company or its Board,

"Board" or "Board of Directors" or "the Board" means 'the Board' or 'Board of Directors' for the time being of the Company.

"Board Meeting" means a meeting of the Directors or a committee thereof duly called and constituted, or as the case may be, the Directors assembled at the Meeting of the Board of Directors of the Company collectively.

"Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

"Debenture" includes debenture-stock.

"Dividend" includes interim dividend.

"Extraordinary General Meeting", means an extraordinary general meeting of the Members duly called and constituted and any adjourned General Meeting thereof.

\*\* (Adopted by Special Resolution passed at the Extra Ordinary General Meeting of the Company held on the 28th May 2013)

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company.

"Meeting" or "General Meeting" means a meeting of members.

"Month" means a calendar month.

"Office" means the registered office for the time being of the Company.

"A resolution shall be an ordinary resolution when at a general meeting of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands, or on a poll as the case may be) in favour of the resolution (including the casting vote, if any, of the chairman) by members, who being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the resolution by members so entitled and voting.

"Paid-up" includes credited as paid-up.

"Persons" includes corporations and firms as well as individuals.

"Postal Ballot" shall mean voting by post through ballot papers distributed amongst eligible voters and shall include voting by electronic mode.

"Register of Members" means the Register of Members to be kept pursuant to the Act.

"Registrar" means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situated.

"Secretary" means any individual possessing the qualification prescribed for the time being by or under the Act or any rules made thereunder and appointed to perform the duties, which may be performed by Secretary under the Act, and any other ministerial or administrative duties.

"Seal" means the Common Seal for the time being of the Company.

"Share" means share in the share capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.

"Small Shareholder" means a shareholder holding shares of the nominal value of twenty thousand rupees or less.

A resolution shall be a special resolution when:

a) the intention to propose the resolution as a special resolution has been duly specified in the notice convening the general meeting or other intimation given to the members of the resolution.

b) the notice required under the Act has been duly given of the general meeting;

and

c) the votes cast in favour of the resolution whether on a show of hands, or on a poll as the case may be by members, who being entitled so to do, vote in person, or where proxies are allowed, by proxy, are not less than three times the number of the votes, if any, cast against the resolution by members so entitled.

"Written" and "In Writing" include printing, lithography, computer modes and other modes of representing or reproducing words in a visible form.

"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.

Words importing the singular number include, where the context admits or requires the plural number and vice versa.

a) Words importing the masculine -gender also include the feminine gender,

b) The marginal notes used in these Articles shall not affect the construction or meaning of the subject.

c) Save as aforesaid, words or expressions, defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

## **II. CAPITAL AND INCREASE AND REDUCTION OF CAPITAL**

2. The Authorised Share Capital of the company shall be the capital as specified in Clause V of the Memorandum of Association, with power to increase and reduce the Share Capital of the company and to divide the shares in the Capital for the time being into several classes as permissible in law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided in the Articles of Association.
3. The Company in General Meeting may, from time to time, increase the Capital by the creation of new shares. Such increase to be of such aggregate amount and to be divided into such shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the

creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, or otherwise and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Section 87 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

4. Except in so far as otherwise provided in the conditions of issue of shares by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
5. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which at or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
6. On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof, the following provisions shall take effect:
  - a. no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
  - b. no such shares shall be redeemed unless they are fully paid.
  - c. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, excepts as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.
7. The Company may (subject to the Provisions of Section 78, 80, 100 to 105 both inclusive, of the Act) from time to time by Special Resolution reduce its capital, any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if the were omitted.
8. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

9. Whenever the Capital is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths of nominal value of the issued shares of the class or is confirmed by a resolution passed at a separate General Meeting of the holders of shares of that class and supported by the votes of the holders of at least three-fourths of those shares, and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such Meeting, but so that the quorum thereof shall be members present in person or by proxy and holding three-fourths of the nominal amount of the issued shares of the class. This Article is not to derogate from any power the Company would have if it were omitted.

### III. SHARES AND CERTIFICATES

10. The Company shall cause to be kept a Register and index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or Country outside India, a branch Register of Members resident in that State or country.
11. The shares in the Capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
12. a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital then such further shares shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances permit, to the capital paid-up on these shares on that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
- b) Notwithstanding anything contained in the preceding sub-clause, the Company may
- (i) by a special resolution; or
  - (ii) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes if any, cast against the proposal by members so entitled to voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company, offer further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

- c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.
13. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power to give any person the option to call for or be allotted shares of any class of the Company either at par or at a discount and for such time and at such consideration as the Directors think fit. The Board of Directors shall cause to be made the return as to allotment provided for in Section 75 of the Act.
14. In addition to and without derogating from the powers for the purpose conferred on the Board under Articles 13 and 14, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company, either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option being exercisable at such times and for such consideration as may be directed by such General Meeting of the Company and the General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.
15. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts shares and whose name is on the Register shall for the purpose of these Articles, be a member.
16. The money (if any) which the Board shall, on the allotment of any share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
17. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.
18. (a) Every member or allottee of shares shall be entitled, without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it is related and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons or requisite value, save in cases of issues against letters of acceptance of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors with a duly registered power of attorney, and the Secretary or some other

person appointed by the Board for the purpose; and two directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits it at least one of the aforesaid two Directors shall be a person other than a Managing or Whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.

(b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to the person first named which shall be sufficient delivery to all of them. For any further certificate the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical or electrical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

19. (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out or where the cages on the reverse for recording transfers have been fully utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.

(b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of Share Certificate No... sub-divided / replaced / on consolidation of shares.

(c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence an indemnity as to payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board may think fit.

(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No...". The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

(e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes be indicated in the Register of Members by suitable cross reference in the "Remarks" column.

(f) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks and engravings relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose, and the Secretary or the other person as aforesaid shall be responsible for rendering an account of these forms to the Board.



(g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-Article (f).

(h) All books referred to in sub-Article (g) shall be preserved in good order permanently.

20. If any share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any other matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares for all incidents thereof according to the Company's regulations.
21. Except as ordered by a Court of competent jurisdiction, or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
22. The Company shall have power, subject to and in accordance with all the applicable provisions of the Act and the rules made thereunder, to purchase any of its own fully paid shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the Company or proceeds of any shares or other specified securities provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities or from such other sources as may be permitted by Law on such terms, conditions and in such manner as may be prescribed by the Law from time to time in respect of such purchase.

#### **IV. UNDERWRITING AND BROKERAGE**

23. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, but so that the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued, and in the case of debentures, two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
24. The Company may pay a reasonable sum for brokerage.

#### **V. INTEREST OUT OF CAPITAL**

25. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and

restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

## VI. CALLS

26. The Board may, from time to time and subject to the terms on which any shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.
27. Fifteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
28. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.
29. A call may be revoked or postponed at the discretion of the Board.
30. The option or right to call of shares not be given to any person except with the sanction of the Company in General Meeting.
31. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
32. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a member of grace and favour.
33. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest of the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
34. Any sum, which may by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles 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.
35. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member, in respect of whose shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become

due on the shares in respect of such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

36. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

37. (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the accounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time an amount so advanced or may at any time repay the same upon giving to the member three months notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profit.

(b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

## **VII. LIEN**

38. 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 a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing, and upon the condition that Article 22 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

39. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

40. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

## VIII. FORFEITURE OF SHARE

41. If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.
42. The notice shall name a day (not being less than Thirty days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment at or before the time, and at the place appointed the shares in respect of which such call was made or installment is payable will be liable to be forfeited.
43. If the requisitions of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
44. When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.
45. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re allot or otherwise dispose of the same in such manner as think fit
46. The Board may, at any time before any share so forfeited shall have been sold, reallocated or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
47. A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing in respect of such share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
48. The forfeiture of a share involve extinction, at the time of the forfeiture, of all interest and 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.
49. A duly verified declaration in writing that the declarant is a Director of the Company, and that certain shares in the Company have 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 shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares;

and the person to whom any such share is sold shall be registered as the member in respect of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

50. Upon any sale, re-allotment or other disposal under the provisions of the preceding. Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto.

## **IX. TRANSFER AND TRANSMISSION OF SHARES**

51. The Company shall keep a book to be called the "Register of Transfers", and therein shall be fairly and directly entered particulars of every transfer or transmission of any share.
52. The Instrument of Transfer shall be in writing and all the provisions of Section 108 of the Act, shall be duly complied with in respect of all transfer of shares and the registration thereof.
53. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any share in favour of a minor (except in cases when they are fully paid up).
54. The Board shall have power on giving seven days' previous notice by advertisement in some newspaper circulating in the district in which the Office of the Company is situated to close the transfer books, the Register of Members or Register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.
55. Subject to the provisions of Section 111 & 111A of the Act, the Board of Directors may at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares (notwithstanding the proposed transferee be already a Member), but in such case it shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever, except where the Company has lien on shares.
56. Every holder of shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his Shares in or Debentures of the Company shall vest in the event of death of such holder.

Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in

the Shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such Shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in, or Debentures of the Company, the nominee shall, on the death of the Shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the Shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the Shares in or Debentures of the Company, in the event of his death, during the minority.

57. Any person who becomes a nominee by virtue of the provision of the above Article, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:

- a) to be registered himself as holder of the shares or debentures, as the case may be; or
- b) to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee, so becoming entitled, elects himself to be registered as holder of the Shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder and the certificate(s) of Shares or Debentures, as the case may be, held by the deceased in the Company.

Subject to the provisions of Section 109B(3) of the Act and these Articles, the Board may register the relevant Shares or Debentures in the name of the nominee of the transferee as if the death of the registered holder of the Shares or Debentures had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.

A nominee on becoming entitled to Shares or Debentures by reason of the death of the holder or joint holders shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such Shares or Debentures, be entitled in respect of them to exercise any right conferred on a member or Debenture holder in relation to meetings of the Company.

The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, interest or

other moneys payable or rights accrued or accruing in respect of the relevant Shares or Debentures, until the requirements of the notice have been complied with.

58. No share shall in any circumstances be transferred to any insolvent or persons of unsound mind.
59. Subject to the provisions of Articles 57 and 58, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respects of which he proposes to act under this article of his title, as the holder of the shares or elect to have some person nominated by him and approved by the Board of Directors, registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares. This Article is referred to in these Articles as the Transmission Article.
60. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, is entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.
61. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.
62. For the purpose of the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (same as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer.
63. There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such fee, if any, as the Directors may require.
64. Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been

entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.

## DEMATERIALISATION OF SECURITIES

65. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

1. For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository, 'SEBI' means the Securities & Exchange Board of India; established under Section 3 of the Securities & Exchange Board of India Act, 1992 and 'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as depository under Securities & Exchange Board of India Act, 1992; and wherein the securities of the Company are dealt with in accordance with the provisions of the Depositories Act, 1996.

2. The Company shall be entitled to dematerialise securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

3. Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates for the Securities.

If a person opts to hold his Securities with the depository, the Company shall intimate such depository the details of allotment of the Securities, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.

4. All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by on behalf of the beneficial owners.

5. (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the beneficial owner.

b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.



- c) Every person holding securities of the Company and whose name is entered as the beneficial owner of securities in the record of the depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository and shall be deemed to be a Member of the Company.
6. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a depository, the records of the beneficiary ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
  7. Nothing contained in Section 108 of the Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
  8. Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
  9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
  10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

#### **COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

66. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Board to every Member at his request within fifteen days of the request on payment of Re. 1/- for each copy.

#### **BORROWING POWERS**

67. The Board may, from time to time, at its discretion subject to the provisions of Section 292 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.
68. The Board may raise or secure the repayment of such sum or sums in such; manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on

the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being).

69. Any debentures, debenture-stock, bonds or other securities may be issued at a discount and otherwise debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Debentures, debenture-stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with sanction of the Company in General Meeting.
70. Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.
71. If the Board refuses to register the transfer of any debentures, the Company shall, within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and to the transferor the notice of such refusal.
72. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 118 and 125 and 127 to 144, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.
73. The Company shall, if at any time it issues debentures, keep Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-holders, resident in that State or Country.

#### **CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

74. The Company in General Meeting may convert any paid-up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which the shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time re-convert any stock into paid-up shares of any denomination.
75. The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends and voting at the meetings of the Company, and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets of winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

## MEETING OF MEMBERS

76. The company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for on a time during business hours, on a day that is not a public holiday, and shall be held in the office of the company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notices tailing the Meeting shall specify it as the Annual General Meeting. The Company may in anyone Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report (if not already attached in the Audited statement of Accounts) the proxy Register with proxies and the Register of Directors' Share holdings of which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.
77. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
78. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in file form each signed by one or more requisitionists.
79. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represents either a majority in value of the paid-up share capital of the Company as is referred to

in Section 169(4) of the Act, which ever is less, may themselves call the meeting, but in either case, any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

80. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.
81. Twenty-one days' notice at least of every General Meeting, Annual or Extraordinary and by whosoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in the case of any other meeting, with the consent of members holding not less than 95 percent of such part of the paid up share capital of the Company as gives a right to vote at the meeting any be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring (iv) the appointment of and fixing of remuneration of the Auditors, is proposed to be transacted then in that event there shall be annexed to the notice of the Meeting a statement setting out all materials facts concerning each such item of business including, in particular, the nature of concern or interest, if any, therein of every director, and the Manager (if any). Where any such item of special business relates to or affects any other Company, the extent of shareholding interest in other company of every Director and the Manager, if any, of the Company shall also be set out in the statement if the extent of such share holding interest is not less than 20 percent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
82. The accidental omission to give any such notice as aforesaid to any of the members, or the non receipt thereof, shall not invalidate the holding of the meeting or any resolution passed at any such meeting.
83. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
84. Five members present in person shall be quorum for a General Meeting.
85. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.
86. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of

members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other time and place in the city or town in which the office of the Company is for the time being situated as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.

87. The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the Chair, then the directors present may choose one of their member to be the Chairman of the meeting. If no director be present or if all the directors present decline to take the chair, then the Members present shall elect one of their number to be Chairman.
88. No business shall be discussed at any General Meeting except the election of a Chairman, while the chair is vacant.
89. The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place in the city in which it is held but, no business shall be transacted at any adjourned meeting other than the business, left unfinished at the meeting from which the adjournment took place.
90. At any General Meeting a resolution put to vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least five members having the right to vote on the resolution and present in person or by proxy, or by the Chairman of the Meeting or by any member or members holding not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid-up on all the shares conferring that right, and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.
91. In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.
92. If a poll is demanded as aforesaid, the same shall, subject to Article 91 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situate and either by open voting

or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

93. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a Scrutinizer from office and fill vacancies in the office of Scrutinizer from such removal or from any other cause.
94. Any poll duly demanded on the election of Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.
95. The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

#### **VOTE OF MEMBERS**

96. No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders, either upon a show of hands or upon a poll 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.
97. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the Capital of the Company, every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting rights of every member present in person or by proxy shall be in proportion to his shares of the paid-up equity share capital of the Company. Provided, however, if any preference share-holder be present at any meeting of the Company, save as provided in clause (b) of subsection (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.
98. On a poll taken at meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he used or may abstain from voting.
99. 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 poll vote by proxy, if any

member be a minor, the vote in respect of his share or shares shall be by his guardian, or any of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

100.If there be joint holders of any shares, anyone of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto by the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles to be deemed joint holders thereof.

101.Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.

102.Any person entitled under Article 61, to transfer any share may vote at any General Meeting in respect thereof in the same manner, as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

103.Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.

104.An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

105.106. A member present by proxy shall be entitled to vote only on a poll.

106.The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not later than forty-eight hours before the time for holding the 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. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

107. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

108. 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 revocation of the proxy of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.

109. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

110. Notwithstanding any thing contained in the foregoing, the company shall transact such business, as may be specified by the Central Government from time to time, through the means of postal ballot. In case of resolutions to be passed by postal ballot, no meeting need to be held at a specified time and space requiring physical presence of members to form a quorum. Where a resolution will be passed by postal ballot the company shall, in addition to the requirements of giving requisite clear days notice, send to all the members the following:

- i) Draft resolution and relevant explanatory statement clearly explaining the reasons therefor.
  - ii) Postal ballot for giving assent or dissent, in writing by members and
  - iii) Postage prepaid envelope (by Registered Post) for communicating assents or dissents on the postal ballot to the company with a request to the members to send their communications within 30 days from the date of dispatch of Notice.
- The Company shall also follow such procedure, for conducting vote by postal ballot and for ascertaining the assent or dissent, as may be prescribed by the Act and the relevant Rules made thereunder.

111. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

112. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or liability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.



(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meetings.

(6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:-

- a. is or could reasonably be regarded as defamatory of any person, or
- b. is irrelevant or immaterial to the proceeding, or
- c. is detrimental to the interest of the Company.

The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(7) Any such minutes shall be evidence of the proceedings recorded therein.

(8) The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.

## **DIRECTORS**

113. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors, excluding Debenture and Alternate Directors, (if any) shall not be less than three nor more than twelve.

114. At the date of adoption of these Articles, the Directors of the Company are:

- i. Rakesh Sirohia
- ii. Rajesh Sirohia
- iii. Rajat Sirohia
- iv. Jitendra Sirohia

115. If at any time the Company obtains any loan or any assistance in connection therewith by way of guarantee or otherwise from any person, firm, body corporate, local authority or public body (hereinafter called "the institution") or if at any time the Company issues any shares, debentures and enters into any contract or arrangement with the institution, whereby the institution subscribes for or underwrites the issue of the Company's shares or debentures or provides any assistance to the Company in any manner and it is a term of the relative loan, assistance, contract

or agreement that the institution shall have the right to appoint one or more directors to the Board of the Company, then subject to the provisions of Section 225 of the Act and subject to the terms and conditions of such loan, assistance, contract or arrangement, the institution shall be entitled to appoint one or more director or Directors, as the case may be, to the Board of the Company and to remove from office any director so appointed and to appoint another in his place or in the place of Director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be served at the office of the Company. The director or directors so appointed shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue in the office for so long as the relative loan, assistance, contract or arrangement, as the case may be, subsists.

116.If it is provided by the Trust Deed, securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director maybe appointed in his place. A Debenture Director shall not be allowed to hold any qualification share.

117.If the Company at any time have a minimum paid up capital of Rupees Five Crore or such sum as may be prescribed and at least one thousand or more small shareholders, then the company may, suomoto or upon requisition of not less than one tenth of the total number of small shareholders, proceed to appoint a nominee from amongst small shareholders as a Director of the Company. The small 'shareholders' director shall before his appoint, file his consent, to act as a Director, in writing to the Company and the tenure of such appointment shall be three years at a time without retirement by rotation, but shall be eligible for reappointment for another tenure. He shall, however, not be appointed as Managing Director or Whole Time Director under any circumstances and shall be subject to same disqualifications and shall vacate his office on the same grounds as are applicable to other Directors, in pursuance of these Articles. The company shall follow such Rules as may be prescribed by the Central Govt. in this behalf.

118.No small shareholders' director appointed in accordance with the provisions of this Article shall hold office at the same time as "small shareholders' director" in more than two companies.

119.The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original director in whose place he has been appointed and shall vacate the office of the Original Director when he returns to that State. If the terms of office of the Original Director are determined before he so returns to that state, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

120. Subject to the provisions of Sections 260 and 264 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not at any time exceed the maximum 12 fixed under the Article 114. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.
121. Until otherwise determined by the Company in General Meeting, a Director shall not be required to hold any shares in the capital of the Company as his qualification.
122. Without prejudice to the restrictions imposed by Section 226 of the Act, a Director who is required to hold qualification shares may act as a Director before acquiring such shares but shall, if he is not already qualified, obtain his qualification, and every Director other than a Director appointed by the Central or a State Government shall file with the Company a declaration specifying the qualification shares held by him within two months from his appointment as a director.
123. Subject to the provisions of Section 262, 264 and 284(6) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.
124. (1) Subject to the provisions of the Act, a Managing Director, or Managing Directors or Director who is/are in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (2) Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director, may be paid remuneration either:
- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or
- (ii) by way of commission if the Company by a special resolution authorized such payment.
- (3) The fees payable to a Director (including a Managing or whole-time Director, if any), for attending a Meeting of the Board or Committee thereof may be in accordance with and subject to the provisions of Section 309 of the Act or such other sum as the Company in General Meeting may from time to time determine.
125. The Board may allow any pay to any director who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or resided out of the ordinary place of his

residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.

126. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by the Article 114 hereof, the continuing Directors not being less than three, may act for the purpose of increasing the number of directors to that number or for summoning a General Meeting but for no other purpose.

127.(1) The office of a Director shall ipso facto be vacated if :-

- a) he fails to obtain within the time specified in sub-section (1) of Section 270 of the Act, or at any time thereafter ceases to hold the share qualification, if any, necessary for his appointment; or
- b) he is found to be of unsound mind by a Court of competent jurisdiction; or
- c) he applies to be adjudicated an insolvent; or
- d) he is adjudged insolvent; or
- e) he is convicted by a Court in India of any offence and is sentenced in respect thereof to imprisonment for not less than six months; or
- f) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call; or
- g) he absents from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is the longer, without obtaining leave of absence from the Board; or
- h) he or any firm of which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
- (i) he acts in contravention of Section 299 of the Act; or
- (j) he has been removed from office in pursuance of Section 203 of the Act; or
- (k) by notice in writing to the Company that he resigns his office; or
- (l) any office or place of profit under the Company or under any subsidiary of the Company is held in contravention of Section 314 of the Act and by operation of that Section he is deemed to vacate the office.

(2) Notwithstanding any matter or thing in sub-clauses (d), (e) and (j) of clause (1), the disqualification referred to in those sub-clauses shall not take effect

- (a) for thirty days from the date of adjudication sentence or order; or
- (b) where an appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or
- (c) where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification until such further appeal or petition is disposed off.

128.(1) A Director or his relative, a firm in which such Director or relative is a partner, or any other partner in such firm or a private company of which the Director is a member or a private company of which the Company is a member or director, may enter into any contract with Company for the sale, purchase or supply of any goods, materials, or services or for underwriting the subscription of any shares in, or debentures of the Company, provided that the sanction of

the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.

(2) No sanction shall, however, be necessary for:

(a) any purchase of goods and materials from the Company, or the sale of the goods or materials to the Company, by any such director, relative, firm's partner or private company as aforesaid for cash at prevailing market prices; or

(b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other side for sale, purchase or supply of any goods, materials and services in which either the Company or the director, relative, firm, partner or private company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000/- (Rupees Five Thousand only) in the aggregate in any year comprised in the period of the contract or contracts. Provided that in the circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost of such services exceeds Rs. 5,000/- (Rupees Five Thousand only) in the aggregate in any year comprised in the period of the contract and the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

129. A director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company either himself or along with his relatives holds or hold two per cent of the paid-up share capital in any such other company.

130. A General Notice given to the Board by the Directors, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired of such general notice and no renewal thereof, shall be of effect unless it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

131. No director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however, that nothing herein contained shall apply to:

(a) any contract of indemnity against any loss which the Directors or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company.

(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely :

(i) in his being:

(a) a director in such company, and

(b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company, or

(ii) in his being a member holding not more than 2% of its paid-up share capital.

132. The Company shall keep a Register in accordance with Section 301(1) and shall within the time specified in Section 301(2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies corporate and firms of which notice has been given by him under Article 128. The Register shall be kept at the office of the Company and shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provision of Section 163 of the Act shall apply accordingly.

133. A Director may be or become a director of any company promoted by the Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such director shall be accountable for any benefits received as director or shareholder of such company except in so far as Section 209(6) or Section 314 of the Act may be applicable.

134. At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

135. Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 132 at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became directors on the same day, those who are to retire, shall, in default of, and subject to any agreement among themselves, be determined by lot.

136. A retiring Director shall be eligible for re-election.

137. Subject to Sections 258 and 259 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

138. (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place.

(b) 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 so deemed to have been reappointed at the adjourned meeting, unless:

(i) at that meeting or at the previous meeting the resolution for the reappointment 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 expressed his unwillingness to be so reappointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a resolution whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or
- (v) the provision to sub-section (2) of Section 263 of the Act is applicable to the case.

139. Subject to Section 259 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of directors, and may after their qualifications (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the director in whose place he is appointed would have held the same if he had not been removed.

140.(1) No person not being a retiring Director, shall be eligible for appointment to the office of director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office.

(2) Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed.

(3) A person other than a Director reappointed after retirement by rotation of immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

141.(a) The Company shall keep at its office a Register containing the particulars of its Directors, Managers, Secretaries and other persons mentioned in Section 303 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

(b) The Company shall in respect of each of its Directors also keep at its office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

142.(a) Every Director {including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the Act}, Managing Director, Manager, or Secretary of the Company, shall within twenty days of his appointment to any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in the other body which are required to be specified under sub-section (1) of Section 303 of the Act.

(b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provision of that Section.

## **MANAGING DIRECTOR**

143. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director or Managing Directors of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of Article 143, the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act.

144. The Managing Director or Managing Directors shall not exercise the powers to:

- (a) make calls on share holders in respect of money unpaid on the shares in the Company.
- (b) issue debentures; and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, shall also not exercise the powers to;
- (c) borrow moneys, otherwise than on debentures;
- (d) invest the funds of the Company, and
- (e) make loans.

145. The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing or whole-time Director who:

- (a) is an undischarged insolvent, or has at any time been adjudged as insolvent;
- (b) suspends, or has at any time suspended payment to his creditors, or makes, or has at any time made a composition with them; or
- (c) is, or has, at any time been convicted by a Court of an offence involving moral turpitude.

146. A Managing Director shall not while he continues to hold that office be subject to the retirement by rotation, in accordance with Article 132. If he ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director.

## **PROCEEDINGS OF THE BOARD OF DIRECTORS**

147. The Directors may meet together as a Board for the dispatch of business from time to time, and shall so meet atleast once in every three months and atleast four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

148. Notice of every meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India; to every other Director.

149. The Secretary shall, as and when directed by the Directors to do so convene a meeting of the Board by giving a notice in writing to every other Director.

150. The Board shall appoint a Chairman of its meetings and determine the period for which he is to hold office. If no Chairman is appointed, or if at any meeting of the Board, the Chairman is not present within five minutes after the time appointed, for holding the same, the Directors present shall choose someone of their member to be the Chairman of such meeting.



151. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman of the Board shall appoint.
152. A meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board.
153. Subject to the provisions of Sections 316, 327(4) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote
154. The Board may subject to the provisions of the Act, from time to time and at any time delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulation that may from time to time be imposed upon it by the Board.
155. The meetings and the proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the Article 152.
156. Save in those case where a resolution is required by Sections 262, 292, 297, 316, 372(4) and 386 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at the meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, 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 of the Committee, at their usual address in India, and has been approved by such of them as are then in India, or by a majority of them as are entitled to vote on the resolution.
157. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article 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 been terminated.
158. (1) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in the books kept for that purpose with their pages consecutively numbered.

- (2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (3) In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
- (6) The minutes shall also contain:
  - (a) the names of the Directors present at the meeting; and
  - (b) in the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
- (7) Nothing contained in sub-clause (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting:
  - (a) is or could reasonably be regarded as defamatory of any person;
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interest of the Company.
 The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.
- (8) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

159. The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act, or any other Act, or by the Memorandum, or by the Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting, but no regulations 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. Provided that the Board shall not except with the consent of the Company in General Meeting:

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole of any such undertaking.
- (b) remit, or give time for the repayment of any debt due by a Director.
- (c) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
- (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves - that is to say, reserve not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only at meetings of the Board, unless the same be delegated to the extent there in stated; or

- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

160. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers; that is to say, power:

- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (2) To pay any charge to the capital account of the Company and commission or interest lawfully payable thereout under the provisions of Sections 76 and 208 of the Act.
- (3) Subject to Sections 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in shares, bonds, debentures, mortgages, or other securities of the Company, and such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled capital or not so charged;
- (5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the firm being or in such manner as they may think fit;
- (6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- (7) To appoint any person to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon;

- (9) To act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of Sections 292, 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;
- (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (13) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- (14) To distribute by way of bonus amongst the staff of the Company, share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
- (15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- (16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking Fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and

subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of any apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or debenture-stock, and without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.

- (17) Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. Also, from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- (18) To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with;
- (19) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such Local Boards and to fix their remuneration;
- (20) Subject to Section 292 & 293 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow or moneys, and to authorise the Members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- (21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or

Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any company, or the shareholders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;

(22) Subject to Sections 294, 294A, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

(1) Subject to the provisions of Companies Act, 1956, the Board may pay such remuneration to Chairman / Vice Chairman of the Board upon such conditions as they may think fit.

#### **THE SECRETARY**

161. The Directors may from time to time appoint, and at their discretion, remove the Secretary provided that where the Board comprises only three Directors, neither of them shall be the Secretary. The Secretary appointed by the directors pursuant to this Article shall be a whole-time Secretary. The Directors may also at any time appoint some person, who need not be Secretary, to keep the registers required to be kept by the Company.

#### **THE SEAL**

162.(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

(b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

163. Every Deed or other instrument, to which the seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by any one Director, provided that in respect of the Share Certificate, the Seal shall be affixed in accordance with the Article 19(a).

#### **DIVIDENDS**

164. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.

165. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.
166. No dividend shall be declared or paid otherwise than out of the profits of the financial year arrived at after providing for depreciation in accordance, with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that:
- (a) if the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or years.
  - (b) if the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act, or against both.
167. The Board may, from time to time, pay to the Members such interim dividend as in their judgement, the position of the Company justifies.
168. Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.
169. 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.
170. The Board may retain the dividends payable upon shares in respect of which any person is under the Article 61 entitled to become a member or which any person under that Article is entitled to transfer; until such a person shall become a member, in respect of such shares or duly transfer the same.
171. Anyone of several persons who are registered as joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.
172. No member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

173. A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer.
174. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay-slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint-holdings. Every such cheque or Warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the dividend by any other means.
175. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the company shall comply with the provision of Sections 205A and 205C of the Act in respect of all unclaimed or unpaid dividends.
176. Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend and the dividend may, if so arranged between the Company and the member, be set off against the calls.

#### **CAPITALISATION OF RESERVES**

177. Any General Meeting may resolve that any moneys, investments, or other assets forming part of undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Fund, in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any unissued shares, debentures, or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
178. A General Meeting may resolve that any surplus money arising from the realisation of any capital asset of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.
179. For the purpose of giving effect to any resolution under the two last preceding articles hereof the Board may settle any difficulty which may arise in regard the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value of distribution of any specific assets, and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or



specific assets in trustees upon such trusts for the persons entitled to the Board. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capital fund, and such appointment shall be effective.

## ACCOUNTS

180.(1) The company shall keep at the office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with Section 209 of the Act, with respect to:

- (a) all the sums of moneys received and expended by the Company and the matters in respect of which the receipts and expenditure take place.
- (b) all sales and purchases of goods by the Company.
- (c) the Assets and liabilities of the Company.

(2) Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.

(3) The Company shall preserve in good order the Books of Account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.

(4) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its offices at other place in India, at which the Company's Books of Account are kept as aforesaid.

(5) The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transaction. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

181. The Board shall from time to time determine whether and to what extent and at what times and place and under what conditions and regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no person (not being a member) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorised by the Board.

182. The Directors shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Account and Reports as are required by these Sections.

183. A copy of every such Profit and Loss Account and Balance Sheet (including the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet), shall

at least twenty-one days before the meeting at which the same are to be laid before the members, be sent to the members of the Company, to holders of debentures issued by the Company (not being debentures which ex facie are payable to the bearer thereof); to trustees for the holders of such debentures and to all persons entitled to receive notice of General Meeting of the Company.

#### **AUDIT**

184. Auditors shall be appointed and their rights and duties regulated in accordance with Sections 224 to 233 of the Act.

185. The First Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the First Annual General Meeting provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination notice has been given to the members of the company not less than fourteen days before the date of the Meeting provided further that if the Board fails to exercise its powers under this Article, the Company in General Meeting may appoint the first Auditor or Auditors.

186. The aforesaid provisions shall mutatis mutandis apply to any Secretarial Auditor appointed under the relevant provisions of the Act.

#### **DOCUMENTS AND NOTICES**

187.(1) A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.

(2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so; service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

188. A document or notice advertised in a newspaper circulating in the neighborhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears to every member who has no registered address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.

189. A document or notice may be served or given by the Company on or given to the joint-holders of a share by serving or giving the document or notice on or to the jointholders named first in the Register of Members in respect of the share.

190. A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased

or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

191. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor for the time being of the Company.

192. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such shares, previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

193. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.

194. All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or Officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the office.

#### **WINDING UP**

195. The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction; vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

#### **INDEMNITY AND RESPONSIBILITY**

196. Every Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceeding, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of Act, in which relief is granted to him by the Court.

#### **SECRECY**

197. Subject to the provisions of these Articles and the Act no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the Company to communicate.

## SECTION IX

### OTHER INFORMATION

#### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by our Company or contracts entered into more than two years before this Prospectus), which are or may be deemed material have been entered or to be entered into by our 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, may be inspected at the registered office of our Company from 10:00 am to 5:00 pm on any working day except Saturday, Sunday and Public holidays from the date of this Prospectus until the Bid/ Issue Closing Date.

##### Material contracts to the Issue

1. Public Issue Agreement dated 27<sup>th</sup> January, 2014 entered into between our Company and VC Corporate Advisors Private Limited, Lead Manager to the Issue.
2. Memorandum of Understanding dated 11<sup>th</sup> January, 2014 entered into between our Company and Adroit Corporate Services Private Limited, Registrar to the Issue.
3. Copy of tripartite agreement dated 10<sup>th</sup> April, 2013 entered into between our Company, CDSL and Registrar to the Issue.
4. Copy of tripartite agreement dated 22<sup>nd</sup> May, 2013 entered into between our Company, NSDL and Registrar to the Issue.
5. Copy of tripartite agreement dated 4<sup>th</sup> April, 2014 entered between our Company, Lead Manager and the Market Maker to fulfill the obligations of Market Making.
6. Copy of tripartite agreement dated 4<sup>th</sup> April, 2014 entered between our Company, Lead Manager and the Market Maker to fulfill the obligations of Underwriting.
7. Escrow agreement dated 28<sup>th</sup> August, 2014 among our Company, the Registrar to the Issue, the Escrow Collections Banks and the Lead Manager.

##### Material Documents

1. Copy of Memorandum of Association and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation and Copy of Fresh Certificate of Incorporation Consequent upon Change of Name of Sirohia & Sons Limited.
3. Copy of the resolution passed at the meeting of the Board of Directors held on 10<sup>th</sup> January, 2014 approving the issue.
4. Copy of Special Resolution passed under section 81(1A) of the Companies Act, 1956, at their EGM held on 6<sup>th</sup> February, 2014 authorizing present issue of Equity Shares.

5. Consents of Auditors, Bankers to the Company, Lead Manager, Registrar to the Issue, Legal Advisor to the Issue, Directors of our Company, Company Secretary and Compliance Officer, Bankers to the Issue and Refund Banker as referred to, in their respective capacities.
6. Copy of General meeting resolution dated 25th November, 2013 for appointment of Mr. Rakesh Sirohia Managing Director of the Company.
7. Audited Balance sheets and Profit and Loss Accounts of our Company for the financial years ended March 31 2010, 2011, 2012, 2013 and 2014.
8. Board Resolution dated 5<sup>th</sup> March, 2014 and 30<sup>th</sup> August, 2014 for approval of Draft Prospectus and Final Prospectus respectively.
9. Audit report and restated financial information issued by our Peer Review Auditor, i.e. M/s. R S V A & Co. Chartered Accountants, dated 21<sup>st</sup> August, 2014 included in the Prospectus.
10. Letter dated 18<sup>th</sup> January, 2014 from the statutory Auditors of our Company, M/s. Lahoti & Co., Chartered Accountants, detailing the tax benefits.
11. Copy of certificate from the statutory Auditors of our Company, M/s. Lahoti & Co., Chartered Accountants, dated 14<sup>th</sup> August, 2014 regarding the sources and deployment of funds as on 18<sup>th</sup> January, 2014.
12. Due Diligence Certificate dated 30<sup>th</sup> August, 2014 to be submitted to SEBI from Lead Manager viz. VC Corporate Advisors Private Limited along with the filing of the Prospectus.
13. Copy of approval from BSE vide letter dated 16<sup>th</sup> May, 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**

We certify that all the relevant provisions of the Companies Act, 1956 / 2013 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 / 2013, 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 THE DIRECTORS OF SIROHIA & SONS LIMITED**

Mr. Rakesh Sirohia  
**(Managing Director)**

Mr. Rajat Sirohia  
**(Whole-time Director)**

Mr. Jitendra Sirohia  
**(Director)**

Mr. Rajesh Sirohia  
**(Director)**

Ms. Richa Choudhary  
**(Independent Director)**

Mr. Ajay Kumar Shaw  
**(Independent Director)**

Mr. Debjit Banerjee  
**(Independent Director)**

Mr. Akhtar Khan  
**(Independent Director)**

### **SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER**

**Mr. Pratik Kanitkar**

**Place: Kolkata**

**Date: 30<sup>th</sup> August, 2014**