



**PROLIFE INDUSTRIES LIMITED**

Our Company was incorporated as Mamta Dyes and Intermediaries Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated July 27, 1994 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to Mamta Dyes and Intermediaries Limited and fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, the name of our Company was changed to R R J-Dyes and Intermediates Limited vide fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Later on the name of the company was changed to Prolife Industries Limited and fresh certificate of Incorporation dated March 7, 2013 pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Corporate Identification Number of our Company is U24231GJ1994PLC022613. For details of the changes in the registered office, please refer to chapter titled "History and Certain Corporate Matters" beginning on page 98 of this Prospectus.

**Registered office:** 213, G.I.D.C., Panoli, Ankleshwar - 394 116, Gujarat;

**Tel:-** +91-2646-272490; **Website:** www.prolifeindustries.in

**Company Secretary and Compliance Officer:** Ms. Darshna Maniyar; **E-Mail:** info@prolifeindustries.in

**PROMOTERS OF THE COMPANY:** Mr. MANINDERSINGH JOLLY, Mrs. ANUREET KAUR JOLLY

**PUBLIC ISSUE OF 11,10,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF PROLIFE INDUSTRIES LIMITED ("PIL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 38 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 28 PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ 421.80 LACS ("THE ISSUE"), OF WHICH 60,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH WILL FOR CASH AT A PRICE OF ₹ 38 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 28 PER EQUITY SHARE AGGREGATING TO ₹ 22.80 LACS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 10,50,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 38 PER EQUITY SHARE AGGREGATING TO ₹ 399.00 LACS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.11% AND 25.65%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR 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 of the Issue" beginning on page 192 of this Prospectus.

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled "Issue Procedure" beginning on page 198 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 ₹ 10 EACH AND THE ISSUE PRICE IS 3.8 TIMES OF THE FACE VALUE.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹ 10 per Equity Shares and the Issue price is 3.8 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled on "Basis for Issue Price" beginning on page 61 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 equity shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this 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**

The Issuer, 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 the Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited ("NSE") ("NSE EMERGE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principal listing approval for the shares being offered in this Issue. However, our Company has received an observation letter dated December 16, 2016 from NSE for using its name in this offer document for listing our shares on the SME Platform of NSE. For the purpose of this Issue, the designated Stock Exchange will be the National Stock Exchange of India Limited.

**LEAD MANAGER**



**SWASTIKA INVESTMART LIMITED**

305, Madhuban Building, Cochin Street, S.B.S Road, Fort, Mumbai, Maharashtra- 400001  
Tel No.: +91-22-22655565  
Fax No: +91- 73- 6644300  
Email Id: merchantbanking@swastika.co.in  
Investors Grievance Id: investorgrievance@swastika.co.in  
Website: www.swastika.co.in  
Contact Person: Ms. Nidhi Baheti  
SEBI REGN NO: .INM000012102

**REGISTRAR TO THE ISSUE**



**LINK INTIME INDIA PRIVATE LIMITED**

C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai-400078, Maharashtra, India  
Tel: +91-022-61715400  
Fax:+91-22- 25960329  
Website: www.linkintime.co.in  
Email Id/Investor Grievance Email: prolife.ipo@linkintime.co.in  
Contact Person: Ms. Shanti Gopalkrishnan  
SEBI REGN NO: INR000004058

**ISSUE PROGRAMME**

**ISSUE OPENS ON:** December 27, 2016 (Tuesday)

**ISSUE CLOSES ON:** December 30, 2016 (Friday)

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

| Term   | Description  |
|--|--|
| "PIL", "our Company", "we", "us", "our", "the Company", "the Issuer Company" or "the Issuer" | Prolife Industries Limited, a Public Limited Company incorporated under the Companies Act, 1956 and having its Registered Office situated at 213, G.I.D.C. Panoli Ankleshwar – 394 116, Gujarat. |
| Promoters  | 1. Mr. Manindersingh Jolly<br>2. Mrs. Anureetkaur Jolly  |
| Promoter Group   | Companies, individuals and entities (other than companies) as defined under Regulation 2 sub-regulation (zb) of the SEBI ICDR Regulations  |

### COMPANY RELATED TERMS

| Term   | Description   |
|--|---|
| Articles / Articles of Association / AOA           | Articles of Association of our Company  |
| Auditors   | The Statutory auditors of our Company, being M/s. Mistry & Shah, Chartered Accountants  |
| Board of Directors/ Board                          | The Board of Directors of our Company or a committee constituted thereof  |
| Companies Act                                      | Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.  |
| Depositories Act                                   | The Depositories Act, 1996, as amended from time to time  |
| Director(s)  | Director(s) of Prolife Industries Limited unless otherwise specified  |
| Equity Shares                                      | Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof   |
| ED   | Executive Director  |
| EOI  | Expression of Interest  |
| HUF  | Hindu Undivided Family  |
| Indian GAAP  | Generally Accepted Accounting Principles in India   |
| Key Managerial Personnel/ Key Managerial Employees | The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled — Our Management on page 102 of this Prospectus |
| MD   | Managing Director   |
| MOA / Memorandum / Memorandum of Association       | Memorandum of Association of our Company as amended from time to time   |
| NSE  | National Stock Exchange of India Limited (Designated Stock Exchange)  |
| Registered Office                                  | The Registered office of our Company, located at 213, G.I.D.C. Panoli Ankleshwar – 394 116, Gujarat, India.   |
| RoC / Registrar of Companies                       | Registrar of Companies, Gujarat, Dadra And Nagar Haveli.  |

### ISSUE RELATED TERMS

| Term  | Description  |
|---|--|
| Applicant                                     | Any prospective investor who makes an application for Equity Shares in terms of the Prospectus   |
| Application Form                              | The Form in terms of which the applicant shall apply for the Equity Shares of our Company  |
| Application Supported by Blocked Amount/ ASBA | An application, whether physical or electronic, used by applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. |
| ASBA Account                                  | An account maintained with the SCSB and specified in the application form Submitted by ASBA applicant for blocking the amount mentioned in the application                                 |

|  |   |
|--|---|
|  | form.   |
| 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 bank accounts of the ASBA Investors.   |
| Allotment  | Issue of the Equity Shares pursuant to the Issue to the successful applicants.  |
| Allottee   | The successful applicant to whom the Equity Shares are being / have been Issued   |
| Basis of Allotment                                     | The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the section — Issue Procedure - Basis of allotment on page 213 of this Prospectus.   |
| Bankers to our Company                                 | Axis Bank Limited, J & K Bank Limited   |
| Bankers to the Issue & Refund Banker                   | ICICI Bank Limited  |
| Draft Prospectus                                       | The Prospectus Dated November 17, 2016 issued in accordance with Section 32 of the Companies Act filed with the National Stock Exchange of India under SEBI (ICDR) Regulations.   |
| Eligible NRI   | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein  |
| Engagement Letter                                      | The engagement letter dated October 7, 2016 between our Company and the LM  |
| Issue Opening Date                                     | The date on which the Issue opens for subscription  |
| Issue Closing date                                     | The date on which the Issue closes for subscription   |
| Issue Period   | The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application   |
| IPO  | Initial Public Offer  |
| Issue / Issue Size / Public Issue                      | The Public Issue of 11,10,000 Equity Shares of Rs 10 each at ₹ 38 per Equity Share aggregating to ₹ 421.80 Lacs by Prolife Industries Limited   |
| Issue Price  | The price at which the Equity Shares are being issued by our Company under this Prospectus being ₹ 38   |
| LM / Lead Manager                                      | Lead Manager to the Issue, in this case being Swastika Investmart Limited   |
| SEBI Listing Regulations, 2015/SEBI (LODR) Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications, issued by SEBI from time to time.   |
| Net Issue  | The Issue (excluding the Market Maker Reservation Portion) of 10,50,000 Equity Shares of Rs 10 each at ₹ 38 per Equity Share aggregating to ₹399.00 Lacs by Prolife Industries Limited.   |
| Prospectus   | The Prospectus, to be filed with the ROC, in accordance with the provisions of Companies Act, 2013, containing, inter alia, the Issue opening and closing dates and other information.  |
| Qualified Institutional Buyers / QIBs                  | Mutual Funds, Venture Capital Funds, or Foreign Venture Capital Investors registered with the SEBI; FIs and their sub-accounts registered with the SEBI, other than a subaccount which is a foreign corporate or foreign individual; Public financial institutions as defined in Section 4A of the Companies Act; Scheduled Commercial Banks; Multilateral and Bilateral Development Financial Institutions; State Industrial Development Corporations; Insurance Companies registered with the Insurance Regulatory and Development Authority; Provident Funds with minimum corpus of Rs 2,500 Lacs; Pension Funds with minimum corpus of Rs 2,500 Lacs; National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and Insurance Funds set up and managed by the army, navy, or air force of the Union of India. Insurance Funds set up and managed by the Department of Posts, India |
| Refund Account   | Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.  |
| Registrar/ Registrar to the Issue                      | Registrar to the Issue being Link Intime India Private Limited.   |
| Regulations  | Unless the context specifies something else, this means the SEBI (Issue of Capital  |

|                             |  |
|-----------------------------|--|
|                             | and Disclosure Requirement) Regulations, 2009 as amended from time to time.  |
| Retail Individual Investors | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs 2,00,000  |
| SCSB                        | 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/cms/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a> |
| SME Platform of NSE         | The SME Platform of NSE 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.   |
| Underwriters                | Underwriters to the Issue are Swastika Investmart Limited and Beeline Broking Limited.   |
| Underwriting Agreement      | The Agreement entered into between the Underwriters and our Company dated October 25, 2016.  |
| Working Days                | All days on which banks in Mumbai are open for business except Saturday Sunday and public holiday.   |

#### TECHNICAL AND INDUSTRY RELATED TERMS

| Term          | Description  |
|---------------|--|
| ACL           | Acetyl Chloride  |
| Agrochemicals | Chemicals normally used in agriculture, including fertilizers, pesticides, herbicides, fungicides and growth regulants |
| BCHO          | Benzaldehyde   |
| BCL           | Benzyl Chloride  |
| BCL2          | Benzal Chloride  |
| BOH           | Benzyl Alcohol   |
| BTC           | Benzo Tri-chloride   |
| D.G.          | Diesel Generator   |
| Dia           | Diameter   |
| DM            | De-Mineralized   |
| EM            | Equitable Mortgage   |
| FDI           | Foreign Direct Investment  |
| FY            | Financial Year   |
| GDP           | Gross Domestic Product   |
| GST           | Goods and Services Tax   |
| GATT          | General Agreement on Tariffs and Trade   |
| GDP           | Gross Domestic Product   |
| HP            | Horse Power  |
| IMF           | International Monetary Fund  |
| ISO           | International Standards Organization   |
| Kcal          | Kilo Calories  |
| Kg(s)         | Kilogram(s)  |
| KL            | Kilo Litres  |
| LDO           | Light Diesel Oil   |
| Ltrs          | Liters   |
| M2            | Meter square   |
| MAT           | Minimum Alternative Tax  |
| MM            | Millimeter   |
| MSHDPE        | Mild Steel High Density Poly Ethylene  |
| MSLL          | Mild Steel Lead Lined  |
| NCL           | National Chemical Laboratory   |
| NM3/HR        | Cubic meter per hour at normal temperature and pressure  |
| PLR           | Prime Lending Rate   |
| PPP           | Purchasing Power Parity  |

|     |                           |
|-----|---------------------------|
| QA  | Quality Assurance         |
| QC  | Quality Control           |
| R&D | Research & Development    |
| RPM | Rotations Per Minute      |
| SBS | Sodium Bi-Sulphite        |
| SCB | Scheduled Commercial Bank |
| WTO | World Trade Organization  |

## CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS

| Term                 | Description  |
|----------------------|--|
| AA,DGFT              | Appellate Authority, Director General of Foreign Trade                           |
| A/c                  | Account  |
| AC,CE&C              | Additional Commissioner, Central Excise & Customs                                |
| ACIT                 | Assistant Commissioner Of Income Tax   |
| Act or Companies Act | Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time |
| AGM                  | Annual General Meeting   |
| Adnl. DGFT           | Additional Director General of Foreign Trade                                     |
| AGM                  | Annual General Meeting   |
| A.O.                 | Assessment Order   |
| AS                   | Accounting Standards issued by the Institute of Chartered Accountants of India   |
| A.Y.                 | Assessment Year  |
| ASBA                 | Application Supported by Blocked Amount  |
| B.Com                | Bachelor of Commerce   |
| BG/LC                | Bank Guarantee / Letter of Credit  |
| C(A),CE&C            | Commissioner(Appeals), Central Excise & Customs                                  |
| CAGR                 | Compounded Annual Growth Rate  |
| C. A.                | Chartered Accountant   |
| CAN                  | Confirmation Allocation Note   |
| CC                   | Cubic Centimeter   |
| CC                   | Cash Credit  |
| CDSL                 | Central Depository Services (India) Limited                                      |
| CEA                  | Central Excise Act   |
| CER                  | Central Excise Rules   |
| CESTAT               | Customs, Excise & Service Tax Appellate Tribunal                                 |
| CFO                  | Chief Financial Officer  |
| CIT(A)               | Commissioner of Income Tax (Appeals)   |
| CIN                  | Corporate Identification Number  |
| CRR                  | Cash Reserve Ratio   |
| C.S.                 | Company Secretary  |
| DEEC                 | Duty Exemption Entitlement Certificate   |
| Depositories         | NSDL and CDSL  |
| DCA                  | Department of Corporate Affairs  |
| DGFT                 | Director General of Foreign Trade  |
| DIN                  | Director Identification Number   |
| DP                   | Depository Participant   |
| DP ID                | Depository Participant's Identification  |
| EBIDTA               | Earnings before Interest, Depreciation, Tax and Amortization                     |
| ECS                  | Electronic Clearing System   |
| EGM / EOGM           | Extra Ordinary General Meeting of the shareholders                               |
| EPS                  | Earnings per Equity Share  |
| ESOP                 | Employee Stock Option Plan   |
| EMD                  | Earnest Money Deposit  |
| FCNR Account         | Foreign Currency Non Resident Account  |
| FDR                  | Fixed Deposit Receipt  |

|                                |   |
|--------------------------------|---|
| FEMA                           | Foreign Exchange Management Act, 1999, read with rules and regulations there under and as amended from time to time   |
| FEMA Regulations               | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.   |
| FII                            | Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.   |
| FII Regulations                | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.   |
| FIIs                           | Financial Institutions.   |
| Financial Year/Fiscal Year/ FY | The period of twelve months ended March 31 of the particular year   |
| FIPB                           | Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India  |
| 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  |
| HSC                            | Higher Secondary Certificate  |
| ICAI                           | The Institute of Chartered Accountants of India   |
| ICSI                           | The Institute of Company Secretaries of India   |
| IFRS                           | International Financial Reporting Standard  |
| Indian GAAP                    | Generally Accepted Reporting Standard   |
| INR / ₹/ Rupees                | Indian Rupees, the legal currency of the Republic of India  |
| IPO                            | Initial Public Offering   |
| ITAT                           | Income Tax Appellate Tribunal   |
| I. T. Act                      | The Income Tax Act, 1961, as amended.   |
| IT Authorities                 | Income Tax Authorities  |
| IT Rules                       | The Income Tax Rules, 1962, as amended from time to time  |
| JC, CE&C                       | Joint Commissioner, Central Excise & Customs  |
| Jt. DGFT                       | Joint Director General of Foreign Trade   |
| Ltd.                           | Limited   |
| Merchant Banker                | Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.  |
| MOF                            | Minister of Finance, Government of India  |
| MOU                            | Memorandum of Understanding   |
| M. Com.                        | Master of Commerce  |
| N/A or N.A.                    | Not Applicable  |
| NAV                            | Net Asset Value   |
| Net Worth                      | The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account |
| NIFTY                          | National Stock Exchange Sensitive Index   |
| NOC                            | No Objection Certificate  |
| No.                            | Number  |
| NR                             | Non-Resident  |
| NRI                            | Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations.  |
| NRO Account                    | Non Resident Ordinary Account   |
| NSDL                           | National Securities Depository Limited  |
| NSE/NSEL                       | National Stock Exchange of India Limited  |
| NTA                            | Net Tangible Assets   |
| OIA                            | Order-In-Appeal   |

|   |   |
|---|---|
| OIO   | Order-In-Original   |
| p.a.  | per annum   |
| PAT   | Profit After Tax  |
| PBT   | Profit Before Tax   |
| P/E Ratio   | Price/Earnings Ratio  |
| PAN   | Permanent Account Number  |
| PIO   | Person of Indian Origin   |
| PLR   | Prime Lending Rate  |
| R & D   | Research and Development  |
| RBI   | The Reserve Bank of India   |
| RBI Act   | Reserve Bank of India Act, 1934, as amended from time to time   |
| RCS   | Regular Civil Suit  |
| RoC/Registrar of Companies                                  | Registrar of Companies, Dadra and Nagar Haveli  |
| RONW  | Return on Net Worth   |
| ₹ / INR   | Indian Rupees   |
| SAT   | Security Appellate Tribunal   |
| SCN   | Show Cause Notice   |
| SCRA  | Securities Contracts (Regulation) Act, 1956, as amended from time to time   |
| SCRR  | Securities Contracts (Regulation) Rules, 1957, as amended from time to Time   |
| SCSBs   | Self Certified Syndicate Banks  |
| SDM   | Sub Divisional Magistrate   |
| SEBI  | The Securities and Exchange Board of India constituted under the SEBI Act, 1992   |
| SEBI Act  | Securities and Exchange Board of India Act 1992, as amended from time to time   |
| SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time   |
| SEBI Insider Trading Regulations                            | SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.  |
| SEBI Listing Regulations                                    | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015  |
| SEBI Rules and Regulations                                  | SEBI ICDR Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time. |
| SEBI Takeover Regulations                                   | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time  |
| Sec.  | Section   |
| Securities Act  | The U.S. Securities Act of 1933, as amended.  |
| SICA  | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time  |
| SME   | Small And Medium Enterprises  |
| Stamp Act   | The Indian Stamp Act, 1899, as amended from time to time  |
| State Government  | The Government of a State of India  |
| Stock Exchanges   | Unless the context requires otherwise, refers to, "The National Stock Exchange of India Limited"  |
| SSC   | Secondary School Certificate  |
| STT   | Securities Transaction Tax  |
| TAN   | Tax Deduction Account Number  |
| TDS   | Tax Deducted at Source  |
| TRS   | Transaction Registration Slip   |
| TIN   | Taxpayers Identification Number   |
| u/s   | Under Section   |
| UIN   | Unique Identification Number  |
| USD/ \$/ US\$   | The United States Dollar, the legal currency of the United States of America  |
| U.S.GAAP  | Generally accepted accounting principles in the United States of America  |
| WDV   | Written Down Value  |



| w.e.f. | With effect from  |
|--------|---|
| VCFs   | <p>Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.</p> <p>In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.</p> |

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

### **Financial Data**

Unless stated otherwise, the financial data in the Prospectus is derived from our audited financial statements for the year ended March 31, 2012, 2013, 2014, 2015, 2016 and for the period ended June 30, 2016 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in the Prospectus, and set out in the section titled Financial Information beginning on page number 129 of the Draft Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled Risk Factors', Business Overview' and Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page numbers 10, 76 and 161 respectively, of the Prospectus and elsewhere in the Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP.

### **Industry and Market Data**

Unless stated otherwise, industry data used throughout the Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Prospectus is reliable, it has not been independently verified.

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

### **Currency and units of presentation**

In the Prospectus, unless the context otherwise requires, all references to;

- Rupees' or ₹' or INR' are to Indian rupees, the official currency of the Republic of India.
- US Dollars' or US \$' or USD 'or \$' are to United States Dollars, the official currency of the United States of America,

All references to the word Lakh' or Lac', means One hundred thousand' and the word Million' means Ten lacs' and the word Crore' means Ten Million' and the word Billion' means One thousand Million'.

## FORWARD LOOKING STATEMENTS

All statements contained in the Prospectus that are not statements of historical facts constitute forward-looking statements<sup>1</sup>. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in the Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Downturns or disruptions in the chemical industry could cause a decline in the business and impact our profitability;
- Intense competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business;
- Our business and financial performance is particularly based on market demand and supply of our products;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections Risk Factors, Business Overview and Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 10, 76 and 161 of this Prospectus, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated. Forward-looking statements reflect the current views as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the LM, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. 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 risks mentioned herein.

**The Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Prospectus.**

### Materiality

The Risk factors have been determined on the basis of their materiality. 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 be having material impact in future

### Note:

The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" and elsewhere in this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the our restated financial statements prepared in accordance with Indian GAAP

### INTERNAL RISK FACTORS:

- 1. Out of total cost of Plant & Machinery worth ₹ 276.99 lakhs, we have yet to place and order of approx of ₹ 213.37 Lakhs which constitutes around 77.03% of the total cost of plant & machinery.**

Out of total cost of Plant & Machinery worth ₹ 276.99 lakhs, we are yet to place an order for approx ₹ 213.37 lakhs. There is no validity of time period of quotations for the plant and machinery of ₹ 213.37 lakhs for which order is yet to be placed. We are subject to risks on account of inflation in the price of machineries. However, promoters are confident that the machines will be available at the price as per the quotations dated August 23, 2016 given by supplier.

- 2. Our business is substantially dependent on sales income from our group company. The loss of income from our group company may have a material and adverse effect on our business and results of operations.**

The sales income from our group company is constituting 22.32% and 55.69% of our total sales for the period ended June 30, 2016 and for the year ended March 31, 2016 respectively i.e from Prolife Bio-Chemical Industries Private Limited, Gold Star Chemicals Private Limited and Shraddha Finchem Private Limited. There is no assurance that we will be able to get the sales income from our group company in any future periods, the loss of sales income from our group company may have material and adverse effect on our business and results of operations.

**3. Our registered office premise and factory premises are on a leasehold/license basis and any termination of such lease/license and/or non-renewal could adversely affect our operations.**

Our Registered Office and Factory premises is situated at Plot No 213, Panoli Industrial Estate, Revenue Survey No 258/P, Village Sanjali, Tal Ankleshwar, Dist. Bharuch .The property on which our registered office and factory premises situated is taken on a lease basis for a period of 99 years w.e.f. December 26, 1994 from Gujarat Industrial Development Corporation. Any termination of the lease agreement whether due to any breach or otherwise or non renewal thereof, can adversely affect the business operations. For further details, please refer to chapter titled 'Business Overview' beginning on page 76 of the Prospectus.

**4. Our Company and Group Company is involved in certain legal proceedings, which if determined against us, could adversely impact financial conditions.**

Our Company is involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication. Any adverse decision may adversely affect our financial condition. The details of these legal and other proceedings are given in the following table:

| Particular                                     | Nature of cases    | No of outstanding cases | No of outstanding Demand | Amount involved ( ₹ in lacs) |
|--|--------------------|-------------------------|--------------------------|------------------------------|
| <b>Litigation Against Company</b>              |                    |                         |                          |                              |
|  | Income Tax         | 1                       | -                        | 14.96                        |
|  | Other (Income Tax) | -                       | 1                        | 3.09                         |
|  | Civil              | 1                       | -                        | 3.16                         |
| <b>Litigation by Promoters/Directors</b>       |                    |                         |                          |                              |
|  | Criminal           | 1                       | -                        | -                            |
| <b>Litigation against Promoter / Directors</b> |                    |                         |                          |                              |
|  | SEBI               | 1                       | -                        | 2500.00                      |
| <b>Litigation by Group Companies</b>           |                    |                         |                          |                              |
|  | Civil              | 1                       | -                        | 18.30                        |
|  | Criminal           | 1                       | -                        | -                            |
| <b>Litigation against Group Companies</b>      |                    |                         |                          |                              |
|  | Civil case         | 1                       | -                        | 0.20                         |
|  | Other (Income Tax) | -                       | 5                        | 2.45                         |

**5. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.**

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits for the treatment of plant, effluent of hazardous waste, environment clearances etc, which may expire and for which we may have to make an application for obtaining the approval or its renewal. Our company has applied to the Gujarat Pollution Control board on October 12, 2012 for consent to establish - change in product mix which was rejected by the GPCB on February 28, 2013 with specific reason. The company has submitted the reply on March 9, 2013 giving point wise clarification on the reasons raised by the GPCB. The final GPCB Consent is yet to be received. Our business operations require usage of various chemicals such as hazardous substances as raw material and its usage may affect the environment and may also affect the human health. For more information about the licenses required in our business and the licenses and approvals applied for and yet to receive and approval yet to apply, please refer section "Government and other statutory approvals" appearing on page no. 176.

If we fail to maintain or receive such consent, registrations and licenses and unable to comply with applicable conditions, then such respective regulatory can impose fine on our company or suspend and/or cancel the consent, registrations, approval or licenses which may affect our business adversely.

**6. SEBI has filed prosecution against Triplex Overseas Limited & Others – Mr. Maninder Singh Jolly, promoter-Director of our Company.**

SEBI has filed prosecution against Triplex Overseas Limited & Others – Mr. Maninder Singh Jolly, promoter-Director of our Company. Mr. Maninder Singh Jolly for violating regulation 3(d), 4(2) (f) and 4 (2) (r) of SEBI (PFUTP) Act in the securities of Triplex Overseas Limited under section 24(1) of SEBI Act in the court 9th Additional Chief Metropolitan Magistrate Bandra Mumbai on 22nd February, 2013. The said offence is punishable u/s. 24(1) read with section 27 of SEBI Act with imprisonment which may extend to 10 years or with fine which may extend to 25 crores or with both. The next date of hearing is January 9, 2017.

**7. Our Company has not made provision for Gratuity Payment as required under The Payment of Gratuity Act 1972. The company has not complied with AS-15- Employee Benefits as issued by ICAI.**

The Company has completed five years from the date of Incorporation and the Payment of Gratuity Act, 1972 is applicable. We have not made provision for Gratuity Payment as required under The Payment of Gratuity Act 1972. However, our company has made accumulated provision of ₹ 6.55 lacs as on March 31, 2016. The Compliance of Accounting Standard-15 “Employee Benefits is Mandatory for the Companies. The Company has not complied with the Accounting Standard As-15 “Employee Benefits”.

**8. We have not entered into any long term supply agreement for the major raw material i.e (Para Toluidine, Caustic soda Flakes, Oleum, Sulfur, Soda Ash, Sulfuric Acid, Magnesium Oxide etc) required for manufacturing of intermediates for dyes, pigments, pharmaceuticals, agrochemicals and others. Also volatility in the prices and non availability of these raw materials may have an adverse impact in our business.**

Our prime raw material is Para Toluidine, Caustic soda Flakes, Oleum, Sulfur, Soda Ash, Sulfuric Acid, Magnesium Oxide etc constitutes major cost of our total raw material expenses. We generally procure our raw material from domestic and foreign suppliers as well, as and when it is required. In the absence of long term agreement with our suppliers, we may not be able to meet our raw material requirement on time. Also we believe that volatility in the prices of raw material will have an impact on all the manufacturers of chemical industry and any adverse change in the purchase price would lead to a near corresponding adjustment in the selling price as well. However, we acknowledge that we are exposed to and will have to absorb any fluctuations in the prices of raw materials partially which will affect our margins.

**9. Our company avails various credit facilities from the Bank and as per sanction terms there are certain restrictive covenants imposed on the issuer company.**

At present, we avail credit facilities from J&K Bank Limited. We have entered into agreements for credit facilities with our banker / lenders and the covenants in borrowings from bank / lenders, among other things require us to obtain permissions in writing in respect of, including, but not limited to effecting any change in the management/Board of the Company, declaration of dividend, capital structure of the Company; undertake any new project, enter into borrowing arrangement with any other bank/financial institution/Company or otherwise; except which are approved by Bank/lenders, formulate any scheme of amalgamation, acquisition, merger, or reconstruction etc. These covenants may have an adverse effect on the functioning of our Company.

**10. We have unsecured loans from body corporates and promoter, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations.**

As per our restated financial statements, as on June 30, 2016 we have unsecured loan of ₹ 806.04 Lacs from body corporates and promoter which is repayable on 3(three) years from the date of acceptance. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations

and liquidity. For further details of these unsecured loans, please refer to Auditors' Report beginning on page 129 of the Prospectus.

**11. At present, our promoter group companies Goldstar Chemicals Private Limited and Prolife Bio-Science Private Limited, are engaged in similar line of business activity in which issuer company is engaged which may create a conflict of interest, Further, we do not enjoy contractual protection by way of a non-compete or other agreement or arrangement with our group company.**

At present, our promoter group companies Goldstar Chemical Private Limited and Prolife Bio-Chemical Industries Private Limited are engaged in similar line of business activity i.e manufacturing of intermediates for dyes, pigments, pharmaceuticals, agrochemicals and others. Our Company has not signed any agreement / document with our Group Entity so as to confirm that it will not manufacture or sell products to others. Our Group Entities may expand their business in the future that may compete with us. The interests of these Group Entities may conflict with our Company's interests and / or with each other. For further details, please refer to the chapter titled, "Our Promoters and Promoter Group", beginning on page 112 and the Note 31 "Related Party Transaction" under the section "Financial Information's" on page 154 of the Prospectus.

**12. Our success depends heavily upon our Promoters and Senior Management for their continuing services, strategic guidance and financial support.**

Our success depends heavily upon the continuing services of Mr. Manindersingh Jolly, who is the natural person in control of our Company. He currently serves as our Chairman and Managing Director and his experience and vision has played a key role in obtaining our current market position. We would depend significantly on our Key Managerial Persons for our existing manufacturing operations and our proposed expansion of our existing manufacturing operations. If our Chairman and Managing Director or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

**13. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.**

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section "Objects of the Issue" on page 53 of the Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may face time and cost overruns and this may affect our revenues and results of operations.

**14. Volatility in the prices of raw materials, may adversely impact our total cost of goods sold.**

In the financial year 2015-16, our Company purchased 38.84% of total raw material required from our group companies and balance from various suppliers for our processing operations. We are therefore dependent on external suppliers for majority of our raw materials which constitutes a majority of the total cost of raw materials for our processing operations. The prices of our products depend largely on the market prices of the various chemicals, which are the raw material for manufacture of our final product and any increase in prices of raw material is generally passed on to our customers. However, any adverse fluctuations in the price which we may not be able to pass on to our customers could have a material adverse effect on our total cost of production. Further, any material shortage or interruption in the supply or decrease in quality of these raw materials could also adversely impact our business operations.

**15. We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.**

Our company caters to both domestic & export markets. Part of our total revenue from operations is made up from export sales; the realization for such export operations is in foreign currency. Change in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in rupees. The exchange rate between rupee and other currencies is variable and may continue to fluctuate in future.

Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

**16. We have not identified any alternate source of raising the funds required for our 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.**

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in delay in implementing the project and may require us to borrow the funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the company.

**17. Our business depends on our manufacturing facility and any loss of or shutdown of operations of the manufacturing facility on any grounds could adversely affect our business or results of operations.**

Our manufacturing facilities are subject to operating risks, such as breakdown or failure of equipment, interruption in power supply or processes, shortage of raw materials, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, strikes, lockouts, severe weather, industrial accidents, our inability to respond to technological advances and emerging industry standards and practices in the industry and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results, and the loss or shutdown of operations at our manufacturing facility will have a material adverse affect on our business, financial condition and results of operations.

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

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above ₹50,000 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per the Section 177 of the Companies Act, 2013 the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

**19. We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.**

We have entered into certain transactions with related parties, including our Group Companies, our Directors and our Key Managerial Personnel and their relatives and may continue to do so in future. For absolute value of all transactions entered into with our related party entities please refer to Page no 154 "Statement of Related Party Transactions" of this Prospectus. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

**20. We are highly dependent on smooth supply and transportation and timely delivery of our products from our manufacturing facilities to our customers. Various uncertainties and delays or non delivery of our products will affect our sales.**

We depend on transportation services to deliver our products from our manufacturing facilities to our customers. We rely on third parties to provide such services. Disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in road infrastructure or other events could impair our procurement of raw materials and our ability to supply our products to our customers which in turn may adversely affect our business operations and our financial condition.

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



Although our company has paid dividends in past, our future ability to pay dividends will depend on our earnings, financials condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations. For further details on dividend paid by the company in last five year please refer to section "Dividend Policy" on page no. 128 of this Prospectus.

**22. We have not made an application for registration of our trademark under the Trade Marks Act, 1999. Our ability to use the trademark may be impaired.**

Our Company's business may be affected due to our inability to protect our existing and future intellectual property rights. We have not made an application for registration of trademark over our name and logo under the Trade Marks Act, 1999 and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such name and logo by anybody by means of statutory protection.

**23. Future issuances of Equity Shares or future sales of Equity Shares by our Promoters and certain shareholders may result in a decrease of the market price of our Equity Shares.**

In the future, we may issue additional equity securities for financing our capital requirements. In addition, our Promoters and certain shareholders may dispose off their interests in our Equity Shares directly, indirectly or may pledge or encumber their Equity Shares. Any such issuances or sales or the prospect of any such issuances or sales could result in a dilution of shareholders' holding or a negative market perception and potentially in a lower market price of our Equity Shares.

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

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under.

(₹ In Lacs)

| Particulars                                  | For the period ended on | For the year ended on |                |                |                |                |
|--|-------------------------|-----------------------|----------------|----------------|----------------|----------------|
|  | June 30, 2016           | March 31, 2016        | March 31, 2015 | March 31, 2014 | March 31, 2013 | March 31, 2012 |
| Net Cash Generated from Operating Activities | 26.40                   | 278.94                | 2.46           | 59.88          | (391.44)       | 553.78         |
| Net Cash Generated From Investing Activities | (11.77)                 | (139.10)              | (16.80)        | (79.11)        | (123.80)       | (221.33)       |
| Net Cash Generated from Financing Activities | (9.64)                  | (152.62)              | 47.12          | 14.99          | 514.69         | (197.37)       |

**25. Our Group Companies have incurred losses in the past**

(₹ In lacs)

| Particulars                                    | March 31, 2016 | March 31, 2015 | March 31, 2014 |
|--|----------------|----------------|----------------|
| Shraddha Finechem Private Limited (SFPL)       | 4.25           | (37.25)        | (8.17)         |
| Solvochem Intermediates Private Limited (SIPL) | (3.32)         | (5.41)         | 0.20           |
| Prolife Communication Private Limited (PCPL)   | (4.78)         | -              | -              |

|  |        |        |        |
|--|--------|--------|--------|
| Prolife Multi Specialty Hospitals Private Limited (PMSHPL) | (0.06) | -      | -      |
| Prolife Hair And Health Care Private Limited (PHAHCPL)     | (0.06) | -      | -      |
| Pro Chukan Chemical Industries Private Limited (PCCIPL)    | (0.06) | (0.06) | (0.06) |

**26.Changes in technology may render our current technologies obsolete or require us to make substantial investments.**

Modernization and technology up gradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed latest technology and that the chances of a technological innovation are not very high in our sector we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the chemical business, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

**27.Our manufacturing activities are dependent upon availability of skilled and unskilled labour.**

Our manufacturing activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and results of operations.

**EXTERNAL RISK FACTORS**

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

**29.Any changes in the regulatory framework could adversely affect our operations and growth prospects.**

Our Company is subject to various regulations and policies. For details see section titled "Key Industry Regulations and Policies" beginning on page 99 of this Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

**30.Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance.**

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market

price And liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**31. Our substantial Revenue is derived from business in India and a decrease in economic growth in India could cause our business to suffer.**

We derive substantial revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

**32. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.**

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

**33. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the EMERG Platform of “NSE” in a timely manner, or at all.**

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the EMERGE Platform of “NSE”. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares

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

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed Beeline Broking Limited as Designated Market maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

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

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

**36. Competition may affect market share or profitability which could have an adverse effect on our business, financial condition and revenues.**

**Prominent Notes**

1. This is a Public Issue of **11,10,000** Equity Shares of ₹ 10 each at a price of ₹ 38 per Equity Share aggregating ₹ 421.80 Lacs.
2. For information on changes in our Company's name please refer to the chapter titled "History and Certain Corporate Matters" beginning on page 98 of the Prospectus.
3. Our Net Worth as per Restated Financial Statement as at June 30, 2016 was ₹ 374.35 Lacs.
4. The Net Asset Value per Equity Share as at June 30, 2016 was ₹ 2.51 and as at March 31, 2016 was ₹ 2.40.
5. Investors may contact the Lead Manager for any complaint pertaining to the Issue. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares for which the applied, Application Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Applicant.
6. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

| <b>Name of the Promoters</b> | <b>No. of Equity Shares held</b> | <b>Average cost of acquisition<br/>(in ₹)</b> |
|------------------------------|----------------------------------|---|
| Mr. Manindersingh Jolly      | 10,82,200                        | 5   |
| Mr. Anureet kaur Jolly       | 10,10,000                        | 5   |

For further details relating to the allotment of Equity Shares to our Promoter, please refer to the chapter titled "Capital Structure" beginning on page 38 of the Prospectus.

7. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Prospectus.
8. The details of transaction by our Company are disclosed under "Related Party Transactions" in Note 32 of Financial Information" of our Company beginning on page 154 of this Prospectus.

## SUMMARY OF OUR INDUSTRY

### Economy of India

The economy of India is the seventh largest economy in the world measured by nominal GDP and the third-largest by purchasing power parity. The country is classified as a newly industrialised country, one of the G-20 major economies, a member of BRICS and a developing economy with an average growth rate of approximately 7% over the last two decades. Maharashtra is the wealthiest Indian state and has an annual nominal GDP of US \$ 250 billion, nearly equal to that of Portugal and Pakistan and accounts for 12% of the Indian GDP followed by the states of Tamil Nadu (US \$ 150 billion) and Uttar Pradesh (US \$ 130 billion). India's economy became the world's fastest growing major economy in the last quarter of 2014, replacing the People's Republic of China.

The long-term growth prospective of the Indian economy is positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. The Indian economy has the potential to become the world's 3rd-largest economy by the next decade, and one of the two largest economies by mid-century. And the outlook for short-term growth is also good as according to the IMF, the Indian economy is the "bright spot" in the global landscape. India also topped the World Bank's growth outlook for 2015-16 for the first time with the economy having grown 7.6% in 2015-16 and expected to grow 8.0%+ in 2016-17.

(Source: [https://en.wikipedia.org/wiki/Economy\\_of\\_India#Petroleum\\_products\\_and\\_chemicals](https://en.wikipedia.org/wiki/Economy_of_India#Petroleum_products_and_chemicals))

The Indian economy crossed the two trillion US dollar GDP mark in FY16. Improved farm output notwithstanding years of drought, better manufacturing, mining and electricity production cheered growth. Encouraged by lower interest rates, urban consumers bought more cars, two-wheelers and housing, snapping a negative trend. The big push that India received during 1990's through the initiation of wide-ranging structural reforms had catapulted the economy to a high growth path. Though it had taken some time for the reform to bring about the required structural changes, it eventually expanded the opportunities for economic activity immensely which resulted in more rapid growth. India's growth was 7.6 % during FY16 (with 2004-05 as base year)

(Source: <http://www.newindianexpress.com/business/2016/jun/01/At-2-trillion-dollar-mark-Indian-economy-at-its-biggest-935356.html>)

India has one of the fastest growing service sectors in the world with annual growth rate of above 9% since 2001, which contributed to 57% of GDP in 2012-13. India has become a major exporter of IT services, BPO services, and software services with \$167.0 billion worth of service exports in 2013-14. It is also the fastest-growing part of the economy. The IT industry continues to be the largest private sector employer in India. India is also the fourth largest start-up hub in the world with over 3,100 technology start-ups in 2014-15. The agricultural sector is the largest employer in India's economy but contributes to a declining share of its GDP (17% in 2013-14). India ranks second worldwide in farm output. The Industry sector has held a constant share of its economic contribution (26% of GDP in 2013-14). The Indian auto mobile industry is one of the largest in the world with an annual production of 21.48 million vehicles (mostly two and three wheelers) in FY 2013-14. India has \$600 billion worth of retail market in 2015 and one of world's fastest growing E-Commerce markets.

(Source: [https://en.wikipedia.org/wiki/Economy\\_of\\_India#Petroleum\\_products\\_and\\_chemicals](https://en.wikipedia.org/wiki/Economy_of_India#Petroleum_products_and_chemicals))

### Overview of Chemical Industry

Chemicals are an integral part of daily life in today's world. There is hardly any industry where chemicals are not used and there is no single economic sector where chemicals do not play an important role. Millions of people throughout the world lead richer, more productive and more comfortable lives because of the thousands of chemicals on the market today. These chemicals are used in a wide variety of products and processes and while they are major contributors to national and world economies, their sound management throughout their lifecycle is essential in order to avoid significant and increasingly complex risks to human health and ecosystems and substantial costs to national economies.

(Source: [http://www.unep.org/pdf/GCO\\_Synthesis%20Report\\_CBDTIE\\_UNEP\\_September5\\_2012.pdf](http://www.unep.org/pdf/GCO_Synthesis%20Report_CBDTIE_UNEP_September5_2012.pdf))

Chemicals are a part of every aspect of human life, right from the food we eat to the clothes we wear to the cars we drive. Chemical industry contributes significantly to improving the quality of life through breakthrough innovations enabling pure drinking water, faster medical treatment, stronger homes and greener fuels. The

chemical industry is critical for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy.

Ensuring development of sustainable, green solutions in the fields of water treatment, food production and healthcare are the key challenges for the future. Fueled by an increasing focus of industry on improving its image, these trends are shaping the priorities for R&D in the field of chemistry. In order to emphasize the importance of the chemical industry in meeting the key challenges for the future, the United Nations Organization has proclaimed 2011 as the 'International Year of Chemistry'

(Source: Planning Commission report 2012-2017) *Global chemical industry*

World chemicals turnover was valued at €3,534 billion in 2015. Global sales grew by 14.0 per cent from €3,100 billion in 2014 to €3,534 billion in 2015. World chemicals sales in 2015 grew by €434 billion compared with 2014, marking a significant recovery in the world chemical industry. It was largely driven by China, where chemicals sales swelled impressively from €1,084 billion in 2014 to €1,409 billion in 2015 (30 per cent increase in value terms), whereas contribution from India was € 77 billion.

### Asia chemicals production outpaces other regions



Source: Cefic Chemdata International 2016

\* Rest of Europe covers Switzerland, Norway, Turkey, Russia and Ukraine

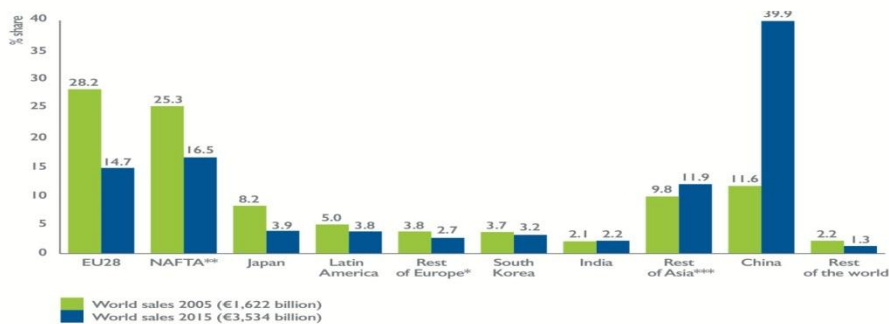
\*\* North American Free Trade Agreement

\*\*\* Asia excluding China, India, Japan and South Korea

Unless specified, chemical industry excludes pharmaceuticals

Unless specified, EU refers to EU 28

### World chemicals output doubles as emerging markets sales surge

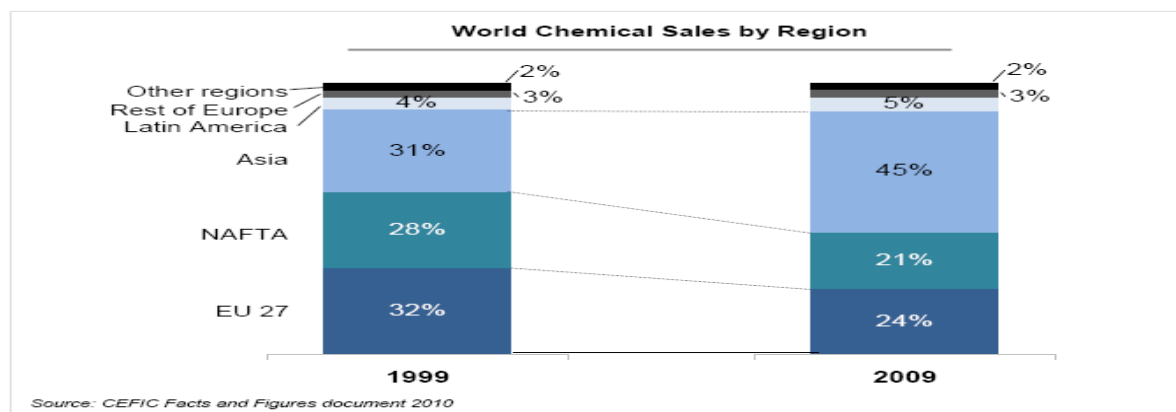


Source: Cefic Chemdata International  
 \* Rest of Europe covers Switzerland, Norway, Turkey, Russia and Ukraine  
 \*\* North American Free Trade Agreement  
 \*\*\* Asia excluding China, India, Japan and South Korea  
 Unless specified chemical industry excludes pharmaceuticals  
 Unless specified EU refers to EU 28

(Source: <http://www.cefic.org/Facts-and-Figures/Chemicals-Industry-Profile/>)

The chemical industry is central to the modern world economy having a typical sales-to-GDP ratio of 5-6%. Global chemical production growth slowed down from 4.4% p.a. in 1999-2004 to 3.6% p.a. in 2004-2009, with global chemical sales in FY10 valued at \$3.4 trillion.

The global chemicals industry is witnessing a gradual eastward shift. The industry is increasingly moving eastwards in line with the shift of its key consumer industries (e.g. automotive, electronics, etc.) to leverage greater manufacturing competitiveness of emerging Asian economies and to serve the increasing local demand. Over the last 10 years, the share of Asia in global chemical sales has increased by ~14% points rising from 31% in 1999 to 45% in 2009. With rising concerns around climate change and depleting natural resources, focus on sustainability is another key trend impacting the global chemical industry. Chemical companies are increasingly working towards reducing energy intensity of their operations, minimizing effluent discharge and pollution, increasing the share of recyclable products in their portfolio and diversifying their raw material base to include bio-feedstock.



Source: CEFIC Facts and Figures document 2010

With Asia's growing contribution to the global chemical industry, India emerges as one of the focus destinations for chemical companies worldwide. With the current size of \$108 billion<sup>1</sup>, the Indian chemical industry accounts for approximately 7% of Indian GDP. The chemicals sector accounts for about 14% in overall index of industrial production (IIP). Share of industry in national exports is around 11%. In terms of volume, India is the third-largest producer of chemicals in Asia, after China and Japan. Despite its large size and significant GDP contribution, India chemicals industry represents only around 3% of global chemicals.

Two distinct scenarios for the future of the Indian chemical industry emerge, based on how effectively the industry leverages its strengths and manages challenges. In the base case scenario, with current initiatives of industry & government, the Indian chemical industry could grow at 11% p.a. to reach size of \$224 billion by 2017. However, the industry could aspire to grow much more and its growth potential is limited only by its aspirations. In an optimistic scenario, high end-use demand based on increasing per capita consumption, improved export competitiveness and resultant growth impact for each sub-sector of the chemical industry could lead to an overall growth rate greater than 15% p.a. and a size of \$ 290 billion by 2017.

*(Source: Report of Planning Commission 2012-2017)*

## **Indian Chemical Industry**

By volume, the Indian chemical industry was the third largest producer in Asia, and it alone contributed 5% of its GDP. India is one of the top 5 world producers of agrochemicals, polymers and plastics, dyes and various organic and inorganic chemicals. Despite being a large producer and exporter of chemicals, India is a net importer of chemicals given its domestic demand for products

*(Source: [https://en.wikipedia.org/wiki/Economy\\_of\\_India#Petroleum\\_products\\_and\\_chemicals](https://en.wikipedia.org/wiki/Economy_of_India#Petroleum_products_and_chemicals))*

The Indian chemical industry, which has several characteristics specific to Indian context, has evolved from a producer and supplier of basic chemicals to the domestic market in a highly regulated environment to an industry with diverse product portfolio in an open economy. The size of the Indian chemical industry was estimated at USD 83 billion in the FY 2010. Of this 53% was accounted for by base chemicals and 24% by pharmaceuticals.

With this size, its contribution in total Indian industrial output is 14%. The chemical industry is among the oldest and fastest growing domestic industries in India, contributing substantially towards industrial and economic growth of the nation. The industry in India produces nearly 70,000 types of commercial products over a wide range of categories ranging from cosmetics and toiletries, to plastics and pesticides. This multi product and multi faceted industry is mostly concentrated in the western part of India where almost half of the industry is located. These main areas are as follows:

- Jamnagar – Gujarat
- Mumbai – Maharashtra
- Chennai – Tamil Nadu
- Hyderabad – Andhra Pradesh
- Cochin – Kerala
- Calcutta – West Bengal
- Udaipur – Rajasthan



## SUMMARY OF BUSINESS OVERVIEW

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Prospectus, including the information contained in the section titled “Risk Factors” on page 10 of the Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us” and “Our” refers to Our Company. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian Accounting Policies set forth in the Prospectus.

### Overview

#### Company Background

Our Company was incorporated as Mamta Dyes and Intermediaries Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated July 27, 1994 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to Mamta Dyes and Intermediaries Limited and fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, the name of our Company was changed to R R J-Dyes and Intermediates Limited vide fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Later on the name of the company was changed to Prolife Industries Limited and fresh certificate of Incorporation dated March 7, 2013 pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

Our company is engaged in the business of manufacturing special and exclusive range of intermediates for dyes, pigments, pharmaceuticals, agrochemicals and others. The company originally founded in the year 1994 in the name of Mamta Dyes & Intermediates Private Ltd and has been in this Industry from the very inception. Company has established even its own Research & Development Department within few years of incorporation of the company. It has already succeeded in developing very high quality Specialty Chemicals as result of thorough knowledge and R & D efforts of the Chairman and Managing Director of the company who has sound knowledge as well as vast experience of two decades in the chemical industry. The company has established its presence in domestic as well export market and are regularly catering to the needs of their customers in many countries including U.S.A, Spain, Switzerland, Germany, France, Taiwan, Japan, Germany, Brazil etc.

At present the company is manufacturing mainly ranges of intermediaries for dyes, pigments, pharmaceuticals agro chemicals. Our existing and proposed product and products mix are Dehydro Thio Para Toluidine Sulfonic Acid (DTPTSA), Amino Phenoxy Propane Sulfonic Acid (SPA), Amino Methyl Phenoxy Sulfonic Acid (SPMT), PYBIZS- 4-Nitrile-1-Hydroxy-8-Methoxy-3-Methyl Benzo [4,5] Imidazo [1,2A] Pyridine-7 & Sulphonic Acid & its sodium salt, Basic Red51/Red 76/Brown16/Brown17/Brown99/yellow-1/Yellow57/Orange31, 2-Chloro Methyl - 3,4- Dimethoxy Pyridine, Octahydro-4B-Methyl-9 (Methylamino), Di Amino Bisphenoxy Ethane, 5-Methoxy 6-Amino Benz Imidazole Para Nitro Aniline, Epsilon Acid, 2:4 Di Nitro Aniline, Dichloro Para Nitro Aniline, Ortho Chloro Para Nitro Aniline, 6 Chloro 2:4 Di Nitro Aniline, 6 Bromo Di Nitro Aniline.

Our Company has shown growth during the last five financial years. The improvement in top line and bottom line is explained below:

| (₹ In Lacs)              |                 |                 |                 |                 |                 |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Particulars              | FY 2011-12      | FY 2012-13      | FY 2013-14      | FY 2014-15      | FY 2015-16      |
| Revenue from Operations  | 1,220.00        | 1,642.85        | 1,895.34        | 1,958.38        | 2,229.55        |
| Other Income             | 9.56            | 16.49           | 10.29           | 30.79           | 53.64           |
| <b>Total Income (A)</b>  | <b>1,229.55</b> | <b>1,659.34</b> | <b>1,905.63</b> | <b>1,989.16</b> | <b>2,283.19</b> |
| <b>Profit Before Tax</b> | <b>26.77</b>    | <b>35.52</b>    | <b>40.11</b>    | <b>62.71</b>    | <b>87.92</b>    |

#### Our Competitive Strength

**Experienced management team and motivated employee**

We have a highly experienced and qualified management team. Our MD is professionally qualified person having sound knowledge and vast experience of more than two decades in chemical industry. Our Management is backed by motivated staff that is instrumental in our business growth.

#### **Well equipped Research and Development facility**

We have well equipped research and Development facility to improve quality of the products and to produce high performance chemicals. Company has in house sound R&D Department backed by technical expertise of our Managing Director Mr. Maninder Singh Jolly, which helps the company to enhance our product range.

#### **Established vast Domestic as well as Export market**

The company is catering the customers both in domestic market as well as overseas market. The company is catering the needs of customers with its high quality customized products as per the specific requirements of buyers located in U.S.A, Spain, Switzerland, Germany, France, Taiwan, Japan, Germany, Brazil etc. The company is selling its product to internationally renowned companies.

#### **Continuous Innovation of Products and diverse products**

The management is of the opinion that in order to be successful and competitive in the market, the company needs to be innovative. We offer special and exclusive range of intermediates for dyes, pigments, pharmaceuticals agrochemicals and others. Such diverse product mix helps us to cater the diverse customer segments and to various sectors of Industry. The product mix helps us to sustain the growth level. Over the years we have developed various products which is used by Pharmaceutical Industry, Chemical industry, Packaging / FMCG Industry, agro-chemical industry.

#### **Modern Infrastructure and Integrated Facilities**

The unit is located in Panoli Industrial Estate, Tal. Ankleshwar, Dist Bharuch. The Industrial estate is developed by GIDC and enjoys good infrastructure like electricity, water, roads, labour, raw material suppliers and market for finished products which has a vital demand in the market & with this scenario we are concentrating on expanding the production capacity and new product range.

## SUMMARY OF OUR FINANCIAL INFORMATION

### STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Amt. in Lacs)

| STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2016 (AMOUNT IN LAACS) |   |       |                 |          |          |          |          |                     |
|--|---|-------|-----------------|----------|----------|----------|----------|---------------------|
| Sr. No.  | Particulars                               | Notes | As at March 31, |          |          |          |          | As at June 30, 2016 |
|  |   |       | 2012            | 2013     | 2014     | 2015     | 2016     |                     |
| EQUITY AND LIABILITIES   |   |       |                 |          |          |          |          |                     |
| 1)   | Shareholders' Funds                       |       |                 |          |          |          |          |                     |
|  | a. Share Capital                          | 3     | 99.20           | 149.20   | 149.20   | 149.20   | 149.20   | 149.20              |
|  | b. Reserves & Surplus                     | 4     | 72.91           | 87.54    | 104.44   | 153.04   | 208.41   | 225.15              |
| 2)   | Share Application Money Pending Allotment |       | -               | -        | -        | -        | -        | -                   |
| 3)   | Non Current Liabilities                   |       |                 |          |          |          |          |                     |
|  | a. Long Term Borrowings                   | 5     | 381.67          | 814.13   | 932.53   | 873.94   | 682.15   | 806.04              |
|  | b. Deferred Tax Liabilities               | 6     | 25.55           | 23.97    | 21.86    | 5.61     | 1.31     | 0.75                |
|  | c. Long Term Provisions                   | 7     | 1.64            | 3.28     | 4.91     | 6.55     | 7.89     | 8.18                |
|  | d. Other Long Term Liabilities            | 8     | -               | -        | 22.00    | 22.00    | 27.00    | 27.00               |
| 4)   | Current Liabilities                       |       |                 |          |          |          |          |                     |
|  | a. Short Term Borrowings                  | 9     | 86.06           | 125.23   | 27.05    | 136.35   | 179.25   | 45.72               |
|  | b. Trade Payables                         | 10    | -               | -        | -        | -        | -        | -                   |
|  | Micro Small Medium Enterprise             |       | -               | -        | -        | -        | -        | -                   |
|  | Others                                    |       | 326.82          | 189.45   | 293.72   | 335.38   | 322.42   | 271.07              |
|  | c. Other Current Liabilities              | 11    | 1.45            | 13.57    | 61.04    | 83.05    | 13.95    | 20.20               |
|  | d. Short Term Provisions                  | 12    | 10.94           | 4.17     | 3.42     | 4.20     | 13.09    | 10.95               |
|  | TOTAL (1+2+3+4)                           |       | 1,006.23        | 1,410.55 | 1,620.18 | 1,769.32 | 1,604.67 | 1,564.26            |
| ASSETS   |   |       |                 |          |          |          |          |                     |
| 5)   | Non Current Assets                        |       |                 |          |          |          |          |                     |
|  | a. Fixed Assets                           |       |                 |          |          |          |          |                     |
|  | Tangible Assets                           | 13    | 214.32          | 222.17   | 229.38   | 272.53   | 320.74   | 312.32              |
|  | Intangible Assets                         |       | -               | -        | -        | -        | -        | -                   |
|  | Capital Work in Progress                  |       | 13.47           | 13.47    | 13.47    | 13.47    | 56.57    | 81.43               |

|           |                                     |    |                 |                 |                 |                 |                 |                 |
|-----------|-------------------------------------|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|           | Intangible Assets under development |    | -               | -               | -               | -               | -               | -               |
|           | b. Deferred Tax Assets (Net)        |    | -               | -               | -               | -               | -               | -               |
|           | c. Non-current Investments          | 14 | 66.01           | 252.57          | 286.30          | 286.51          | 280.45          | 302.26          |
|           | d. Long Term Loans & Advances       | 15 | 245.89          | 152.35          | 185.98          | 121.67          | 139.96          | 102.91          |
|           | e. Other Non Current Assets         | 16 | 0.55            | 0.55            | -               | -               | -               | -               |
| <b>6)</b> | <b><u>Current Assets</u></b>        |    |                 |                 |                 |                 |                 |                 |
|           | a. Inventories                      | 17 | 233.00          | 479.18          | 615.18          | 625.59          | 323.78          | 189.39          |
|           | b. Trade Receivables                | 18 | 181.14          | 225.57          | 275.57          | 336.37          | 387.09          | 475.99          |
|           | c. Cash and Cash Equivalents        | 19 | 19.56           | 18.46           | 14.23           | 47.01           | 34.18           | 39.17           |
|           | d. Short Term Loans & Advances      | 20 | -               | -               | -               | 64.68           | 61.83           | 60.45           |
|           | e. Other Current Assets             | 21 | 32.29           | 46.23           | 0.07            | 1.50            | 0.07            | 0.34            |
|           | <b>TOTAL (5+6)</b>                  |    | <b>1,006.23</b> | <b>1,410.55</b> | <b>1,620.18</b> | <b>1,769.32</b> | <b>1,604.67</b> | <b>1,564.26</b> |

## STATEMENT OF PROFIT AND LOSS AS RESTATED

(Amt. in Lacs)

| Sr. No.  | Particulars   | Notes | As at March 31, |                 |                 |                 |                 | As at June 30, 2016 |
|----------|---|-------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|
|          |   |       | 2012            | 2013            | 2014            | 2015            | 2016            |                     |
| <b>A</b> | <b>INCOME</b>   |       |                 |                 |                 |                 |                 |                     |
|          | Revenue from Operations   | 22    | 1,220.00        | 1,642.85        | 1,895.34        | 1,958.38        | 2,229.55        | 416.16              |
|          | Other Income  | 23    | 9.56            | 16.49           | 10.29           | 30.79           | 53.64           | 2.89                |
|          | <b>Total Income (A)</b>   |       | <b>1,229.55</b> | <b>1,659.34</b> | <b>1,905.63</b> | <b>1,989.16</b> | <b>2,283.19</b> | <b>419.05</b>       |
| <b>B</b> | <b>EXPENDITURE</b>  |       |                 |                 |                 |                 |                 |                     |
|          | Cost of materials consumed  | 24    | 974.21          | 1,320.11        | 1,430.37        | 1,357.03        | 1,590.59        | 217.82              |
|          | Purchase of stock-in-trade  |       | -               | -               | -               | -               | -               | -                   |
|          | Changes in inventories of finished goods, traded goods and work-in-progress | 25    | (3.49)          | 3.46            | (46.26)         | (19.10)         | 119.17          | 58.73               |
|          | Employee benefit expenses   | 26    | 22.34           | 31.31           | 36.52           | 40.36           | 65.33           | 15.95               |
|          | Finance costs   | 27    | 20.37           | 44.28           | 86.80           | 110.61          | 96.14           | 22.15               |
|          | Depreciation and amortisation expense                                       | 13    | 27.99           | 26.11           | 28.98           | 39.70           | 42.17           | 11.00               |
|          | Other Expenses  | 28    | 161.38          | 198.54          | 329.11          | 397.85          | 275.82          | 66.17               |
|          | <b>Total Expenses (B)</b>   |       | <b>1,202.79</b> | <b>1,623.81</b> | <b>1,865.53</b> | <b>1,926.45</b> | <b>2,189.22</b> | <b>391.83</b>       |
| <b>C</b> | <b>Profit before tax</b>  |       |                 |                 |                 |                 |                 |                     |
|          | Prior period items (Net)  |       |                 |                 |                 |                 |                 |                     |
|          | <b>Profit before exceptional, extraordinary items and tax (A-B)</b>         |       | <b>26.77</b>    | <b>35.52</b>    | <b>40.11</b>    | <b>62.71</b>    | <b>93.98</b>    | <b>27.22</b>        |
|          | Exceptional items   |       | -               | -               | -               | -               | (6.05)          | -                   |
|          | <b>Profit before extraordinary items and tax</b>                            |       | <b>26.77</b>    | <b>35.52</b>    | <b>40.11</b>    | <b>62.71</b>    | <b>87.92</b>    | <b>27.22</b>        |
|          | Extraordinary items   |       |                 |                 |                 |                 |                 |                     |
| <b>D</b> | <b>Profit before tax</b>  |       | <b>26.77</b>    | <b>35.52</b>    | <b>40.11</b>    | <b>62.71</b>    | <b>87.92</b>    | <b>27.22</b>        |
|          | Tax expense :   |       |                 |                 |                 |                 |                 |                     |
|          | (i) Current tax   |       | (12.52)         | (14.97)         | (20.08)         | (25.65)         | (33.13)         | (11.03)             |
|          | (ii) Deferred tax   |       | 3.159           | 1.58            | 2.11            | 3.42            | 4.30            | 0.56                |
|          | (iii) MAT credit  |       |                 |                 |                 |                 |                 |                     |
| <b>E</b> | <b>Total Tax Expense</b>  |       | <b>(9.357)</b>  | <b>(13.40)</b>  | <b>(17.98)</b>  | <b>(22.23)</b>  | <b>(28.83)</b>  | <b>(10.48)</b>      |
| <b>F</b> | <b>Profit for the year (D-E) (RESTATED)</b>                                 |       | <b>17.41</b>    | <b>22.13</b>    | <b>22.13</b>    | <b>40.48</b>    | <b>59.09</b>    | <b>16.75</b>        |
|          | <b>ACTUAL</b>   |       | <b>19.50</b>    | <b>24.91</b>    | <b>27.93</b>    | <b>37.22</b>    | <b>52.54</b>    | <b>16.75</b>        |
|          | Earning per equity share(face value of ₹10/- each): Basic and Diluted ( ₹)  |       | 1.75            | 1.72            | 1.48            | 2.71            | 3.96            | 4.49                |
|          | Adjusted Earning per equity share(face value of ₹10/- each):                |       | 0.88            | 0.86            | 0.74            | 1.36            | 1.98            | 2.24                |

|  |  |  |        |        |        |      |      |        |
|--|--|--|--------|--------|--------|------|------|--------|
|  | <b>Basic and Diluted ( ₹ ) ( ₹ )</b>       |  |        |        |        |      |      |        |
|  | <b>Change in Profit due to Restatement</b> |  | (2.09) | (2.79) | (5.80) | 3.26 | 6.55 | (0.00) |

## STATEMENT OF CASH FLOW AS RESTATED

(Amt. in Lacs)

| Particulars   | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at June<br>30, 2016 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------|
| <b>Cash flow from operating activities:</b>                       |                            |                            |                            |                            |                            |                        |
| Net Profit before tax as per Profit And Loss A/c                  | 17.41                      | 22.13                      | 22.13                      | 40.48                      | 59.09                      | 16.75                  |
| <b>Adjusted for:</b>  |                            |                            |                            |                            |                            |                        |
| Deferred Tax  | (3.16)                     | (1.58)                     | (2.11)                     | (3.42)                     | (4.30)                     | (0.56)                 |
| Extra-ordinary Items  |                            |                            |                            |                            |                            |                        |
| Income Tax  | 12.52                      | 14.97                      | 20.08                      | 25.65                      | 33.13                      | 11.03                  |
| MAT Credit  |                            |                            |                            |                            |                            |                        |
| Depreciation & Amortisation with effect of Reserve                | 27.99                      | 26.11                      | 28.98                      | 39.70                      | 42.17                      | 11.00                  |
| Provision for Gratuity  |                            |                            |                            |                            |                            |                        |
| Dividend Received   | -                          | -                          | -                          | (0.03)                     | -                          | -                      |
| Interest & Finance Cost   | 0.00                       | 0.00                       | 0.00                       | 0.00                       | 0.00                       | 0.00                   |
| Interest income   | -                          | (3.18)                     | (1.89)                     | (3.04)                     | (1.56)                     | (0.42)                 |
| <b>Operating Profit Before Working Capital Changes</b>            | 54.75                      | 58.45                      | 67.19                      | 99.34                      | 128.53                     | 37.80                  |
| Adjustments   |                            |                            |                            |                            |                            |                        |
| Decrease/(Increase) in Inventory                                  | 225.11                     | (246.19)                   | (136.00)                   | (10.41)                    | 301.82                     | 134.38                 |
| Decrease/(Increase) in Trade Receivables                          | 348.54                     | (44.43)                    | (50.01)                    | (60.79)                    | (50.72)                    | (88.91)                |
| Decrease/(Increase) in Short term Loans and Advances              | 185.74                     | -                          | -                          | (64.68)                    | 2.85                       | 1.39                   |
| Decrease/(Increase) in Other Current assets                       | 4.73                       | (13.93)                    | 46.16                      | (1.43)                     | 1.43                       | (0.27)                 |
| (Decrease)/Increase in Other Current Liabilities                  | (570.42)                   | 12.11                      | 47.47                      | 22.02                      | (69.10)                    | 6.25                   |
| (Decrease)/Increase in Provisions                                 | (10.61)                    | (6.76)                     | (0.75)                     | 0.77                       | 8.89                       | (2.14)                 |
| (Decrease)/Increase in Trade payables                             | 326.82                     | (137.36)                   | 104.27                     | 41.66                      | (12.96)                    | (51.35)                |
| (Decrease)/Increase in Long Term Provisions                       | 1.64                       | 1.64                       | 1.64                       | 1.64                       | 1.34                       | 0.29                   |
| <b>Cash Generated From Operations Before Extra-Ordinary Items</b> | 566.30                     | (376.47)                   | 79.97                      | 28.11                      | 312.07                     | 37.44                  |
| Add:- Extra-Ordinary Items  | -                          | -                          | -                          | -                          | -                          | -                      |
| <b>Cash Generated From Operations</b>                             | 566.30                     | (376.47)                   | 79.97                      | 28.11                      | 312.07                     | 37.44                  |
| Less: Direct Tax Paid   | (12.52)                    | (14.97)                    | (20.08)                    | (25.65)                    | (33.13)                    | (11.03)                |
| <b>Net Cash Flow from/(used in) Operating Activities: (A)</b>     | 553.78                     | (391.44)                   | 59.88                      | 2.46                       | 278.94                     | 26.40                  |
|   |                            |                            |                            |                            |                            |                        |

|   |          |          |         |         |          |          |
|---|----------|----------|---------|---------|----------|----------|
| <b>Cash Flow From Investing Activities:</b>                   |          |          |         |         |          |          |
| (Purchase) / Sale of Fixed Assets                             | -        | (33.96)  | (36.19) | (83.97) | (133.48) | (27.43)  |
| Capital Subsidy   |          |          |         |         |          |          |
| Interest Income   | -        | 3.18     | 1.89    | 3.04    | 1.56     | 0.42     |
| (Purchase)/Sale of Investment                                 |          |          |         |         |          |          |
| Dividend Received   | -        | -        | -       | 0.03    |          |          |
| Decrease/(Increase) in Long term Loans and advances           | (245.89) | 93.54    | (33.63) | 64.31   | (18.29)  | 37.05    |
| (Decrease)/Increase in Other Long term Liabilities            | -        | -        | 22.00   | -       | 5.00     | -        |
| Decrease/(Increase) in Non Current Investment                 | 25.11    | (186.56) | (33.73) | (0.21)  | 6.05     | (21.81)  |
| Decrease/(Increase) in Non Current Investment                 | (0.55)   | -        | 0.55    | -       | -        | -        |
|   |          |          |         |         |          |          |
| <b>Net Cash Flow from/(used in) Investing Activities: (B)</b> | (221.33) | (123.80) | (79.11) | (16.80) | (139.16) | (11.77)  |
|   |          |          |         |         |          |          |
| <b>Cash Flow from Financing Activities:</b>                   |          |          |         |         |          |          |
| Proceeds From Share Capital                                   | -        | 50.00    |         |         |          |          |
| Share application money pending allotment                     |          |          |         |         |          |          |
| Proceeds/(Repayment) of Long term borrowings (Net)            | (278.81) | 432.46   | 118.40  | (58.59) | (191.79) | 123.89   |
| Proceeds/(Repayment) of Short term borrowings (Net)           | 86.06    | 39.17    | (98.17) | 109.30  | 42.90    | (133.53) |
| Interest & Financial Charges                                  | (0.00)   | (0.00)   | (0.00)  | (0.00)  | (0.00)   | (0.00)   |
| Dividend paid(including DDT)                                  | (4.61)   | (6.94)   | (5.24)  | (3.58)  | (3.73)   | -        |
|   |          |          |         |         |          |          |
| <b>Net Cash Flow from/(used in) Financing Activities (C)</b>  | (197.37) | 514.69   | 14.99   | 47.12   | (152.62) | (9.64)   |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)    | 135.08   | (0.55)   | (4.23)  | 32.79   | (12.83)  | 4.99     |
| Cash & Cash Equivalents As At Beginning of the Year           | 2.85     | 19.56    | 18.46   | 14.23   | 47.01    | 34.18    |
| Cash & Cash Equivalents As At End of the Year                 | 137.93   | 19.01    | 14.22   | 47.01   | 34.18    | 39.17    |



## THE ISSUE

Present Issue in terms of the Prospectus:

| Issue Details                                |  |
|--|--|
| Equity Shares offered                        | 11,10,000 Equity Shares of ₹ 10 each at an Issue Price of ₹38 each aggregating to ₹421.80 Lacs   |
| Of which:                                    |  |
| Reserved for Market Makers                   | 60,000 Equity Shares of ₹10 each at an Issue Price of ₹38 each aggregating to ₹22.80 Lacs  |
| Net Issue to the Public*                     | 10,50,000 Equity Shares of ₹10 each at an Issue Price of ₹38 each aggregating to ₹399.00 Lacs  |
| Of which                                     |  |
| Retail Portion                               | 5,25,000 Equity Shares of ₹ 10 each at an Issue Price of ₹38 each aggregating to ₹199.50 Lacs  |
| Non Retail Portion                           | 5,25,000 Equity Shares of ₹ 10 each at an Issue Price of ₹38 each aggregating to ₹199.50 Lacs  |
| Equity Shares outstanding prior to the Issue | 29,84,080 Equity Shares of ₹10 each  |
| Equity Shares outstanding after the Issue    | 40,94,080 Equity Shares of ₹10 each  |
| Use of Proceeds                              | For further details please refer chapter titled "Objects of the Issue" beginning on page no 53 of the Prospectus for information on use of Issue Proceeds. |

### Notes

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 section titled 'Issue Structure' beginning on page 196 of this Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 23, 2016, and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(C) of the Companies Act at the EGM held on August 16, 2016.

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

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

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

## GENERAL INFORMATION

Our Company was incorporated as Mamta Dyes and Intermediaries Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated July 27, 1994 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to Mamta Dyes and Intermediaries Limited and fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, the name of our Company was changed to R R J-Dyes and Intermediates Limited vide fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Later on the name of the company was changed to Prolife Industries Limited and fresh certificate of Incorporation dated March 7, 2013 pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Corporate Identification Number of our Company is U24231GJ1994PLC022613.

For further details in relation to the corporate history of our Company, see the section titled “History and Certain Corporate Matters” on page no 98.

## **BRIEF DETAILS OF COMPANY AND ISSUE INFORMATION**

|                            |   |
|----------------------------|---|
| Registered Office          | 213, G.I.D.C., Panoli,<br>Ankleshwar, Gujarat - 394 116, India<br>Tel No : +91-02646-272490<br>Web Site : <a href="http://www.prolifeindustries.in">www.prolifeindustries.in</a><br>Email :- <a href="mailto:info@prolifeindustries.in">info@prolifeindustries.in</a><br>Contact Person:- Ms. Darshna Maniyar |
| Corporate Office           | 6,8,10,12 Hexon Arcade,<br>Nr. Jayaben Modi Hospital,<br>Valia Road, G.I.D.C,<br>Ankleshwar -393002   |
| Date of Incorporation      | July 27, 1994   |
| Company Identification No. | U24231GJ1994PLC022613   |
| Company Category           | Company limited by Shares   |
| Registrar Of Company       | Gujarat Dadra Nagar & Haveli  |
| Address of the RoC         | ROC Bhavan, Opp Rupal Park Society,<br>Behind Ankur Bus Stop, Naranpura,<br>Ahmedabad-380013<br>Phone: 079-27437597<br>Fax: 079-27438371<br>E Mail: <a href="mailto:roc.ahmedabad@mca.gov.in">roc.ahmedabad@mca.gov.in</a><br>Website: <a href="http://www.mca.gov.in">www.mca.gov.in</a>                     |
| Designated Stock Exchange  | NSE Limited. SME Platform   |
| Issue Programme            | Issue Opens On : December 27, 2016 (Tuesday)<br>Issue Closes On: December 30, 2016 (Friday)   |

|  |  |
|--|--|
| Company Secretary and Compliance Officer | Ms. Darshna Maniyar<br>C/o Prolife Industries Limited<br>213, G.I.D.C., Panoli,<br>Ankleshwar, Gujarat – 394 116, India<br>Tel No : +91-02646-272490<br>Web Site : <a href="http://www.prolifeindustries.in">www.prolifeindustries.in</a><br>Email :- <a href="mailto:info@prolifeindustries.in">info@prolifeindustries.in</a> |
|--|--|

Note: Investors can contact the Compliance Officer in case of any pre issue or post issue related problems such as non-receipt of letter of allotment or credit of securities in depositories beneficiary account or dispatch of refund order etc.

## BOARD OF DIRECTORS OF OUR COMPANY

Our Board Of Directors Consist of:

| Name                                | Designation       | DIN      |
|-------------------------------------|-------------------|----------|
| Mr. Manindersingh Satnamsingh Jolly | Managing Director | 00491254 |
| Ms. Anureet Kaur Jolly              | Director          | 02730332 |
| Mr. Nareshbhai Vanmalidas Thakkar   | Director          | 01199285 |
| Mr. Nikunj Dineshkumar Soni         | Director          | 07608605 |

For further details pertaining to the education qualification and experience of our Directors, please refer page no. 102 of this Prospectus under the chapter titled “Our Management”.

## DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

| Lead Manager to the Issue  | Registrar to the Issue   |
|--|--|
| <b>SWASTIKA INVESTMART LIMITED</b><br>305, Madhuban Building, Cochin Street,<br>S.B.S Road, Fort,<br>Mumbai,<br>Maharashtra- 400001<br>Tel No.: +91-22-22655565<br>Fax No: +91- 73- 6644300<br>Email Id: merchantbanking@swastika.co.in<br>InvestorGrievanceId: investorgrievance@swastika.co.in<br>Website: www.swastika.co.in<br>Contact Person: Ms. Nidhi Baheti<br>SEBI REGN NO: .INM000012102 | <b>LINK INTIME INDIA PRIVATE LIMITED</b><br>C-13, Pannalal Silk Mills Compound,<br>L.B.S Marg, Bhandup (West),<br>Mumbai-400078,<br>Maharashtra, India<br>Tel: +91-022-61715400<br>Fax:+91-22- 25960329<br>Website: www.linkintime.co.in<br>Email Id/Investor Grievance:<br>prolife.ipo@linkintime.co.in<br>Contact Person: Ms. Shanti Gopalkrishnan<br>SEBI REGN NO: INR000004058 |

| Bankers to the Company  |   |
|---|---|
| <b>J &amp; K Bank Limited</b><br>1, Pariseema Complex, C.G. Road,<br>Ahmedabad 380006<br><b>Ph. No./Fax No.:</b> 079-26569474<br><b>E Mail:</b> ahamad@jkbmail.com<br><b>Website:</b> www.jkbank.net<br><b>Contact Person :</b> Mr. Anandpal Singh – Branch<br>Manager & Mr. Bikram Jeet Singh – Incharge Foreign<br>Exchange | <b>Axis Bank Limited</b><br>Ground, First Floors Plot No C-3- 9<br>opposite Asopalav Guest House Near Railway<br>Station, Old N.H. No.8 GIDC Ankleshwar<br>Bharuch-393002<br>Gujarat India<br>Tel No: 02646-226521/ 22/ 224755/766,<br>+91-8980804581<br>Fax No.: 02646-226521/22/224755/766<br>Email: Ankleshwar.branchhead@axisbank.com<br>Website: www.axisbank.com<br>Contact Person: Mr. Jitendra Vala |

| Auditor of the Company   | Bankers to the Issue and Refund Banker  |
|--|---|
| <b>Mistry &amp; Shah</b><br>Chartered Accountants<br><b>Address:</b> 8-10 Bhavani Chambers<br>Nr Times of India , Ashram Road, Navrangpura<br>Ahmedabad Gujarat 380009<br><b>Firm Registration No.:</b> 122702W<br><b>Tel.:</b> +91- 079-40050150, 079-30026950,<br>9033011178<br><b>E-mail ID:</b> ketan@mistryandshah.com<br><b>Contact Person:</b> Mr. Ketan Mistry | <b>ICICI Bank Limited</b><br>Capital Market Division, 1 <sup>st</sup> Floor, 122 Mistry Bhavan,<br>DinshAw Vachha Road,<br>Backbay Reclamation, Churchgate,<br>Mumbai- 400020<br>Tel:022-22859924<br>Fax:022-22611138<br>E-Mail Id: rishav.bagrecha@iciciabank.com<br>Website:www.icicibank.com<br>Contact Person:Mr. Rishav Bagrecha<br>SEBI Regn No.INBI000000004 |

## Legal Advisor to the Issue

Y.M. SHAH ADVOCATE  
 10, Bhagwati chambers,  
 Swastik Char Rasta,  
 C.G. Road,  
 Ahmedabad - 380009  
 Tel No.:+91 079-26461117  
 Mobile No.:9825063114  
 Email : ymshahadvocate@gmail.com  
 Contact Person : Mr. Yogesh Shah

## **SELF CERTIFIED SYNDICATE BANKS**

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount ("ASBA") Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

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

Since Swastika Investmart Limited is the lead Manager to the issue, all the responsibility of the issue will be managed by them.

## **CREDIT RATING**

As this is an issue of Equity Shares there is no credit rating for this Issue.

## **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.

## **TRUSTEE**

As this is an issue of Equity Shares, the appointment of Trustees is not required.

## **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**

In terms of sub regulation (1) Regulation 16 of SEBI ICDR Regulations, Our Company is not required to appoint a monitoring agency in relation to the issue. However, Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

## **Underwriting Agreement**

This Issue is 100% Underwritten. The Underwriting agreement is dated October 25, 2016 Pursuant to the terms of the Underwriting Agreement; the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

| Details of the Underwriter  | No. of shares underwritten | Amount Underwritten (₹ in Lacs) | % of the Total Issue Size Underwritten |
|---|----------------------------|---------------------------------|--|
| SWASTIKA INVESTMART LIMITED<br>1 <sup>st</sup> Floor, Bandukwala Building, British Hotel Lane, Fort, Mumbai – 400 001, Maharashtra, India | 10,50,000                  | 399.00                          | 94.59%                                 |
| Beeline Broking Limited   | 60,000                     | 22.80                           | 5.41%                                  |

|  |           |        |        |
|--|-----------|--------|--------|
| B-307, Ganesh Plaza, Near Navrangpura Bus Stop,<br>Navrangpura, Ahmedabad Gujarat 380009 |           |        |        |
| <b>Total</b>   | 11,10,000 | 421.80 | 100.00 |

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriters are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

#### **Details of the Market Making Arrangement for this Issue**

Our Company has entered into an agreement dated October 25, 2016 with the Lead Manager and Market Maker to fulfill the obligations of Market Making.

##### **Beeline Broking Limited**

B-307, Ganesh Plaza, Near Navrangpura Bus  
Stop, Navrangpura, Ahmedabad Gujarat  
380009

**Tel:** +91-079-66637588

**Investor Grievance e-mail:** vanesh@beelinebroking.com

**Website:** www.beelinebroking.com

**SEBI Registration No.:** SMEMM0658203082015

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 NSE and SEBI regarding this matter from time to time.

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

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he/she sells his/her 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 shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- 5) 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.
- 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) The Market Maker(s) shall have the right to terminate said arrangement by giving a three 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 our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that 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.

- 10) Risk containment measures and monitoring for Market Makers: NSE SME Segment (NSE-EMERGE) will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- 11) Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, 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 segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange/ Platform.

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

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

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

- 13) 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 ₹ 20 Crore          | 25%   | 24%  |
| ₹ 20 Crore To ₹ 50 Crore | 20%   | 19%  |
| ₹ 50 Crore To ₹ 80 Crore | 15%   | 14%  |
| Above ₹ 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.

(₹ in Lacs, except share data)

| Sr. No | Particulars  | Aggregate value at face value | Aggregate value at issue price |
|--------|--|-------------------------------|--------------------------------|
| A.     | <b>Authorized Share Capital</b>  | 450.00                        |                                |
|        | 45,00,000 Equity Shares of face value of ₹10 each  |                               |                                |
| B.     | <b>Issued, subscribed and paid-up Equity Share Capital before the Issue</b>  |                               |                                |
|        | 29,84,080 Equity Shares of face value of ₹ 10 each   | 298.40                        |                                |
| C.     | <b>Present issue in terms of this Prospectus</b>   |                               |                                |
|        | Issue of 11,10,000 Equity Shares of ₹ 10 each at a price of ₹ 38 per Equity Share.   | 111.00                        | 421.80                         |
|        | <b>Which comprises</b>   |                               |                                |
|        | 60,000 Equity Shares of ₹ 10/- each at a price of ₹ 38 per Equity Share reserved as Market Maker Portion                                     | 6.00                          | 22.80                          |
|        | Net Issue to Public of 10,50,000 Equity Shares of ₹ 10/- each at a price of ₹ 38 per Equity Share to the Public                              | 105.00                        | 399.00                         |
|        | Of which   |                               |                                |
|        | 5,25,000 Equity Shares of ₹10/- each at a price of ₹ 38 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 Lacs | 52.50                         | 199.50                         |
|        | 5,25,000 Equity Shares of ₹10/- each at a price of ₹ 38 per Equity Share will be available for allocation for Investors of above ₹ 2.00 Lacs | 52.50                         | 199.50                         |
| D.     | <b>Equity capital after the Issue</b>  |                               |                                |
|        | 40,94,080 Equity Shares of ₹ 10 each   | 409.40                        |                                |
| E.     | Securities Premium Account   |                               |                                |
|        | Before the Issue   | -                             |                                |
|        | After the Issue  | 310.80                        |                                |

\*This Issue has been authorized by the Board of Directors pursuant to a board resolution dated July 23, 2016 and by the shareholders of our Company pursuant to a special resolution dated August 16, 2016 passed at the EGM of shareholders under section 62 (1)(c) of the Companies Act, 2013.

### Class of Shares

The company has only one class of shares i.e. Equity shares of ₹10 each only.

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

| Sr. No. | Particulars of Increase          | Cumulative no. of equity shares | Cumulative Authorised Share Capital (₹ in Lacs) | Date of Meeting   | Whether AGM/EGM |
|---------|----------------------------------|---------------------------------|---|-------------------|-----------------|
| 1.      | On incorporation                 | 1,00,000                        | 10.00   | -                 | -               |
| 2.      | Increase from 10 Lacs to 50 Lacs | 5,00,000                        | 50.00   | July 3, 1996      | EGM             |
| 3.      | Increase from 50 Lacs to 80 Lacs | 8,00,000                        | 80.00   | March 23, 1998    | EGM             |
| 4.      | Increase from 80 Lacsto 1 crore  | 10,00,000                       | 100.00  | February 28, 2002 | EGM             |
| 5.      | Increase from 1 to 1.30 Crore    | 13,00,000                       | 130.00  | November 15, 2009 | EGM             |
| 6.      | Increase from 1.30 to 1.50 Crore | 15,00,000                       | 150.00  | July 16, 2012     | EGM             |



|    |                               |           |        |                |     |
|----|-------------------------------|-----------|--------|----------------|-----|
| 7. | Increase from 1.50 to 3 Crore | 30,00,000 | 300.00 | March 25, 2013 | EGM |
| 8. | Increase from 3 to 4.50 Crore | 45,00,000 | 450.00 | July 21, 2016  | EGM |

## Notes to the Capital Structure:

### 1. Share capital history

| Date of allotment | Number of equity shares | Face value | Issue price | Nature of consideration (Cash, other than Cash, Bonus) | Nature of allotment/ Transaction | Cumulative Equity share Capital |
|-------------------|-------------------------|------------|-------------|--|----------------------------------|---------------------------------|
| July 27, 1994     | 40                      | 10         | 10          | Cash   | Subscription to Memorandum       | 400                             |
| August 02, 1996   | 3,74,000                | 10         | 10          | Cash   | Further allotment                | 37,40,400                       |
| December 02, 1997 | 4,18,000                | 10         | 10          | Cash   | Further allotment                | 79,20,400                       |
| March 20, 2002    | 2,00,000                | 10         | 10          | Cash   | Further allotment                | 99,20,400                       |
| August 30, 2012   | 5,00,000                | 10         | 10          | Cash   | Further allotment                | 1,49,20,400                     |
| August 16, 2016   | 14,92,040               | 10         | -           | Bonus^   | Bonus issue                      | 2,98,40,800                     |

#### Note:

Our Company has issued Equity Share for consideration other than cash (Bonus Shares) on August 16, 2016. Further, our Company has not allotted any Equity Shares pursuant to any scheme approved under section 391-394 of the Companies Act, 1956.

^Details of Capitalization of the reserves is given herein below:

| Date of allotment of Bonus Shares | Ratio of Bonus issue | Number of Equity shares issued as Bonus Shares | Face value of the shares (₹) | Amount of Profit Capitalized (In ₹) |
|-----------------------------------|----------------------|--|------------------------------|-------------------------------------|
| August 16, 2016                   | 1:1                  | 14,92,040                                      | 10                           | 1,49,20,400                         |

### 2. Share Capital Build-up of our Promoters & Lock-in:

Our Promoters had been allotted Equity Shares from time to time. The following is the Equity share capital build-up of our Promoters.

| Name of Promoter           | Date of Allotment / Transfer | Nature of Issue Allotment / Transfer | Consideration | Number of shares | Face Value | Issue/ Transfer Price | % of Pre Issue Capital | % of post issue Capital | Lock in Period |
|----------------------------|------------------------------|--------------------------------------|---------------|------------------|------------|-----------------------|------------------------|-------------------------|----------------|
| <b>Manindersingh Jolly</b> | July 20, 1994                | Subscription to Memorandum           | 10            | 10               | 10         | 10                    | 0.00                   | 0.00                    | 3 Years        |
|                            | August 02, 1996              | Allotment                            | 10            | 45,000           | 10         | 10                    | 1.51                   | 1.10                    | 3 years        |
|                            | December 02, 1997            | Allotment                            | 10            | 4,000            | 10         | 10                    | 0.13                   | 0.10                    | 3 Years        |
|                            | March 20, 2002               | Allotment                            | 10            | 70,000           | 10         | 10                    | 2.35                   | 1.71                    | 3 Years        |

|                          |                    |                 |     |                  |    |     |              |              |         |
|--------------------------|--------------------|-----------------|-----|------------------|----|-----|--------------|--------------|---------|
|                          | November 03, 2003  | Transfer (Sold) | 10  | (9010)           | 10 | 10  | (0.30)       | (0.22)       | -       |
|                          | September 20, 2004 | Transfer        | 10  | 45,000           | 10 | 10  | 1.51         | 1.10         | 3 Years |
|                          | September 20, 2004 | Transfer        | 10  | 30,000           | 10 | 10  | 1.01         | 0.73         | 3 years |
|                          | September 20, 2004 | Transfer        | 10  | 10,000           | 10 | 10  | 0.34         | 0.24         | 3 Years |
|                          | September 20, 2004 | Transfer        | 10  | 1,87,100         | 10 | 10  | 6.27         | 4.57         | 3 years |
|                          | August 30, 2012    | Allotment       | 10  | 1,60,000         | 10 | 10  | 5.36         | 3.91         | 3 Years |
|                          | July 11, 2016      | Transfer        | 10  | (1,000)          | 10 | 25  | (0.03)       | (0.02)       | -       |
|                          | August 16, 2016    | Bonus           | Nil | 5,41,100         | 10 | Nil | 18.13        | 13.22        | 1 Year  |
|                          | <b>Total</b>       |                 |     | <b>10,82,200</b> |    |     | <b>36.27</b> | <b>26.43</b> |         |
|                          |                    |                 |     |                  |    |     |              |              |         |
| <b>Anureetkaur Jolly</b> | December 02, 1997  | Allotment       | 10  | 2,500            | 10 | 10  | 0.08         | 0.06         | 3 Years |
|                          | September 20, 2004 | Transfer        | 10  | 3,02,500         | 10 | 10  | 10.14        | 7.39         | 3 years |
|                          | August 30, 2012    | Allotment       | 10  | 2,00,000         | 10 | 10  | 6.70         | 4.89         | 1 Year  |
|                          | August 16, 2016    | Bonus           | Nil | 5,05,000         | 10 | -   | 16.92        | 12.33        | 1 year  |
|                          | <b>Total</b>       |                 |     | <b>10,10,000</b> |    |     | <b>33.85</b> | <b>24.67</b> |         |

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20.67% of the post-Issue Equity Share Capital of our Company i.e. 8,46,100 equity shares shall be locked in by our Promoters for three years. The lock-in shall commence from the date of allotment in the proposed public issue. ("Promoters contribution").

The Promoters' contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Company has obtained written consents from our Promoters for the lock-in of 8,46,100 Equity Shares.

We confirm that the minimum Promoters' contribution of 20.67% as per Regulation 33 of the SEBI ICDR Regulations which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding 3 (three) years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- Equity Shares acquired during the preceding 3 (three) years resulting from a bonus issue by utilisation of revaluations reserves or unrealised profits of the Issuer or from bonus issue against Equity Shares which are ineligible for computation of Promoters' contribution;
- Equity Shares acquired by the Promoter during the preceding 1 (one) year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

- iv. Equity Shares allotted to the Promoters during the preceding 1 (one) year, at a price lower than the Issue Price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms and there is no change in the management;

We further confirm that our Promoters' Contribution does not include any contribution from Alternative Investment Funds.

### **3. Details of Shares locked-in for one year**

- a. Pursuant to Regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters' Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-offer Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Offer, other than the Equity Shares allotted and subscribed pursuant to the Offer for Sale.
- b. Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the offer and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Prospectus, none of the Equity Shares held by our Promoters has been pledged to any person, including banks and financial institutions.
- c. Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a 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 Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- d. Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

### **4. Details of share capital locked in for 1 (one) year**

Pursuant to Regulation 36(b) and Regulation 37 of the SEBI ICDR Regulations, the Promoters' holding in excess of Minimum Promoters' Contribution and the entire pre-Issue share capital held by persons other than Promoters' shall be locked-in for a period of 1 (one) year from the date of Allotment in this Issue.

### **5. Shareholding Pattern of our Company:**

The following table presents the shareholding pattern of Our Company/ promoter/ public

- A. The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of this Prospectus:

(i) Summary of Shareholding Pattern

| Cat<br>eg<br>ory<br>(I) | Category of<br>shareholder<br>(II)   | N<br>os<br>of<br>sh<br>ar<br>eh<br>ol<br>de<br>rs<br>(III<br>) | No of<br>fully<br>paid-up<br>equity<br>shares<br>held (IV) | N<br>o<br>of<br>Pa<br>rtl<br>y<br>pa<br>id-<br>up<br>eq<br>uit<br>y<br>sh<br>ar<br>es<br>he<br>ld<br>(V<br>) | No of sh<br>are<br>s<br>un<br>der<br>ly<br>ng<br>De<br>po<br>sit<br>ory<br>Re<br>cei<br>pts<br>(VI) | Total<br>nos.<br>shares<br>held (VII)<br>=<br>(IV)+(V)+<br>(VI) | Shareh<br>olding<br>as a %<br>of total<br>no. of<br>shares<br>(calcul<br>ated as<br>per<br>SCRR,<br>1957)<br>(VIII)<br>As a %<br>of<br>(A+B+<br>C2) | Number of Voting Rights held in<br>each class of securities (IX) |                                   |                                      | No of shar<br>es<br>Und<br>erly<br>ng<br>Out<br>stand<br>ing<br>con<br>verti<br>ble<br>secu<br>ritie<br>s<br>(Incl<br>udin<br>g<br>Warr<br>ants<br>) (X) | Shareho<br>lding ,<br>as a %<br>assumin<br>g full<br>conversi<br>on of<br>converti<br>ble<br>securitie<br>s (as a<br>percenta<br>ge of<br>diluted<br>share<br>capital)<br>(XI)=(VII)<br>+(X) As<br>a % of<br>(A+B+C2<br>) | Number of<br>Locked in<br>shares (XII) |  | Number of<br>shares<br>pledged<br>or<br>otherwis<br>e<br>encumb<br>ered<br>(XIII) |  | Num<br>ber<br>of<br>equit<br>y<br>share<br>s<br>held<br>in<br>dema<br>teriliz<br>ed<br>form<br>(XIV) |   |
|-------------------------|--------------------------------------|--|--|--|---|---|---|--|-----------------------------------|--------------------------------------|--|---|--|--|---|--|--|---|
|                         |                                      |  |  |  |   |   |   | No of Voting Rights  |                                   | Total<br>as a %<br>of<br>(A+B+<br>C) |  |   | No. (a)                                | As a<br>% of<br>total<br>shar<br>es<br>held<br>(b) | No<br>.<br>(a)  | As<br>a<br>%<br>of<br>tot<br>al<br>sh<br>are<br>s<br>hel<br>d<br>(b) |  |   |
|                         |                                      |  |  |  |   |   |   | Class<br>eg: X   | Cl<br>a<br>s<br>s<br>e<br>g:<br>Y | Total                                |  |   |  |  |   |  |  |   |
| (A)                     | Promoter &<br>Promoter<br>Group      | 6  | 2974080  | 0  | 0   | 2974080   | 99.67   | 2974080  | 0                                 | 2974080                              | 99.67  | 0   | 99.67                                  | 2974080  | 99.67   | 0  | 0.0<br>0   | 0 |
| (B)                     | Public                               | 2  | 10000  | 0  | 0   | 10000   | 0.33  | 10000  | 0                                 | 10000                                | 0.33   | 0   | 0.33                                   | 10000  | 0.33  | N.<br>A  | N.A  | 0 |
| (C)                     | Non<br>Promoter-<br>Non Public       | 0  | 0  | 0  | 0   | 0   | 0   | 0  | 0                                 | 0                                    | 0  | 0   | 0                                      | 0  | 0   | N.<br>A  | N.A  | 0 |
| (C1)                    | Shares<br>underlying<br>DRs          | 0  | 0  | 0  | 0   | 0   | 0   | 0  | 0                                 | 0                                    | 0  | 0   | 0                                      | 0  | 0   | N.<br>A  | N.A  | 0 |
| (C2)                    | Shares held<br>by Employee<br>Trusts | 0  | 0  | 0  | 0   | 0   | 0   | 0  | 0                                 | 0                                    | 0  | 0   | 0                                      | 0  | 0   | N.<br>A  | N.A  | 0 |
|                         |                                      | 8  | 2984080  |  |   | 2984080   | 100.00  | 2984080  | 0                                 | 2984080                              | 100.00   | 0   | 100.00                                 | 2984080  | 100   | 0  | 0  | 0 |

ii. Shareholding Pattern of the Promoter and Promoter Group

|     | Category & Name of the shareholders (I) | PAN (II)*  | No s of sha reh old er (III) | No of fully paid-up equity shares held (IV) | Partl y paid -up equi ty shar es held (V) | No of shar es und erlyi ng Dep osit ory Rec eipt s (VI) | Total nos. shares held (VII) = (IV)+(V) +(VI) | Share holdin g % calcul ated as per SCRR, 1957) As a % of (A+B+ C2) (VIII) | Number of Voting Rights held in each class of securities (IX) |          |         |                                     | No of shares Underl ying Outsta nding conver tible securiti es (Includi ng Warran ts) (X) | Shareho lding , as a % assumi ng full convers ion of converti ble securiti es (as a percent age of diluted share capital) (XI)=(VII )+(X) as a % of (A+B+C 2) | Number of Locked in shares (XII) |                                  | Number of shares pledged or otherwise encumbare d (XIII) |                                  | Nu mb er of equ it y sha res held in de ma teri lize d for m (XI V) |
|-----|---|------------|------------------------------|---|---|---|---|--|---|----------|---------|-------------------------------------|---|---|----------------------------------|----------------------------------|--|----------------------------------|---|
|     |   |            |                              |   |   |   |   |  | No of Voting Rights   |          |         | Total as a % of Total Voting Rights |   |   | No. (a)                          | As a % of total share s held (b) | No. (a)  | As a % of total share s held (b) |   |
|     |   |            |                              |   |   |   |   |  | Class X   | Cla ss Y | Total   |                                     |   |   |                                  |                                  |  |                                  |   |
| (1) | Indian                                  |            |                              |   |   |   |   |  |   |          |         |                                     |   |   |                                  |                                  |  |                                  |   |
| (a) | Individuals/H. U.F                      |            | 5                            | 2972080                                     | 0   | 0   | 2972080                                       | 99.60  | 2972080   | 0        | 2972080 | 99.60                               | 0   | 99.60   | 2972080                          | 99.60                            | -  | -                                | 0   |
| 1   | Mr. Manindersingh Jolly                 | AAWPJ4437E |                              | 1082200                                     | 0   | 0   | 1082200                                       | 36.27  | 1082200   | 0        | 1082200 | 36.27                               | 0   | 36.27   | 1082200                          | 36.27                            | -  | -                                | 0   |
| 2   | Ms. Anureetkaur Jolly                   | AEAPJ6658R |                              | 1010000                                     | 0   | 0   | 1010000                                       | 33.85  | 1010000   | 0        | 1010000 | 33.85                               | 0   | 33.85   | 1010000                          | 33.85                            | -  | -                                | 0   |
| 3   | Mr. Karan M Jolly                       | AIIPJ2213N |                              | 401000                                      | 0   | 0   | 401000  | 13.44  | 401000  | 0        | 401000  | 13.44                               | 0   | 13.44   | 401000                           | 13.44                            | -  | -                                | 0   |
| 4   | Mr. Harpreet Jolly                      | ATVPS1919G |                              | 288880                                      | 0   | 0   | 288880  | 9.68   | 288880  | 0        | 288880  | 9.68                                | 0   | 9.68  | 288880                           | 9.68                             | -  | -                                | 0   |
| 5   | Mr. Nirmal Sing Munder                  | ABOPM1002H |                              | 190000                                      | 0   | 0   | 190000  | 6.37   | 190000  | 0        | 190000  | 6.37                                | 0   | 6.37  | 190000                           | 6.37                             | -  | -                                | 0   |

|            |  |             |          |                |          |          |                |              |                |          |                |              |          |              |                |              |          |          |          |
|------------|--|-------------|----------|----------------|----------|----------|----------------|--------------|----------------|----------|----------------|--------------|----------|--------------|----------------|--------------|----------|----------|----------|
| (b)        | Cental/State Government(s)   |             | 0        | 0              | 0        | 0        | 0              | 0.00         | 0              | 0        | 0              | 0            | 0        | 0.00         | -              | -            | -        | -        | 0        |
| (c)        | Financial Institutions/Banks   |             | 0        | 0              | 0        | 0        | 0              | 0.00         | 0              | 0        | 0              | 0            | 0        | 0.00         | -              | -            | -        | -        | 0        |
| (d)        | Any Other (Specify)  |             |          |                |          |          |                |              |                |          |                |              |          |              |                |              |          |          | 0        |
|            | Bodies Corporate   |             | 1        | 2000           | 0        | 0        | 2000           | 0.07         | 2000           | 0        | 2000           | 0.07         | 0        | 0.07         | 2000           | 0.07         | -        | -        | 0        |
| 1          | Profile Bio-Chemical Industries Private Limited                            | AAACP38 17B |          | 2000           | 0        | 0        | 2000           | 0.07         | 2000           | 0        | 2000           | 0.07         | 0        | 0.07         | 2000           | 0.07         | -        | -        | 0        |
|            | <b>Sub- Total (A)(1)</b>   |             | <b>6</b> | <b>2974080</b> | <b>0</b> | <b>0</b> | <b>2974080</b> | <b>99.67</b> | <b>0</b>       | <b>0</b> | <b>0</b>       | <b>0</b>     | <b>0</b> | <b>99.67</b> | <b>2974080</b> | <b>99.67</b> | <b>-</b> | <b>-</b> | <b>0</b> |
| <b>(2)</b> | <b>Foreign</b>   |             |          |                |          |          |                |              |                |          |                |              |          |              |                |              |          |          |          |
| (a)        | Individuals (Non-Resident Individuals/ Foreign Individuals)                |             | 0        | 0              | 0        | 0        | 0              | 0.00         | 0              | 0        | 0              | 0            | 0        | 0            | -              | -            | -        | -        | 0        |
| (b)        | Government   |             | 0        | 0              | 0        | 0        | 0              | 0.00         | 0              | 0        | 0              | 0            | 0        | 0            | -              | -            | -        | -        | 0        |
| (c)        | Institutions   |             | 0        | 0              | 0        | 0        | 0              | 0.00         | 0              | 0        | 0              | 0            | 0        | 0            | -              | -            | -        | -        | 0        |
| (d)        | Foreign Portfolio Investor   |             | 0        | 0              | 0        | 0        | 0              | 0.00         | 0              | 0        |                |              |          |              | -              | -            | -        | -        |          |
| (e)        | Any Other (Specify)  |             | 0        | 0              | 0        | 0        | 0              | 0.00         |                |          |                |              |          |              | -              | -            | -        | -        |          |
|            | <b>Sub- Total (A)(2)</b>   |             | <b>0</b> | <b>0</b>       | <b>0</b> | <b>0</b> | <b>0</b>       | <b>0.00</b>  | <b>0</b>       | <b>0</b> | <b>0</b>       | <b>0</b>     | <b>0</b> | <b>0</b>     | <b>-</b>       | <b>-</b>     | <b>-</b> | <b>-</b> | <b>0</b> |
|            | <b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b> |             | <b>6</b> | <b>2974080</b> | <b>0</b> | <b>0</b> | <b>2974080</b> | <b>99.67</b> | <b>2974080</b> | <b>0</b> | <b>2974080</b> | <b>99.67</b> | <b>0</b> | <b>99.67</b> | <b>2974080</b> | <b>99.67</b> | <b>-</b> | <b>-</b> | <b>0</b> |

iii. Shareholding Pattern of our Public Shareholder

| Shareholding Pattern of our Public Shareholder |   |          |                              |   |   |   |   |  |   |          |       |                                     |   |   |                                  |                                  |   |  |   |
|--|---|----------|------------------------------|---|---|---|---|--|---|----------|-------|-------------------------------------|---|---|----------------------------------|----------------------------------|---|--|---|
|  | Category & Name of the shareholders (I) | PAN (II) | No s of sha reh old er (III) | No of fully paid-up equity shares held (IV) | Partl y paid -up equi ty shar es held (V) | No of shar es und erlyi ng Dep osit ory Rec eipt s (VI) | Total nos. shares held (VII) = (IV)+(V) +(VI) | Share holdin g % calcul ated as per SCRR, 1957) As a % of (A+B+ C2) (VIII) | Number of Voting Rights held in each class of securities (IX) |          |       |                                     | No of shares Underl ying Outsta nding conver tible securiti es (Includi ng Warran ts) (X) | Shareho lding , as a % assumi ng full convers ion of converti ble securiti es (as a percent age of diluted share capital) (XI)=(VII )+(X) as a % of (A+B+C 2) | Number of Locked in shares (XII) |                                  | Num ber of shar es pled ged or othe rwise enc umb ared (XIII) | As a % of total share s held (Not applic able)( b) | Num ber of equity sha res held in de materi alized form (XIV) |
|  |   |          |                              |   |   |   |   |  | No of Voting Rights   |          |       | Total as a % of Total Voting Rights |   |   | No. (a)                          | As a % of total share s held (b) |   |  |   |
|  |   |          |                              |   |   |   |   |  | Class X   | Clas s Y | Total |                                     |   |   |                                  |                                  |   |  |   |
| (1)  | Institutions                            |          |                              |   |   |   |   |  |   |          |       |                                     |   |   |                                  |                                  |   |  |   |
| (a)  | Mutual Fund/UTI                         | -        | 0                            | -   | -   | -   | -   | -  | -   | -        | -     | -                                   | -   | -   | -                                | -                                | NA  | -  |   |
| (b)  | Venture Capital Funds                   | -        | 0                            | -   | -   | -   | -   | -  | -   | -        | -     | -                                   | -   | -   | -                                | -                                | NA  | -  |   |
| ( c)   | Alternate Investment Funds              | -        | 0                            | -   | -   | -   | -   | -  | -   | -        | -     | -                                   | -   | -   | -                                | -                                | NA  | -  |   |
| (d)  | Foreign Venture Capital Investors       | -        | 0                            | -   | -   | -   | -   | -  | -   | -        | -     | -                                   | -   | -   | -                                | -                                | NA  | -  |   |
| (e)  | Foreign Portfolio Investors             | -        | 0                            | -   | -   | -   | -   | -  | -   | -        | -     | -                                   | -   | -   | -                                | -                                | NA  | -  |   |
| (f)  | Financial Institutions                  | -        | 0                            | -   | -   | -   | -   | -  | -   | -        | -     | -                                   | -   | -   | -                                | -                                | NA  | -  |   |

|     |  |   |   |       |   |   |       |      |       |   |       |      |   |      |       |      |    |   |
|-----|--|---|---|-------|---|---|-------|------|-------|---|-------|------|---|------|-------|------|----|---|
|     | Banks  |   |   |       |   |   |       |      |       |   |       |      |   |      |       |      |    |   |
| (g) | Insurance Companies  | - | 0 | -     | - | - | -     | -    | -     | - | -     | -    | - | -    | -     | -    | NA | - |
| (h) | Provident Funds/Pension Funds  | - | 0 | -     | - | - | -     | -    | -     | - | -     | -    | - | -    | -     | -    | NA | - |
| (i) | Any Other (specify)  | - | 0 | -     | - | - | -     | -    | -     | - | -     | -    | - | -    | -     | -    | NA | - |
|     | <b>Sub- Total (B)(1)</b>   |   | 0 | 0     | 0 | 0 | 0     | 0    | 0     | 0 | 0     | 0    | 0 | 0    | 0     | 0    | NA | 0 |
| (2) | <b>Central Government/State Government(s)/President of India</b>                       |   | 0 | -     | - | - | -     | -    | -     | - | -     | -    | - | -    | -     | -    | NA | - |
|     | <b>Sub- Total (B)(2)</b>   |   | 0 | 0     | 0 | 0 | 0     | 0    | 0     | 0 | 0     | 0    | 0 | 0    | 0     | 0    | NA | 0 |
| (3) | <b>Non-Institutions</b>  |   | 0 | 0     | 0 | 0 | 0     | 0.00 | 0     | 0 | 0     | 0    | 0 | 0    | 0     | 0    | NA | - |
| (a) | <b>Individuals -</b>   |   |   |       |   |   |       |      |       |   |       |      |   |      |       |      |    |   |
|     | <b>i.Individual shareholders holding nominal share capital up to ₹2 lakhs.</b>         |   | 2 | 10000 | 0 | 0 | 10000 | 0.33 | 10000 | 0 | 10000 | 0.33 | 0 | 0.33 | 10000 | 0.33 | NA | - |
|     | <b>ii.Individual shareholders holding nominal share capital in excess of ₹2 lakhs.</b> |   | 0 | 0     | 0 | 0 | 0     | 0    | 0     | 0 | 0     | 0    | 0 | 0    | 0.00  | 0    | NA | 0 |
| (b) | <b>NBFCs registered with RBI</b>   |   | 0 | 0     | 0 | 0 | 0     | 0.00 | 0     | 0 | 0     | 0    | 0 | 0    | 0.00  | 0    | NA | 0 |



|     |  |  |   |       |   |   |       |      |       |   |       |      |   |      |       |      |    |   |
|-----|--|--|---|-------|---|---|-------|------|-------|---|-------|------|---|------|-------|------|----|---|
| (C) | Employee Trust   |  | 0 | 0     | 0 | 0 | 0     | 0.00 | 0     | 0 | 0     | 0    | 0 | 0    | 0.00  | 0    | NA | 0 |
| (d) | Overseas Depositories (holding DRs) (balancing figure) |  | 0 | 0     | 0 | 0 | 0     | 0.00 | 0     | 0 | 0     | 0    | 0 | 0    | 0.00  | 0    | NA | 0 |
| (e) | Any Other (Specify)                                    |  | 0 | 0     | 0 | 0 | 0     | 0.00 | 0     | 0 | 0     | 0    | 0 | 0    | 0.00  |      | NA |   |
|     | Sub- Total (B)(3)                                      |  | 2 | 10000 | 0 | 0 | 10000 | 0.33 | 10000 | 0 | 10000 | 0.33 | 0 | 0.33 | 10000 | 0.33 | NA | 0 |
|     | Total Public Sharehold ing (B)=(B)(1)+( B)(2)+(B)(3)   |  | 2 | 10000 | 0 | 0 | 10000 | 0.33 | 10000 | 0 | 10000 | 0.33 | 0 | 0.33 | 10000 | 0.33 | NA | 0 |

iv. Statement showing shareholding pattern of the Non Promoter-Non Public Shareholder

|     | Category & Name of the shareholders (I)         | PAN (II) | Nos of shareholder (III) | No of fully paid-up equity shares held (IV) | Partly paid-up equity shares held (V) | No of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares( calculated as per SCRR, 1957) As a % of (A+B+C 2) (VIII) | Number of Voting Rights held in each class of securities (IX) |           |       |                                     | No of shares Underlying Outstanding convertible securities (Including Warrants) (X) | Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital ) (XI)=(VII)+(X) As a % of (A+B+ C2) | Number of Locked in shares (XII) |                             | Number of shares pledged or otherwise encumbered (XIII) |  | Number of equity shares held in dematerialized form (XIV) |
|-----|---|----------|--------------------------|---|---------------------------------------|--|--|--|---|-----------|-------|-------------------------------------|---|---|----------------------------------|-----------------------------|---|--|---|
|     |   |          |                          |   |                                       |  |  |  | No of Voting Rights   |           |       | Total as a % of Total Voting Rights |   |   | No.                              | As a % of total shares held | No. (Not applicable)                                    | As a % of total shares held (Not applicable) |   |
|     |   |          |                          |   |                                       |  |  |  | Class : X   | Class : Y | Total |                                     |   |   |                                  |                             |   |  |   |
| (1) | Custodian/ DR Holder                            |          |                          |   |                                       |  |  |  |   |           |       |                                     |   |   |                                  |                             |   | NA   | 0   |
| (a) | Name of DR Holder (If available)                | -        | 0                        | 0   | 0                                     | 0  | 0  | 0  | 0   | 0         | 0     | 0                                   | 0   | 0   | 0                                | 0                           |   | NA   | 0   |
|     | Sub total (C) (1)                               | -        | 0                        | 0   | 0                                     | 0  | 0  | 0  | 0   | 0         | 0     | 0                                   | 0   | 0   | 0                                | 0                           |   | NA   | 0   |
| (2) | Employee Benefit Trust (Under SEBI (Share based | -        | 0                        | 0   | 0                                     | 0  | 0  | 0  | 0   | 0         | 0     | 0                                   | 0   | 0   | 0                                | 0                           |   | NA   | 0   |

|  |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |
|--|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|----|---|
|  | Employee Benefit ) Regulation s, 2014)                         |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |    |   |
|  | Sub total (C) (2)  | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NA |   |
|  | Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2) | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NA | 0 |

Our Company will file shareholding pattern of our Company in, the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of NSE before commencement of trading of such equity shares.

6. The shareholding pattern of our Promoter and Promoter Group before and after the Issue:

| Sr. N o.            | Name of share holder                           | Pre issue           |                          | Post issue          |                          |
|---------------------|--|---------------------|--------------------------|---------------------|--------------------------|
|                     |  | No of equity shares | As a % of Issued Capital | No of equity shares | As a % of Issued Capital |
| (i) Promoters       |  |                     |                          |                     |                          |
| 1.                  | Manindersingh Jolly                            | 10,82,200           | 36.27                    | 10,82,200           | 26.43                    |
| 2.                  | Anureetkaur Jolly                              | 10,10,000           | 33.85                    | 10,10,000           | 24.67                    |
|                     | Total  | 20,92,200           | 70.11                    | 20,94,200           | 51.10                    |
| (ii) Promoter Group |  |                     |                          |                     |                          |
| 3.                  | Karan M Jolly                                  | 4,01,000            | 13.44                    | 4,01,000            | 9.79                     |
| 4.                  | Harpreet Jolly                                 | 2,88,880            | 9.68                     | 2,88,880            | 7.06                     |
| 5.                  | Nirmal Sing Munder                             | 1,90,000            | 6.37                     | 1,90,000            | 4.64                     |
| 6.                  | Prolife Bio-Chemical Industries PrivateLimited | 2,000               | 0.06                     | 2,000               | 0.05                     |
|                     | Total  | 8,81,880            | 29.55                    | 8,81,880            | 21.54                    |
| (iii) Public        |  |                     |                          |                     |                          |
| 7.                  | Mukesh Mehta                                   | 6,000               | 0.20                     | 6,000               | 0.15                     |
| 8.                  | Ashok P Jain                                   | 4,000               | 0.13                     | 4,000               | 0.10                     |
|                     | Total  | 10,000              | 0.34                     | 10,000              | 0.25                     |

7. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure within a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise except that if we enter into acquisition(s) or joint ventures, we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
8. During the past six months immediately preceding the date of filing Draft Prospectus no Equity shares of the company have been purchased or sold by our Promoter, their relatives and associates, persons in Promoter Group [as defined under sub clause (zb) sub regulation (1) Regulation 2 of SEBI (ICDR) Regulations.
9. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months preceding the date of filing of the Prospectus.
10. Neither our Company, nor the directors or the Promoters, or the Lead Manager have entered into any buy-back and/or standby/ safety net arrangements for the purchase of Equity Shares of our Company.
11. There are no safety net arrangements for this public issue.
12. An oversubscription to the Issue cannot be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment.
13. There are no outstanding warrants, financial instruments or any rights, which would entitle the Promoters or the shareholders of our Company or any other person any option to acquire any of the Equity Shares.
14. The Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of the Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.

**15. 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 under:-

| Sr. No | Name of shareholder                            | No of shares held | % of paid up capital |
|--------|--|-------------------|----------------------|
| 1.     | Manindersingh Jolly                            | 10,82,200         | 36.27                |
| 2.     | Anureetkaur jolly                              | 10,10,000         | 33.85                |
| 3.     | Karan M Jolly                                  | 4,01,000          | 13.44                |
| 4.     | Harpreet Jolly                                 | 2,88,880          | 9.68                 |
| 5.     | Nirmal Sing Munder                             | 1,90,000          | 6.37                 |
| 6.     | Prolife bio-Chemical Industries PrivateLimited | 2,000             | 0.06                 |
| 7.     | Mukesh Mehta                                   | 6,000             | 0.20                 |
| 8.     | Ashok P Jain                                   | 4,000             | 0.13                 |
|        | <b>Total</b>                                   | <b>29,84,080</b>  | <b>100</b>           |

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

| Sr. No | Name of shareholder                            | No of shares held | % of paid up capital |
|--------|--|-------------------|----------------------|
| 1.     | Manindersingh Jolly                            | 10,82,200         | 36.27                |
| 2.     | Anureetkaur jolly                              | 10,10,000         | 33.85                |
| 3.     | Karan M Jolly                                  | 4,01,000          | 13.43                |
| 4.     | Harpreet Jolly                                 | 2,88,880          | 9.68                 |
| 5.     | Nirmal SinghMunder                             | 1,90,000          | 6.37                 |
| 6.     | Prolife bio-Chemical Industries PrivateLimited | 2,000             | 0.06                 |
| 7.     | Mukesh Mehta                                   | 6,000             | 0.20                 |
| 8.     | Ashok P Jain                                   | 4,000             | 0.13                 |
|        | <b>Total</b>                                   | <b>29,84,080</b>  | <b>100</b>           |

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

| Sr. No | Name of shareholder | No of shares held | % of paid up capital |
|--------|---------------------|-------------------|----------------------|
| 1.     | Manindersingh Jolly | 5,42,100          | 36.33                |
| 2.     | Anureetkaur jolly   | 5,05,000          | 33.85                |
| 3.     | Karan M Jolly       | 2,00,500          | 13.44                |
| 4.     | Harpreet Jolly      | 1,44,440          | 9.68                 |
| 5.     | NirmalsinghMunder   | 95,000            | 6.37                 |
| 6.     | Mukesh Mehta        | 3,000             | 0.20                 |
| 7.     | Ashok P Jain        | 2,000             | 0.13                 |
|        | <b>Total</b>        | <b>14,92,040</b>  | <b>100.00</b>        |

16. Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter Group between the date of registering Prospectus with the Registrar of Companies and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
17. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
18. There shall be only one denomination of Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms.
19. Till date Company has not introduced any Employees Stock Option Schemes/ Employees Stock Purchase Schemes.
20. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines

- 21.** An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
- 22.** No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
- 23.** Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- 24.** As on the date of the Prospectus, the total number of holders of Equity Shares in our Company is 8 (Eight).
- 25.** Our Promoter and the members of our Promoter Group will not participate in this Issue.
- 26.** Our Company has not made any public issue or right issue since its incorporation.
- 27.** Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Prospectus.
- 28.** None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except Mr. Manindersingh Jolly, Chairman and Managing director, Mrs. Anureet Kaur Jolly, director who are holding 10,82,200, and 10,10,000 equity shares respectively in our Company, for further details of holding see the chapter titled "Our Management" beginning on page number 102.

## SECTION IV - PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The objects of the Issue are:

1. Expansion of our existing manufacturing operations;
2. General Corporate Purpose;
3. Meeting Public Issue Expenses.

The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on NSE. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

### Cost of Project and Means of Finance

The Cost of Project and Means of Finance as estimated by our management are given below:

#### Cost of Project

(₹ In lacs)

| Sr. No. | Particulars  | Amount        |
|---------|--|---------------|
| 1.      | Expansion of our existing manufacturing operations | 406.66        |
| 2.      | General Corporate Purpose                          | 100.00        |
| 3.      | Public Issue Expenses                              | 35.00         |
|         | <b>Total</b>                                       | <b>541.66</b> |

#### Means of Finance

(₹ In Lacs)

| Sr. No. | Particulars                        | Amount        |
|---------|------------------------------------|---------------|
| 1.      | Proceeds from Initial Public Offer | 421.80        |
| 2.      | Internal Accruals*                 | 119.86        |
|         | <b>Total</b>                       | <b>541.66</b> |

\*Our Company had already incurred expenditure of ₹. 119.86 Lacs upto October 25, 2016 towards expansion of our existing manufacturing operations out of its internal accruals.

The cost of the project as stated above are intended to be funded from the Proceeds of the Issue and internal accruals. Hence, we confirm that there is no requirement for us under Regulation 4 (2) (g) of the SEBI ICDR Regulations and Clause VII C of Part A of Schedule VIII of the SEBI ICDR Regulations to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue and existing identifiable internal accruals.

#### Utilization of Proceeds of IPO

(₹ in lacs)

| Sr. No. | Major Heads of Expenditure                         | Amount        |
|---------|--|---------------|
| 1.      | Expansion of our existing manufacturing operations |               |
| (A).    | Building & Civil Work <sup>^</sup>                 | 64.30         |
| (B).    | Plant and Machinery <sup>^^</sup>                  | 222.50        |
| 2.      | General Corporate Purpose                          | 100.00        |
| 3.      | Public Issue Expenses                              | 35.00         |
|         | <b>Total</b>                                       | <b>421.80</b> |

<sup>^</sup>Out of the total cost of Building and Civil work of ₹. 129.67 Lacs, our Company had already incurred expenditure of ₹. 65.37 lacs as at October 25, 2016 and balance expenditure of ₹. 64.30 Lacs will be incurred out of the proceeds of the Issue.

<sup>^^</sup>Out of the total cost of Plant and Machinery of ₹. 276.99 Lacs, our Company had already incurred expenditure of ₹ 54.49 Lacs and balance amount of ₹. 222.50 lacs will be incurred out of the proceeds of the issue.

Our fund requirements and deployment thereof are based on the estimates of our management. These are based on current circumstances of our business and are subject to change in light of changes in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals, debt or equity financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

No part of the issue proceeds will be paid as consideration to Promoter, Promoter Group, Group Entities, directors, Key Managerial Personnel and associates.

### Brief Details about the Project

The Company at present has factory at 213, G.I.D.C. Panoli, Ankleshwar and the Company is planning for Expansion of our existing manufacturing operations.

### DETAILED BREAK UP OF THE PROJECT COST

#### (1) Expansion of our existing manufacturing operations

The overall project cost has been estimated at ₹ 541.66 Lacs, which is estimated as under:

(₹ in lacs)

| Sr. No. | Major Heads of Expenditure | Amount        |
|---------|----------------------------|---------------|
| (A).    | Building & Civil Works     | 129.67        |
| (B).    | Plant and Machinery        | 276.99        |
| (2)     | General Corporate Purpose  | 100.00        |
| (3)     | Issue Expenses             | 35.00         |
|         | <b>Total</b>               | <b>541.66</b> |

#### (A). Building & Civil Works

The overall cost of building and civil works to construct the building has been estimated to ₹ 129.67 Lacs.

Our Company has received quotations from Gope Construction, dated March 20, 2016 which is as under:

| Sr. No. | Description    | No.   | Length   | Width    | Height | Breadth | Total MSMT | Rate    | Amount (₹ in lacs) |
|---------|----------------|-------|----------|----------|--------|---------|------------|---------|--------------------|
| 1       | BEAM           | 4.00  | 76.17    | 1.50     | 1.17   | 534.71  |            |         |                    |
|         |                | 6.00  | 46.17    | 1.50     | 1.17   | 486.17  | 1020.88    | 1149.00 | 11.73              |
| 2       | SLAB           | 1.00  | 46.17    | 76.17    |        |         | 3516.76    | 375.00  | 13.19              |
| 3       | EXAVATION      | 24.00 | 6.00     | 6.00     | 13.00  |         | 11232      | 15.00   | 1.68               |
| 4       | RUBBERING      | 24.00 | 6.00     | 6.00     | 1.00   |         | 864.00     | 60.00   | 0.52               |
| 5       | P.C.C          | 24.00 | 6.00     | 6.00     | 1.00   |         | 864        | 90.00   | 0.78               |
| 6       | FOOTING        | 24.00 | 6.00     | 6.00     | 0.75   |         |            |         |                    |
|         |                | 24.00 | 6.00     | 6.00     | 1.50   |         | 1296.00    | 800.00  | 10.37              |
| 7       | COLOUM         | 24.00 | 1.17     | 1.17     | 13.00  |         | 427.10     | 900.00  | 3.84               |
| 8       | FILLING        |       | 11232.00 | -2124.00 |        |         | 9108.00    | 10.00   | 91080.00           |
| 9       | PLINTH         | 6.00  | 46.17    | 1.50     | 0.75   | 311.64  |            |         |                    |
|         | BEAM           | 4.00  | 76.17    | 1.50     | 0.75   | 342.76  | 654.40     | 900.00  | 5.89               |
| 10      | PLINTH FILLING | 1.00  | 45.00    | 75.00    | 2.50   |         | 8437.50    | 22.00   | 1.86               |
| 11      | RUBBERING      | 1.00  | 45.00    | 75.00    |        |         | 3375.00    | 60.00   | 2.03               |
| 12      | SLAB           | 1.00  | 46.17    | 76.17    |        |         | 3516.77    | 225.00  | 7.91               |
| 13      | COLOUM         | 24.00 | 1.17     | 1.17     | 15.00  |         | 492.80     | 950.00  | 4.68               |
| 14      | BEAM           | 4.00  | 76.17    | 1.50     | 1.17   | 534.71  |            |         |                    |
|         |                | 6.00  | 46.17    | 1.50     | 1.17   | 486.71  | 1020.88    | 950.00  | 9.70               |
| 15      | COLOUM         | 24.00 | 1.17     | 1.17     | 15.00  |         | 492.80     | 1045.00 | 5.15               |
| 16      | BEAM           | 4.00  | 76.17    | 1.50     | 1.17   | 534.71  |            |         |                    |



|   |                    |            |               |              |               |              |                   |             |               |
|---|--------------------|------------|---------------|--------------|---------------|--------------|-------------------|-------------|---------------|
|   |                    | 6.00       | 46.17         | 1.50         | 1.17          | 486.17       | 1020.88           | 1045.00     | <b>10.66</b>  |
| <b>17</b>   | <b>SLAB</b>        | 1.00       | 16.17         | 31.17        |               |              | 504.01            | 325.00      | <b>1.64</b>   |
| <b>18</b>   | <b>COLOUM</b>      | 24.00      | 1.17          | 1.17         | 15.00         |              | 492.80            | 1149.00     | <b>5.66</b>   |
| <b>19</b>   |                    | 1.00       | 42.75         | 33.25        |               |              | 1425.93           | 990.00      | <b>14.12</b>  |
| <b>Sub Total (A)</b>  |                    |            |               |              |               |              |                   |             | <b>112.32</b> |
|   |                    |            |               |              |               |              |                   |             |               |
| <b>Sr. No.</b>  | <b>Description</b> | <b>No.</b> | <b>Length</b> | <b>Width</b> | <b>Height</b> | <b>Total</b> | <b>Total LTR.</b> | <b>Rate</b> | <b>Amount</b> |
| <b>1</b>  | <b>ETP Tank</b>    | 2.00       | 21.00         | 21.00        | 18.00         | 15876        | 449449.56         | 3.86        | <b>17.35</b>  |
| <b>Sub Total (B)</b>  |                    |            |               |              |               |              |                   |             | <b>17.35</b>  |
|   |                    |            |               |              |               |              |                   |             |               |
| <b>Grand Total – Total Amount of Building &amp; Civil Work in ₹ (A+B)</b> |                    |            |               |              |               |              |                   |             | <b>129.67</b> |
|   |                    |            |               |              |               |              |                   |             |               |

Out of the total cost of Building and Civil work of ₹ 129.67 Lacs, our Company had already incurred expenditure of ₹ 65.37 lacs as at October 25, 2016 and balance expenditure of ₹ 64.30 Lacs will be incurred out of the proceeds of the Issue.

#### **(B). Plant & Machinery**

The total cost of plant & Machinery including taxes, installation and transportation charges are ₹ 276.99 lacs. The details of the cost of Plant and Machinery are given below- . There is no validity of time period of quotations for the plant and machinery of Sr. No. 1 to 16 stated below however, promoters are confident that the machines will be available at the price as per the quotations dated August 23, 2016 given by supplier.

| <b>Sr. No.</b> | <b>Name of the Machinery</b>   | <b>Name of the Supplier &amp; Date of Quotation</b>  | <b>Qty</b> | <b>Cost of Machines (including taxes)</b> |
|----------------|--|--|------------|---|
| 1)             | 50 TR Cooling Tower  | SR Engineering Work-quotations dated August 23, 2016 | 1          | 442968.75                                 |
| 2)             | 50 TR New Chilling Plant with (-10) Temperature  |  | 1          | 1004062.50                                |
| 3)             | 4000 Ltr. S.S. 316 -L Reactor with S.S. 304 Double Limpets Coil                            |  | 2          | 1951425.00                                |
| 4)             | 3000 Ltr. S.S. 316 -L Reactor with S.S. 304 Double Limpets Coil                            |  | 1          | 812700.00                                 |
| 5)             | 4 KL SS 316 Receiver   |  | 2          | 766158.75                                 |
| 6)             | 4500 Ltr. S.S. 316-L Reactor WITH S.S. 304 Double Limpets Coil                             |  | 2          | 2053012.50                                |
| 7)             | 6000 Ltr. S.S. 316- L Reactor with S.S. 304 Double Limpets Coil                            |  | 1          | 1124254.69                                |
| 8)             | 12 M SS 316 Condensor with 6 mm thickness M S Jacket                                       |  | 3          | 673312.50                                 |
| 9)             | 36" SS 316 Contrifuge  |  | 3          | 2232562.50                                |
| 10)            | 500 Ltr Capacity SS 316-L ANFD with Gear Box and Motor                                     |  | 1          | 1653750.00                                |
| 11)            | 3.5 KL Notch Filter  |  | 3          | 531562.50                                 |
| 12)            | Ketlise Charger with Stirrer and 3HP FLP Motor   |  | 1          | 236250.00                                 |
| 13)            | Ketlise Filterwith Filter Plate and Stand  |  | 1          | 177187.50                                 |
| 14)            | SS 316 Tray Dryer with 198 Tray Capacity GMP Model Steam heated Tray Dryer, Trolley & Tray |  | 1          | 1110375.00                                |

| 15)   | SS316 Tray Dryer with 96 Tray Capacity GMP Model Steam heated Tray Dryer, Trolley & Tray          |                         | 1  | 826875.00   |
|---|---|-------------------------|--|---|
| 16)   | SKL-SS 316-L-Hydro Generator with Mechanical Seal & SS 304 Double Limpet Coil                     |                         | 2  | 5740875.00  |
|   | <b>Sub Total (A)</b>  |                         |  | 21337332  |
|   | <b>Say (₹ In Lacs)</b>  |                         |  | <b>213.37</b>                                     |
| <b>LIST OF MACHINERY ORDER PLACED/RECEIVED DELIVERY</b> |   |                         |  |   |
| <b>Sr. No.</b>  | <b>Name of the Machinery</b>  | <b>Name of Supplier</b> | <b>Date of Invoice/<br/>Date of Delivery</b> | <b>Qty<br/>Cost of Machines<br/>(Amount In ₹)</b> |
| 1   | Old Reactor Repairing, M S Jacket Main Hole, Spiral Flat Bottom Shaft & Assembly                  | Amal Engineering        | 16/01/2016                                   | 163530.00   |
| 2   | S S Filter  | Amal Engineering        | 28/01/2016                                   | 138000.00   |
| 3   | 8M Condenser with SS Seamless Tubes, Fabrication and Supply of catalyst charger                   | Amal Engineering        | 07/02/2016                                   | 341000.00   |
| 4   | Ball Valve - Investment Casting, Aftrol : Ball valve in 2 pieces, Design material of construction | Amal Engineering        | 15/02/2016                                   | 63244.00  |
| 5   | Copper Pigtail  | Amal Engineering        | 22/02/2016                                   | 8000.00   |
| 6   | S S Pressure Gauge, C Class, Valve, Pressure Flexible Copper & Misc items                         | Amal Engineering        | 01/03/2016                                   | 72588.00  |
| 7   | SS 316 Pump and Motor   | Amal Engineering        | 10/03/2016                                   | 75900.00  |
| 8   | M S Boiler, Coil  | Amal Engineering        | 30/03/2016                                   | 65000.00  |
| 9   | M S Manhole Cover   | Amal Engineering        | 22/05/2016                                   | 6900.00   |
| 10  | Plange, Pipe and NTP Valve  | Amal Engineering        | 12/06/2016                                   | 9700.00   |
| 11  | M S Reactor with Double limped coiled motor and gear box  | Amal Engineering        | 05/07/2016                                   | 221000.00   |
| 12  | Condensor Modification and retubing MS Tube   | Amal Engineering        | 06/07/2016                                   | 73180.00  |
| 13  | Fabrication and Supply of 36" Centrifuge Basket   | Amal Engineering        | 27/07/2016                                   | 28000.00  |
| 14  | Fabrication and Supply of 36" Centrifuge Basket   | Amal Engineering        | 27/07/2016                                   | 28000.00  |
| 15  | Misc Items  | Amal Engineering        | 20/09/2016                                   | 18900.00  |
| 16  | Condensor Modification and retubing MS Tube   | Amal Engineering        | 15/10/2016                                   | 62000.00  |
| 17  | M S Tank, Shaft, starter, thermometer, flange - fabrication and welding work                      | C. Arockiyasamy         | 13/11/2015                                   | 434700.00   |
| 18  | Fabrication   | C. Arockiyasamy         | 01/01/2016                                   | 85150.00  |
| 19  | On/Off Push Button Station  | Everfast Electricals    | 15/02/2016                                   | 1800.00   |
| 20  | Misc Items  | Everfast Electricals    | 20/02/2016                                   | 4945.00   |
| 21  | Misc Items  | Everfast Electricals    | 20/02/2016                                   | 2340.00   |
| 22  | Glass Fixtures and lamp   | Everfast Electricals    | 08/03/2016                                   | 6885.00   |
| 23  | Misc Items  | Everfast Electricals    | 14/03/2016                                   | 3918.00   |
| 24  | M S Beam, Channel   | Ganesh Steel Traders    | 23/06/2015                                   | 23930.00  |
| 25  | M S Beam  | Ganesh Steel Traders    | 08/07/2015                                   | 48916.00  |
| 26  | Beam, Joints, Angel & Channels  | Gujarat Steel Suppliers | 25/05/2015                                   | 45372.00  |
| 27  | Misc Items  | Cash Purchase           | 31/03/2016                                   | 17073.00  |
| 28  | JK Make 36" Dia Three point   | JK CHEMICAL PUMPS       | 19/08/2016                                   | 225750.00   |

|    |   |                             |            |           |
|----|---|-----------------------------|------------|-----------|
|    | M.S.Rubber Lined centrifuge with 7.5 H.P. 1440 RPM Non FLP Electric Motor and MS Base frame and motor guard |                             |            |           |
| 29 | Aluminium Claring   | Krishna Enterprise          | 05/11/2015 | 112820.00 |
| 30 | Plaster work  | Krishna Enterprise          | 06/11/2015 | 97524.00  |
| 31 | Cooling Tower   | M.D Engineering Work        | 03/03/2016 | 260000.00 |
| 32 | Installation of Fanless Cooling Tower   | M.D Engineering Work        | 01/07/2016 | 26000.00  |
| 33 | M S Class   | Mahadev Trading             | 07/10/2015 | 5487.00   |
| 34 | C.S.Globe Valve   | Mahadev Trading             | 11/02/2016 | 14250.00  |
| 35 | C I Ball Valve, flange & misc items   | Mahadev Trading             | 01/03/2016 | 31300.00  |
| 36 | V Belt and CI Ball Valve  | Mahadev Trading             | 03/03/2016 | 10751.00  |
| 37 | MS Pipe, Glass, Gasket  | Mahadev Trading             | 07/03/2016 | 28836.00  |
| 38 | Misc Items  | Mahadev Trading             | 07/03/2016 | 2170.00   |
| 39 | Misc Items  | Mahadev Trading             | 22/03/2016 | 3655.00   |
| 40 | SS Reducer, MS Pipe, Bend, Flange   | Mahadev Trading             | 23/03/2016 | 12488.00  |
| 41 | MS Pipe, Class Bend, Flange, CI Ball Valve, Fastners  | Mahir Electrical & Hardware | 31/10/2015 | 64073.00  |
| 42 | M S Flange, Ring Gasket, CI Ball valve & misc items   | Mahir Electrical & Hardware | 03/02/2016 | 19552.00  |
| 43 | C I Ball Valve  | Mahir Electrical & Hardware | 06/02/2016 | 8650.00   |
| 44 | MS Pipe, Valve, Class Bend and misc items   | Mahir Electrical & Hardware | 06/02/2016 | 18989.00  |
| 45 | Seamless Pipe, Elbow and Flange   | MARUDHAR METAL              | 31/01/2016 | 85236.00  |
| 46 | Flange, Reducer, SS Pipes, Elbow etc  | MARUDHAR METAL              | 09/02/2016 | 36315.00  |
| 47 | SS Pipe, Flange, Ball Valve, Elbow  | MARUDHAR METAL              | 18/02/2016 | 109073.00 |
| 48 | Seamless Pipe, Elbow and Flange   | MARUDHAR METAL              | 22/02/2016 | 16145.00  |
| 49 | Flange, Reducer, SS Pipes, Elbow etc  | MARUDHAR METAL              | 10/06/2016 | 25289.00  |
| 50 | SS Pipe, Flange, Ball Valve, Elbow  | MARUDHAR METAL              | 24/06/2016 | 51853.00  |
| 51 | Dismantling and Installations   | Matha Engineering Works     | 16/10/2015 | 40900.00  |
| 52 | Dismantling and Installations   | Matha Engineering Works     | 16/10/2015 | 20400.00  |
| 53 | Dismantling and Installations   | Matha Engineering Works     | 16/10/2015 | 26750.00  |
| 54 | Dismantling, Fabrication, Erection, Shifting and Installations  | S R Engineering Works       | 30/07/2015 | 77688.00  |
| 55 | Dish Taking and Welding   | S R Engineering Works       | 09/08/2015 | 26000.00  |
| 56 | SR 3 Vessal   | S R Engineering Works       | 21/09/2015 | 9000.00   |
| 57 | Dismantling, Fabrication, Erection, Shifting and Installations  | S R Engineering Works       | 01/10/2015 | 325058.00 |
| 58 | Labour Charges  | S R Engineering Works       | 01/11/2015 | 47428.00  |
| 59 | Fabrication, Erection, Modification & Shifting in plant   | S R Engineering Works       | 09/12/2015 | 212973.00 |
| 60 | Boiler, Coil, Hydro Test, Dismantling, Fabrication and shifting   | S R Engineering Works       | 13/03/2016 | 408895.00 |
| 61 | M S Structure & Plate   | Shiv Steel                  | 22/06/2015 | 107028.00 |
| 62 | M S Structure - Plate, Checker Plate, Channel, Angel  | Shiv Steel                  | 08/12/2015 | 130631.00 |
| 63 | M S Structure I Beam  | Shiv Steel                  | 10/12/2015 | 145925.00 |
| 64 | M S Structure - Pipe, Flat, Angel   | Shiv Steel                  | 22/12/2015 | 242525.00 |

|    |  |                      |            |                 |
|----|--|----------------------|------------|-----------------|
| 65 | M S Structure I Beam, Checker Plate, Angel, Flat | Shiv Steel           | 18/01/2016 | 139606.00       |
| 66 | M S Structure I Beam                             | Shiv Steel           | 28/01/2016 | 27258.00        |
| 67 | M S Structure - Angel and Fiat                   | Shiv Steel           | 03/02/2016 | 15858.00        |
| 68 | M S Structure - Channel & Checker Plate          | Shiv Steel           | 03/02/2016 | 72646.00        |
| 69 | M S Structure - Channel                          | Shiv Steel           | 03/02/2016 | 8230.00         |
| 70 | M S Structure - Channel & Ibeam                  | Shiv Steel           | 03/02/2016 | 40021.00        |
| 71 | M S Structure - Channel & Ibeam & Angel          | Shiv Steel           | 03/02/2016 | 28321.00        |
| 72 | M S Structure - Channel & Checker Plate          | Shiv Steel           | 03/03/2016 | 57767.00        |
| 73 | M S Structure - Ibeam and Channel                | Shiv Steel           | 10/03/2016 | 27345.00        |
| 74 | M S Structure Channel, I Beam                    | Shiv Steel           | 22/03/2016 | 27308.00        |
| 75 | M S Structure Channel, Angel, Checker Plate      | Shiv Steel           | 23/03/2016 | 26861.00        |
| 76 | M S Structure Channel, I Beam                    | Shiv Steel           | 17/05/2016 | 9695.00         |
| 77 | M S Structure - Channel                          | Shiv Steel           | 23/05/2016 | 198088.00       |
| 78 | M S Structure - Angel                            | Shiv Steel           | 28/05/2016 | 23298.00        |
| 79 | M S Structure - Angel & Pipe                     | Shiv Steel           | 19/06/2016 | 3218.00         |
| 80 | M S Structure - Angel                            | Shiv Steel           | 02/07/2016 | 13695.00        |
| 81 | M S Structure Channel                            | Shiv Steel           | 03/07/2016 | 112450.00       |
| 82 | M S Structure - Angel and Fiat                   | Shiv Steel           | 27/07/2016 | 13430.00        |
| 83 | M S Structure I Beam, Checker Plate, Angel, Flat | Shiv Steel           | 01/09/2016 | 13048.00        |
| 84 | M S Structure I Beam                             | Shiv Steel           | 17/10/2016 | 53940.00        |
| 85 | M S Flange, Short Bend, Pipes                    | Shree Ram Enterprise | 24/12/2015 | 183468.00       |
| 86 | M S Flange and other misc items                  | Shree Ram Enterprise | 15/02/2016 | 8350.00         |
| 87 | Bearing, Bolt, Gasket, Hand Gloves               | Shree Ram Enterprise | 20/02/2016 | 10754.00        |
| 88 | M S Bolt, Flange, Nut Bolt, CI Valve             | Shree Ram Enterprise | 23/02/2016 | 19260.00        |
| 89 | M S Bolt, Flange, Nut Bolt, CI Valve             | Shree Ram Enterprise | 23/02/2016 | 9894.00         |
| 90 | SS Ball Valve, Nut Bolt, Elbow, Gasket etc       | Shree Ram Enterprise | 25/02/2016 | 16780.00        |
| 91 | S S Elbow, Ring Gasket, Flange, Bend             | Shree Ram Enterprise | 01/03/2016 | 8766.00         |
| 92 | M S Flange, Short Bend, Pipes                    | Shree Ram Enterprise | 14/03/2016 | 24322.00        |
| 93 | High Vaccum Pump                                 | Vovac Engineers      | 07/10/2015 | 30550.00        |
|    |  |                      |            | 6361605.00      |
|    | <b>Say (₹ In Lacs)</b>                           |                      |            | 63.61           |
|    | <b>Total (A+B)</b>                               |                      |            | <b>27698937</b> |
|    | <b>Say (₹ In Lacs)</b>                           |                      |            | <b>276.99</b>   |

Out of the total cost of Plant and Machinery of ₹. 276.99 Lacs, our Company had already incurred expenditure of ₹ 54.49 Lacs and balance amount of ₹. 222.50 lacs will be incurred out of the proceeds of the issue

## (2) General Corporate Purpose:

The application of the Issue proceeds for general corporate purposes would include but not be restricted to financing capital expenditure, meeting exigencies etc. which we in the ordinary course of business may incur for expansion of our existing manufacturing operations. Our Management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to use ₹ 100.00 lacs for general corporate purposes.

## (3) Public Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. The estimated Issue expenses are as follows:

( ₹ in lacs)

| Sr. No. | Particulars  | Amount       |
|---------|--|--------------|
| 1.      | Payment to Merchant Banker including fees and reimbursements of Market Making Fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other out of pocket expenses. | 26.00        |
| 2.      | Printing & Stationery and Postage Expenses   | 1.50         |
| 3.      | Marketing and Advertisement Expenses   | 2.50         |
| 4.      | Regulatory fees and other expenses   | 2.50         |
| 5.      | Other Miscellaneous expenses   | 2.50         |
|         | <b>Total</b>   | <b>35.00</b> |

#### Schedule of Implementation:

| Particulars                      | Month of Commencement |  | Month of Completion |  |
|----------------------------------|-----------------------|--|---------------------|--|
|                                  |                       |  |                     |  |
| Building & Civil Work            | February, 2015        |  | January, 2017       |  |
| Plant & Machinery                |                       |  |                     |  |
| -Placement of Order              | May, 2015             |  | January, 2017       |  |
| -Delivery of Plant and Machinery | May, 2015             |  | February, 2017      |  |
| -Erection and Commissioning      | May, 2015             |  | March, 2017         |  |
| Commercial Production Phase I    | September 2016        |  |                     |  |
| Commercial Production Phase II   | January 2017          |  |                     |  |
| Commercial Production Phase III  | March 2017            |  |                     |  |

#### Deployments of funds in the Project

Our Company has incurred the following expenditure on the project till October 25, 2016. The same has been certified by Rushil Soni & Co., Chartered Accountants *vide* their certificate dated October 27, 2016.

#### Deployment of Funds

( ₹ in lacs)

| Sr. No. | Particulars              | Amount Deployed |
|---------|--------------------------|-----------------|
| (A).    | Building and Civil Works | 65.37           |
| (B).    | Plant and Machinery      | 54.49           |
|         | <b>Total</b>             | <b>119.86</b>   |

#### Sources of Funds

( ₹ in lacs)

| Sr. No. | Particulars       | Amount Deployed |
|---------|-------------------|-----------------|
| 1.      | Internal Accruals | 119.86          |

#### Details of balance fund Deployment

( ₹ in Lacs)

| Sr. No. | Particulars               | Object of the Issue | Amount spend upto October 25, 2016 | Amount to be Spend                            |
|---------|---------------------------|---------------------|------------------------------------|---|
|         |                           |                     |                                    | <b>2016-17<br/>(October 25, 2016 onwards)</b> |
| (A).    | Building and Civil Works  | 129.67              | 65.37                              | 64.30   |
| (B).    | Plant and Machineries     | 276.99              | 54.49                              | 222.50  |
| (2)     | General Corporate Purpose | 100.00              | Nil                                | 100.00  |
| (3)     | Public issue Expenses     | 35.00               | Nil                                | 35.00   |
|         | <b>Total</b>              | <b>541.66</b>       | <b>119.86</b>                      | <b>421.80</b>                                 |

#### Working capital requirement

The Net Proceeds will not be used to meet our working capital requirements. We expect to meet our working capital requirements through existing Bank facilities, internal accruals or availing of new lines of credit.

### **Appraisal Report**

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions / banks.

### **Bridge Financing Facilities**

We have currently not raised any bridge loans against the Net Proceeds. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Issue Proceeds.

### **Interim Use of Funds**

Pending utilisation for the purpose described above, we intend to deposit the funds with Scheduled Commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our Management, in accordance with the policies established by our board of directors from time to time, will deploy the Net Proceeds. Further our Board of Directors hereby undertakes that full recovery of the said interim investments shall be made without any short of delays as and when need arises for utilization of proceeds for the objects of the Issue.

### **Variation on Objects**

In accordance with Section 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the issue without our Company being authorised to do so by the shareholders by way of Special Resolution through postal ballot. Our promoters or controlling shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as prescribed by SEBI, in this regard.

### **Shortfall of Funds**

In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals, debt or equity financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

### **Monitoring of Issue proceeds**

As the size of the Issue will not exceed ₹ 50,000 Lacs, the appointment of Monitoring Agency would not be required as per Regulation 16 of the SEBI ICDR Regulations. Our Board will monitor the utilization of the proceeds of the Issue.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure (Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application 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.

No part of the proceeds of this issue will be paid as consideration to our Promoters, Directors, Key Managerial Personnel or group concerns/companies promoted by our Promoters.

## BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Companies restated financial statements. Investors should also refer to the sections titled "Risk Factors" and "Financial Information" on pages 10 and 129, respectively, of the Prospectus to get a more informed view before making the investment decision.

### Qualitative Factors

1. Experienced management team and motivated employee
2. Well equipped Research and Development facility
3. Established vast Domestic as well as Export market
4. Continuous Innovation of Products and diverse products
5. Modern Infrastructure and Integrated Facilities

For details of Qualitative factors please refer to the paragraph "Our Competitive Strengths" in the chapter titled "Business Overview" beginning on page 76 of the Prospectus.

### Quantitative Factors

Information presented in this chapter is derived from our Restated Financial Statements

#### 1. Basic & Diluted Earnings Per Share (EPS)#:

| Period                     | Basic and Diluted EPS ( ₹) | Weightage |
|----------------------------|----------------------------|-----------|
| Fiscal 2014                | 1.48                       | 1         |
| Fiscal 2015                | 2.71                       | 2         |
| Fiscal 2016                | 3.96                       | 3         |
| <b>Weighted Average</b>    | <b>3.13</b>                |           |
| <b>As at June 30, 2016</b> | <b>4.49</b>                |           |

#### Note

# Basic earnings per share ( ₹) = Net profit after tax (as restated) attributable to shareholders divided by Weighted average number of equity shares outstanding during the year.

# The face value of each Equity Share is ₹ 10.

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 38:

| Particulars                                | P/E at the Issue Price ( ₹ 38) |
|--|--------------------------------|
| a. Based on 2015-16 EPS of ₹ 3.96          | 9.60                           |
| b. Based on weighted average EPS of ₹ 3.13 | 12.14                          |

#### 3. Return on Net Worth#

| Period                    | Return on Net Worth (%) | Weights |
|---------------------------|-------------------------|---------|
| Year ended March 31, 2014 | 8.73                    | 1       |
| Year ended March 31, 2015 | 13.39                   | 2       |
| Year ended March 31, 2016 | 16.52                   | 3       |
| <b>Weighted Average</b>   | <b>14.18</b>            |         |

# Return on net worth (%) = Net Profit after tax as restated / Net worth at the end of the year

#### 4. Minimum Return on increased Net Worth required to maintain pre-Issue EPS.

The minimum return on increased net worth required maintaining pre-Issue EPS for the Fiscal 2016:

A) Based on Basic and Diluted EPS of ₹ 3.96

a. At the Issue Price of ₹ 38 – 20.36% based on restated financial statements.

B) Based on Weighted Average EPS of ₹ 3.13

a. At the Issue Price of ₹ 38– 16.10 % based on restated financial statements.

## 5. Net Asset Value per Equity Share

| Particular                           | Amount (in ₹) |
|--------------------------------------|---------------|
| As of March 31, 2016                 | 2.40          |
| NAV per Equity Share after the Issue | 19.45         |
| Issue Price per Equity Share         | 38            |

**Net asset value per share ( ₹ )** = Net Worth at the end of the Year /Total number of equity shares outstanding at the end of the year

## 6. Comparison of Accounting Ratios with peer group

| Name of the company                | Standalone / consolidated | Face value (In Rs) | EPS   | P/E*  | RoNW (%) | NAV per Equity share | Revenue from operations ( ₹ In Lacs) |
|------------------------------------|---------------------------|--------------------|-------|-------|----------|----------------------|--------------------------------------|
| Prolife Industries Limited**       | Standalone                | 10                 | 3.96  | 9.60  | 16.52    | 2.40                 | 2229.55                              |
| <b>Peer Group #</b>                |                           |                    |       |       |          |                      |                                      |
| Yash Chemex Limited                | Standalone                | 10                 | 1.36  | 18.27 | 2.79     | 33.59                | 7796.18                              |
| Omkar Speciality Chemicals Limited | Standalone                | 10                 | 10.79 | 14.48 | 12.24    | 88.17                | 30002.06                             |

### #Standalone

#The Figures of the Peer Group Company is taken from Annual Report for the Fiscal year 2015-16 filed on BSE website-www.bseindia.com

\*P/E based on closing market price of November 5, 2016 is taken into consideration from BSE website (www.bseindia.com)

\*\*Based on March 31, 2016 as per Restated Financial Statements.

The face value of Equity Shares of our Company is ₹ 10 per Equity Share and the Issue price is 3.8 times the face value.

The Issue Price of ₹ 38 is determined by our Company, in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled "Risk Factors" and chapters titled "Business Overview" and "Financial Information" beginning on page numbers 10, 76 and 129, respectively of the Prospectus.



## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
Board of Directors  
Prolife Industries Limited  
213, G.I.D.C., Panoli,  
Ankleshwar  
Gujarat – 394 116

Dear Sir,

### Initial Public Offer of Equity Shares

#### Tax Benefits

We refer to the proposed Initial Public Offer of **Prolife Industries Limited** and give below the current position of tax benefits available to the Company and to its shareholders as per the provisions of the Income – Tax Act, 1961, for inclusion in Offer document for the proposed initial public issue.

The Benefits discussed in the statement are not exclusive. The current position of tax benefits available to the Company and to its Shareholders is provided for general information only. In view of the individual nature of tax benefits, each investor is advised to consult its own tax consultant with respect to the specific tax implications arising out of its participation in the issue.

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

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

- The Company and 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 view expressed herein. Our views are based on existing provisions of law and its implementation, 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 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 responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

#### SPECIAL SPECIFIC TAX BENEFITS OF THE COMPANY

There are no special specific tax benefits available to the Company.

#### *I. GENERAL TAX BENEFITS TO THE COMPANY (Under Income Tax Act)*

1. In accordance with section 10(34), dividend income (referred to in section 115-O) will be exempt from tax.
2. In accordance with section 32(1), the Company can claim depreciation on specified tangible assets (being Building, Plant and Machinery, Furniture, Computer and vehicles) and intangible assets (being Knowhow, Copyrights, Patents, Trademarks, Licenses, Franchise or any other business or commercial rights of similar nature acquired on and after 1st April, 1998) owned by it and used for the purpose of its business.

3. In case of loss under the head “Profit and Gains from Business or Profession”, it can be set-off with incomes of all heads except salary head and the excess loss after set-off can be carried forward for set-off with the business income of the next eight Assessment Years. The Following expenditure can be carried forwarded for unlimited life of the business of the Company

- a) Unabsorbed depreciation
- b) Unabsorbed capital expenditure on scientific research
- c) Unabsorbed expenditure on Family planning expanses.

4. If the Company invest in the equity shares of another Company or in the unit of an equity oriented fund, as per the provisions of Section 10(38), any income arising from the transfer of long term capital assets being an equity share in the Company is not includible in the total income if the transaction is chargeable to securities transaction tax.

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.

5. Income received in respect of the units of mutual fund specified under clause 10(23D) or income received in respect of units from administrators of the specified undertaking or income received in respect of units from the specified Company is exempted from tax in the hands of the Company, under section 10(35) of I.T. Act.

6. In accordance with section 112, the tax on capital gains or transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

- 20 percent (plus applicable surcharge and “Education Cess”) of the capital gains as computed after indexation of the cost; or
- 10 percent (plus applicable surcharge and “Education Cess”) of the capital gains as computed without indexation of the cost.

7. In accordance with Section 111A capital gains arising from the transfer of short term asset being an equity shares of the Company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be aggregate of

- the amount of income tax calculated on such terms capital gains at the rate of 15 percent (plus applicable surcharge and “Education Cess”) and
- the amount of income tax payable on balance amount of the total income as if such balance amount were the total income.

8. In accordance with section 35D, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with the present issue such as underwriting commission, brokerage, and other expenses or extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5th of such expenses for each of the five successive previous years beginning with the previous year in which the extension of the undertaking is completed or the new unit commences production or operation, subject to conditions and limits specified in that section.

9. In accordance with section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to 1/5th of the amount so paid for that previous year, and the balance in four equal installments for each of the succeeding previous years subject to conditions specified in that section.

10. In accordance with section 35, the Company is eligible for-• Deduction in respect of any expenditure (not being in the nature of capital expenditure) on scientific research related to the business subject to conditions specified in that section.

- As per section 35(2AA) a deduction of 200% shall be allowed as a deduction of the sum paid by the Company, to a National Laboratory or a University or an Indian Institute of Technology or a specified person as specified in this section with a specific direction that the sum shall be used for scientific research undertaken under a programme approved in this behalf by the specified authority subject to condition specified in that section.

11. The amount of tax paid under section 115JB by the Company for any assessment year beginning on or after April 1, 2006 will be available as credit for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provision of section 115JAA of the ACT.
12. As per the provision of section 80G of the Act, the deduction will be available in the respect of donations to various charitable institutions and funds covered under that section, subject to fulfillment of the conditions specified therein.
13. Under section 36(1) (xv) of the Act, the Securities Transaction Tax paid by the Company in respect of the transactions, the income whereof is chargeable as Business Income will be allowable as deduction against such income.

## **SPECIAL TAX BENEFITS TO THE SHARE HOLDERS OF THE COMPANY**

Nil

## **GENERAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY**

### **I. Under the Income Tax Act**

#### **A. Resident**

1. In accordance with section 10(34), divided income declared, distributed or paid by the company (referred to in section 115-O) on or April 1, 2003 will be exempt from tax in the hands of the shareholders. Any income by way of dividend in excess of ₹ 10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm at the rate of ten percent. The taxation of dividend income in excess of ten lakh rupees shall be on gross basis.
2. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.
3. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
  - a) 20 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed after indexation of the cost; or
  - b) 10 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed without indexation.
4. In accordance with section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income tax calculated on such short term capital gain at the rate of 15 percent (plus application surcharge and "Education Cess") and (ii) the amount of income tax payable on the balance amount of the total income as if such balance amount were the total income.
5. In accordance with section 54EC, long term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long term specified asset. The long term specified asset notified for the purpose of investment means notified bonds of Rural Electrification Corporation Ltd. (REC) and National Highway Authority of India (NHAI). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding ₹50 Lacs. If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years.

6. Under section 36(1)(xv) of the act. The securities Transaction Tax paid by the assessee in respect of the transactions, the income where of is chargeable as business Income, will be allowable as deduction against such income.

## **B. Non –Residents**

- a. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in 115 – o) will be exempt from tax.
- b. In accordance with section 10 (38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.
- c. In accordance with section 48, capital gains arising out of transfer of a capital asset being in the company, and such transaction is not chargeable to securities transaction tax, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment their after and sale of shares or debentures of an Indian Company including the company.
- d. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge and “Education cess”).
- e. In accordance with section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be aggregate of (i) the amount of income – tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and “Education cess”) and (ii) the amount of income – tax payable on the balance amount of the total income as if such balance amount were the total income.
- f. In accordance with section 54EC , long term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long- term specified asset. The long- term specified asset notified for the purpose of investment is notified bonds of Rural Electrification Corporation Ltd (REC) and Nation Highways Authority of India (NHAI). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding ₹ 50 lacs. If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.
- g. In accordance with section 54F, long- term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, with in a period of one year before, or two year after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years.
- h. Under section 36 (1) (xv) of the act, the amount of securities transaction tax paid by an assess in respect of taxable securities transactions offered to tax as “profits and gains of business or profession “shall be allowable as a deduction against such business income.
- i. Under the provisions of section 195 of the Income Tax act , any income (not being an income chargeable under the head ‘Salaries’), payable to non – residents, is subject to withholding tax as per the prescribed rate in force , subject to the tax treaty. Accordingly income tax may have to be deducted at source in the case of a non resident at the rate under the domestic tax laws or under the tax treaty , whichever is beneficial to the assess unless a lower withholding tax certificate is obtained from the tax authorities .
- j. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non – resident has fiscal domicile. As per the provisions of section 90(2) of the act, the provisions of the act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

### **C. Non – Resident Indians**

Further, a Non- Resident Indian has the option to be governed by the provisions of chapter xii-A of the Income – tax Act, According to which:

1. In accordance with section 115E, Where income includes income from investment or income from long-term capital gains or transfer of assets other than specified asset of the company, Investment Income shall be taxable at the rate of 20% (plus applicable surcharge and “Education Cess”) and income by way of long term capital gains in respect of assets other than a specified asset, shall be chargeable at 10% plus applicable surcharge and “Education Cess”)
2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long – term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is invested within six months of the date of transfer in any specified asset or any saving certificates referred to in clause 4B of section 10 of income tax act, 1961, subject to the conditions specified in that section.
3. In accordance with section 115G, it is not necessary for a Non – Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or/and income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of chapter xvii – B of the Income Tax Act.
4. In accordance with section 115-I, where a Non Resident Indian opts not to be governed by the provisions of chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to other provisions of the Income Tax act.
5. As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

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

1. In accordance with section 10(34) , dividend income declared ,distributed or paid by the Company (referred to in section 115-O) on or after April 1,2003 will be exempt from tax in the hands of Foreign Institutional Investor (FIIs).
2. As per section 10(38) of the Act ,long term capital gains arising from the transfer of a long term capital asset being an equity share in a Company or a unit of an equity oriented fund , where such transaction is chargeable to securities transaction tax will be exempt.
3. As per provisions of section 115AD of the Act ,income (other than income by way of dividends referred to Section 115 –O) received in respect of securities ( other units referred to section 115 AB) is taxable at the rate of 20% (plus applicable surcharge and education cess).
4. As per provisions of section 115AD of the Act read with section 111 A of the Act ,short term capital gains arising from the sale of Equity shares of the company transacted through a recognized stock exchange in India ,where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).
5. As per section 115 AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provisions of section 10(38) of the Act at the following rates :
  - (a) Long term Capital Gains 10 %
  - (b) Short term capital gains (other than referred to in section 111A) 30%\*(plus applicable surcharge and education cess)

6. In case of long term capital gains ( in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
7. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
8. Under section 54 EC of the Act and subject to the conditions and to the extent specified therein ,long term capital gains (other than those exempt under section 10(38) of the Act ) arising on the transfer of shares of the company would be exempt from tax if such capital gains in invested within six months after the date of such transfer in the bonds (long term specified assets) issued by:
  - I. National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act,1988;
  - II. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gains is on reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gains. The cost of the long term specified assets, which has been considered under this section for calculating capital gains, shall not be allowed as a deduction from the income tax under section 80C of the Act.

## **E. Mutual Funds**

In accordance with section 10(23D), any income of

- i. A mutual fund registered under the Securities and Exchange Board of India Act 1992 or regulations made there under;
- ii. Such other Mutual fund set up by a public sector bank or a public financial institutions or authorized by the Reserve Bank of India subject to such conditions as the Central government may, by notification in the Official Gazette, specify in this behalf will be exempt for income tax.

### **Notes:**

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2016 and will be available only to the sole/ first named holder in case the shares are held by joint holders.
2. In respect of non residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor, with respect to specific tax consequences of his/her participation in the issue.
4. The above statement of possible direct and indirect taxes benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document which the Company intends to submit to the Securities and Exchange Board of India, Mumbai.

For, Mistry and Shah,  
Chartered Accountants.  
FRN.NO:122702W

Date: October 26, 2016  
Place: Ahmedabad

Ketan Mistry  
Partner  
M. No. 112112

## SECTION-V

### INDUSTRY OVERVIEW

#### Economy of India

The economy of India is the seventh largest economy in the world measured by nominal GDP and the third-largest by purchasing power parity. The country is classified as a newly industrialised country, one of the G-20 major economies, a member of BRICS and a developing economy with an average growth rate of approximately 7% over the last two decades. Maharashtra is the wealthiest Indian state and has an annual nominal GDP of US \$ 250 billion, nearly equal to that of Portugal and Pakistan and accounts for 12% of the Indian GDP followed by the states of Tamil Nadu (US \$ 150 billion) and Uttar Pradesh (US \$ 130 billion). India's economy became the world's fastest growing major economy in the last quarter of 2014, replacing the People's Republic of China.

The long-term growth prospective of the Indian economy is positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. The Indian economy has the potential to become the world's 3rd-largest economy by the next decade, and one of the two largest economies by mid-century. And the outlook for short-term growth is also good as according to the IMF, the Indian economy is the "bright spot" in the global landscape. India also topped the World Bank's growth outlook for 2015-16 for the first time with the economy having grown 7.6% in 2015-16 and expected to grow 8.0%+ in 2016-17.

(Source: [https://en.wikipedia.org/wiki/Economy\\_of\\_India#Petroleum\\_products\\_and\\_chemicals](https://en.wikipedia.org/wiki/Economy_of_India#Petroleum_products_and_chemicals))

The Indian economy crossed the two trillion US dollar GDP mark in FY16. Improved farm output notwithstanding years of drought, better manufacturing, mining and electricity production cheered growth. Encouraged by lower interest rates, urban consumers bought more cars, two-wheelers and housing, snapping a negative trend. The big push that India received during 1990's through the initiation of wide-ranging structural reforms had catapulted the economy to a high growth path. Though it had taken some time for the reform to bring about the required structural changes, it eventually expanded the opportunities for economic activity immensely which resulted in more rapid growth. India's growth was 7.6 % during FY16 (with 2004-05 as base year)

(Source: <http://www.newindianexpress.com/business/2016/jun/01/At-2-trillion-dollar-mark-Indian-economy-at-its-biggest-935356.html>)

India has one of the fastest growing service sectors in the world with annual growth rate of above 9% since 2001, which contributed to 57% of GDP in 2012-13. India has become a major exporter of IT services, BPO services, and software services with \$167.0 billion worth of service exports in 2013-14. It is also the fastest-growing part of the economy. The IT industry continues to be the largest private sector employer in India. India is also the fourth largest start-up hub in the world with over 3,100 technology start-ups in 2014-15. The agricultural sector is the largest employer in India's economy but contributes to a declining share of its GDP (17% in 2013-14). India ranks second worldwide in farm output. The Industry sector has held a constant share of its economic contribution (26% of GDP in 2013-14). The Indian auto mobile industry is one of the largest in the world with an annual production of 21.48 million vehicles (mostly two and three wheelers) in FY 2013-14. India has \$600 billion worth of retail market in 2015 and one of world's fastest growing E-Commerce markets.

(Source: [https://en.wikipedia.org/wiki/Economy\\_of\\_India#Petroleum\\_products\\_and\\_chemicals](https://en.wikipedia.org/wiki/Economy_of_India#Petroleum_products_and_chemicals))

#### Overview of Chemical Industry

Chemicals are an integral part of daily life in today's world. There is hardly any industry where chemicals are not used and there is no single economic sector where chemicals do not play an important role. Millions of people throughout the world lead richer, more productive and more comfortable lives because of the thousands of chemicals on the market today. These chemicals are used in a wide variety of products and processes and while they are major contributors to national and world economies, their sound management throughout their lifecycle is essential in order to avoid significant and increasingly complex risks to human health and ecosystems and substantial costs to national economies.

(Source: [http://www.unep.org/pdf/GCO\\_Synthesis%20Report\\_CBDTIE\\_UNEP\\_September5\\_2012.pdf](http://www.unep.org/pdf/GCO_Synthesis%20Report_CBDTIE_UNEP_September5_2012.pdf))

Chemicals are a part of every aspect of human life, right from the food we eat to the clothes we wear to the cars we drive. Chemical industry contributes significantly to improving the quality of life through breakthrough innovations enabling pure drinking water, faster medical treatment, stronger homes and

greener fuels. The chemical industry is critical for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy.

Ensuring development of sustainable, green solutions in the fields of water treatment, food production and healthcare are the key challenges for the future. Fueled by an increasing focus of industry on improving its image, these trends are shaping the priorities for R&D in the field of chemistry. In order to emphasize the importance of the chemical industry in meeting the key challenges for the future, the United Nations Organization has proclaimed 2011 as the 'International Year of Chemistry'

(Source: Planning Commission report 2012-2017) *Global chemical industry*

World chemicals turnover was valued at €3,534 billion in 2015. Global sales grew by 14.0 per cent from €3,100 billion in 2014 to €3,534 billion in 2015. World chemicals sales in 2015 grew by €434 billion compared with 2014, marking a significant recovery in the world chemical industry. It was largely driven by China, where chemicals sales swelled impressively from €1,084 billion in 2014 to €1,409 billion in 2015 (30 per cent increase in value terms), whereas contribution from India was € 77 billion.

### Asia chemicals production outpaces other regions



Source: Cefic Chemdata International 2016

\* Rest of Europe covers Switzerland, Norway, Turkey, Russia and Ukraine

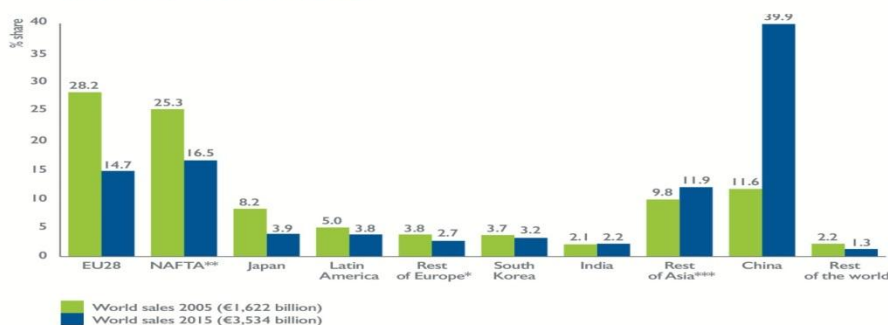
\*\* North American Free Trade Agreement

\*\*\* Asia excluding China, India, Japan and South Korea

Unless specified, chemical industry excludes pharmaceuticals  
Unless specified, EU refers to EU 28



### World chemicals output doubles as emerging markets sales surge

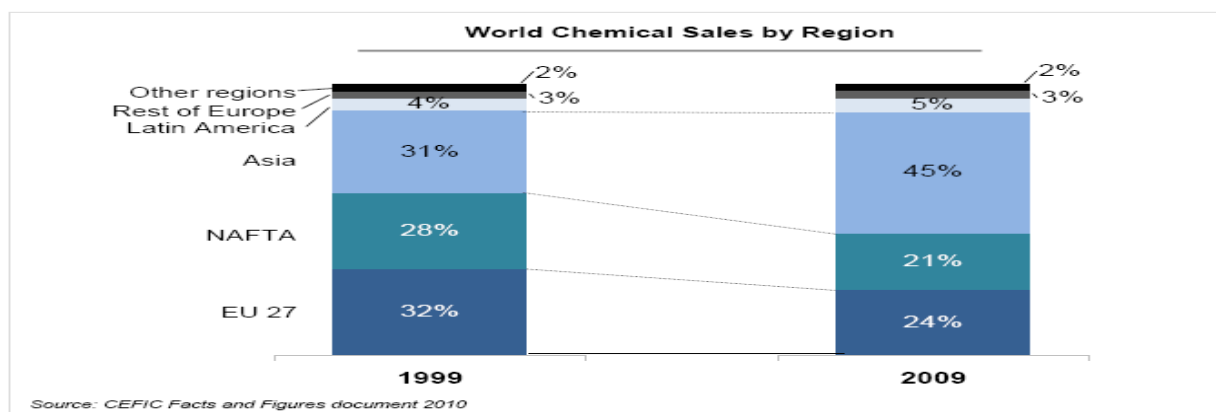


Source: Cefic Chemdata International  
 \* Rest of Europe covers Switzerland, Norway, Turkey, Russia and Ukraine  
 \*\* North American Free Trade Agreement  
 \*\*\* Asia excluding China, India, Japan and South Korea  
 Unless specified, chemical industry excludes pharmaceuticals  
 Unless specified, EU refers to EU 28

(Source: <http://www.cefic.org/Facts-and-Figures/Chemicals-Industry-Profile/>)

The chemical industry is central to the modern world economy having a typical sales-to-GDP ratio of 5-6%. Global chemical production growth slowed down from 4.4% p.a. in 1999-2004 to 3.6% p.a. in 2004-2009, with global chemical sales in FY10 valued at \$3.4 trillion.

The global chemicals industry is witnessing a gradual eastward shift. The industry is increasingly moving eastwards in line with the shift of its key consumer industries (e.g. automotive, electronics, etc.) to leverage greater manufacturing competitiveness of emerging Asian economies and to serve the increasing local demand. Over the last 10 years, the share of Asia in global chemical sales has increased by ~14% points rising from 31% in 1999 to 45% in 2009. With rising concerns around climate change and depleting natural resources, focus on sustainability is another key trend impacting the global chemical industry. Chemical companies are increasingly working towards reducing energy intensity of their operations, minimizing effluent discharge and pollution, increasing the share of recyclable products in their portfolio and diversifying their raw material base to include bio-feedstock.



With Asia's growing contribution to the global chemical industry, India emerges as one of the focus destinations for chemical companies worldwide. With the current size of \$108 billion<sup>1</sup>, the Indian chemical industry accounts for approximately 7% of Indian GDP. The chemicals sector accounts for about 14% in overall index of industrial production (IIP). Share of industry in national exports is around 11%. In terms of volume, India is the third-largest producer of chemicals in Asia, after China and Japan. Despite its large size and significant GDP contribution, India chemicals industry represents only around 3% of global chemicals.

Two distinct scenarios for the future of the Indian chemical industry emerge, based on how effectively the industry leverages its strengths and manages challenges. In the base case scenario, with current initiatives of industry & government, the Indian chemical industry could grow at 11% p.a. to reach size of \$224 billion by 2017. However, the industry could aspire to grow much more and its growth potential is limited only by its aspirations. In an optimistic scenario, high end-use demand based on increasing per capita consumption,

improved export competitiveness and resultant growth impact for each sub-sector of the chemical industry could lead to an overall growth rate greater than 15% p.a. and a size of \$ 290 billion by 2017.  
(Source: Report of Planning Commission 2012-2017)

## Indian Chemical Industry

By volume, the Indian chemical industry was the third largest producer in Asia, and it alone contributed 5% of its GDP. India is one of the top 5 world producers of agrochemicals, polymers and plastics, dyes and various organic and inorganic chemicals. Despite being a large producer and exporter of chemicals, India is a net importer of chemicals given its domestic demand for products  
(Source: [https://en.wikipedia.org/wiki/Economy\\_of\\_India#Petroleum\\_products\\_and\\_chemicals](https://en.wikipedia.org/wiki/Economy_of_India#Petroleum_products_and_chemicals))

The Indian chemical industry, which has several characteristics specific to Indian context, has evolved from a producer and supplier of basic chemicals to the domestic market in a highly regulated environment to an industry with diverse product portfolio in an open economy. The size of the Indian chemical industry was estimated at USD 83 billion in the FY 2010. Of this 53% was accounted for by base chemicals and 24% by pharmaceuticals.

With this size, its contribution in total Indian industrial output is 14%. The chemical industry is among the oldest and fastest growing domestic industries in India, contributing substantially towards industrial and economic growth of the nation. The industry in India produces nearly 70,000 types of commercial products over a wide range of categories ranging from cosmetics and toiletries, to plastics and pesticides. This multi product and multi faceted industry is mostly concentrated in the western part of India where almost half of the industry is located. These main areas are as follows:

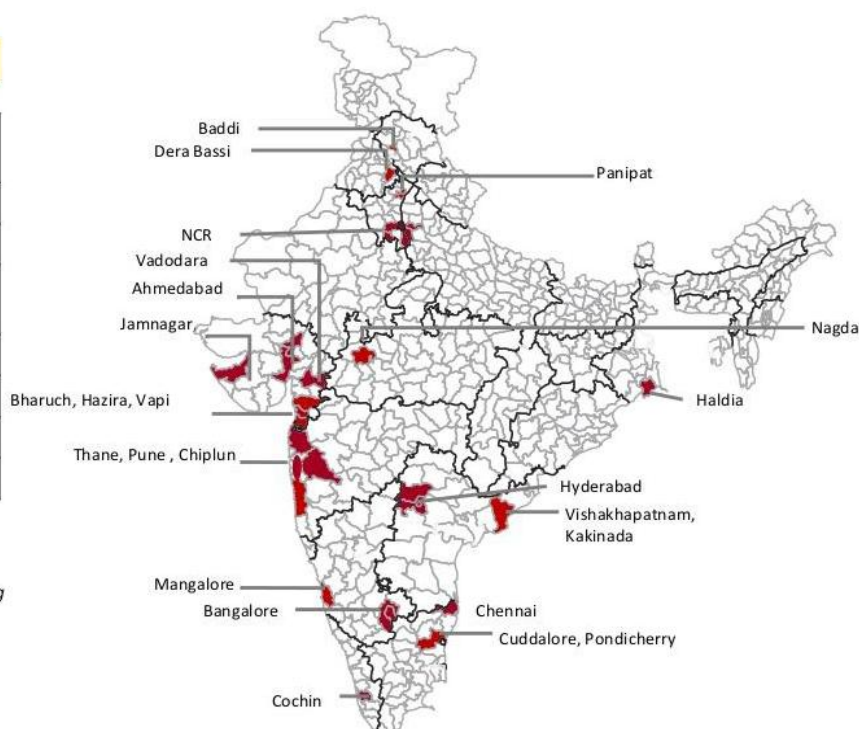
- Jamnagar – Gujarat
- Mumbai – Maharashtra
- Chennai – Tamil Nadu
- Hyderabad – Andhra Pradesh
- Cochin – Kerala
- Calcutta – West Bengal
- Udaipur – Rajasthan

## CHEMICAL CLUSTERS ARE CONCENTRATED IN THE WEST

### Chemical clusters in India

| States         | Share of production |
|----------------|---------------------|
| Gujarat        | 53%                 |
| Maharashtra    | 9%                  |
| Madhya Pradesh | 5%                  |
| Uttar Pradesh  | 6%                  |
| Tamil Nadu     | 6%                  |
| Punjab         | 4%                  |
| Others         | 17%                 |

Source: Working Group of Chemicals, Planning Commission (11<sup>th</sup> Five Year Plan)

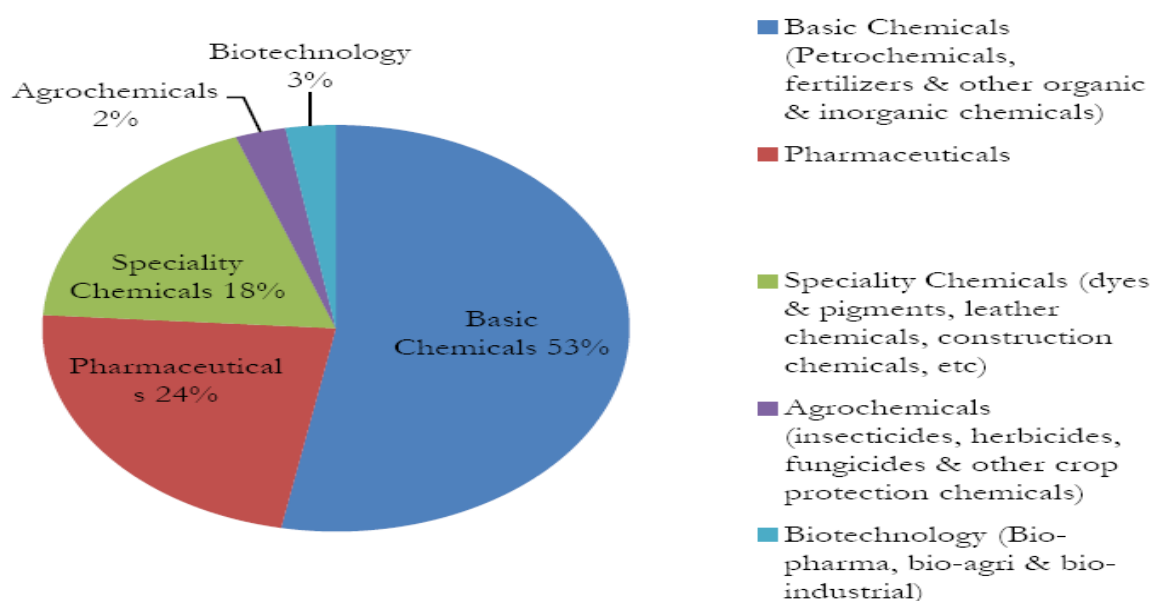


Almost all segments such as organic chemicals, inorganic chemicals, agro-chemicals, coatings, dyes and pigments, soaps and cosmetics, fertilizers and specialty chemicals have a sizeable share of the overall market. Besides global corporations such as ICI, Hoechst, Dupont, BASF, Bayer, there are thousands of large, medium and small-scale companies in this sector.

India had been a net importer of chemicals in early 1990s, but has changed its status to being an exporter in the subsequent years. From the trade flow perspective, export of chemicals and petrochemicals together accounted for 10.9% of the country's total exports in 2008-09 and the corresponding figures for imports was only 6.7%. The change has come due to implementation of various large scale chemical units in the country which help towards achieving self sufficiency in their domestic demands. The chemical exports are notably high in basic chemicals and petroleum products. Along with petroleum, plastics and linoleum segment is also witnessing a high growth rate in the recent years

The Indian chemical industry manufactures a wide spectrum of products spanning basic, specialty and knowledge. As of now, basic segment leads with 57% but the knowledge segment is growing at a much faster rate than basic or specialty. The major constituents of the Indian chemical industry are:

- Petrochemicals
- Inorganic Chemicals
- Organic Chemicals
- Paints and Dyes
- Agro-chemicals
- Fine and Specialty Chemicals
- Fertilizers



## Paints and Dyes

### Paints

The Indian paint industry is estimated at USD 3.4 billion. It can be further classified into decorative (caters to residential and commercial buildings) and industrial (caters to automobiles, auto ancillaries, consumer durables, containers, etc) paints. This industry has been growing at 1.5-2 times the GDP growth with a CAGR of 13.5% over the last 5 years. In the last 2 years the growth slowed down primarily on account of the economic down turn. 80% of the market is captured by the organized sector. The major players in this industry are Asian Paints, Kansai Nerolac, Berger Paints and ICI. With growth in the construction sector and improvement of the economy, the paint industry is expected to grow at a CAGR of 14% in the next 5 years. While in India the per capita consumption is 1 kg, in other developed countries it is 15-25 kgs. The segment wise break-up of the paint industry in India is as follows:

| Segments                        | 2008-09 (market size in tones) | 2013-14 (market size in tones) |
|---------------------------------|--------------------------------|--------------------------------|
| Decorative paints               | 1,300,000                      | 2,190,000                      |
| Industry coatings auto coatings | 62,000                         | 96,600                         |
| Other industry coatings         | 2,78,000                       | 4,27,800                       |
| Total                           | 1,640,000                      | 2,715,000                      |

### Dyes

There are 12 types of dyes, classified on the basis of the usage. The important dyes are basic dyes, azo acid and direct dyes; disperse dyes, reactive dyes, sulphur dyes, vat dyes, organic pigments, naphthols and optical brighteners. India accounts for 7% of the global share of the dyestuffs industry and produces 150,000 tons p.a. The estimated size of the dyes industry is USD 4 billion. Approximately 60% of the industrial output is exported. This sector can be segmented into small and big players. Two states, namely Gujarat and Maharashtra account for 90% of the dyestuff production in India. The Indian dye and dye intermediates market is expected to grow at a CAGR of 6.3% from 700,000 tons in FY 2007 to 1,200,000 tons in FY 2015 due to the growth in the end-use segments. The main end use segments for dyestuffs are textiles, paper and leather industries which together account for approximately 88% of the total demand in this sector. Dyestuffs are vital inputs for several industries such as textile, paper and packaging, leather, food, polymer, coating, printing ink.

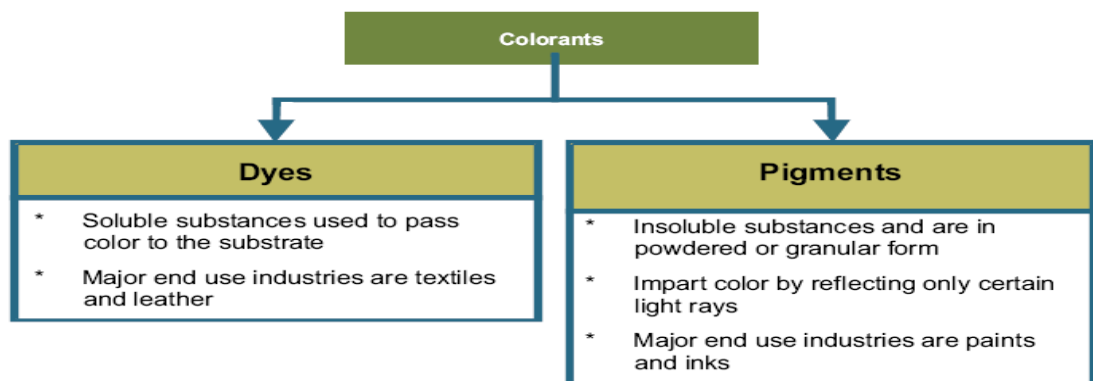
The exports of dyes from the nation are encouraged due to ban on the production of dyes in several developed nations chiefly due to pollution. In 2010 India exported mainly to Pakistan IR, Indonesia, China P.R.P, Saudi Arabia and USA. Growth of demand will depend upon increased consumption in the textile, printing, paints and plastics markets.

(Source: Indian Chemical Industry report PSA)

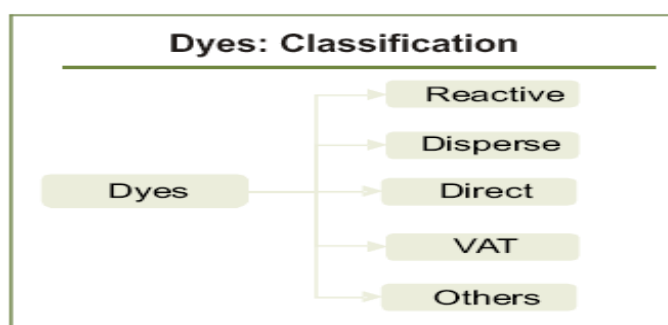
## Colorants

Colorants have inherent element of value addition to a wide variety of products like textiles, leather, paper, food products, cosmetics, plastics, paints, inks and high-tech applications like optical data storage (CDs, DVDs), solar cells, medical diagnostics (CT Scan, angiography), security inks, lasers, photo dynamics etc. The colorant industry comprises two sub segments- dyes and pigments.

### Classification of colorants



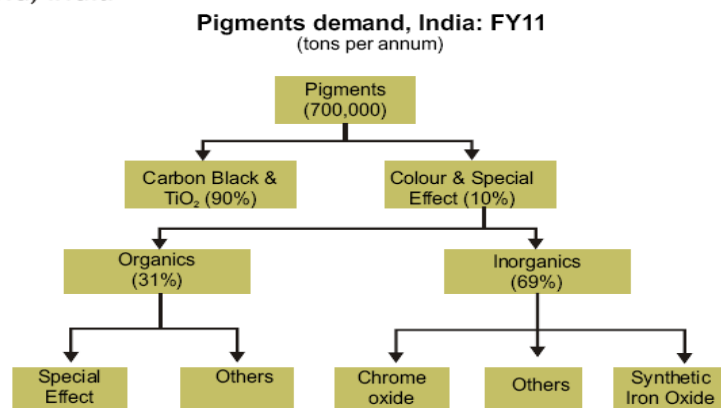
### Classification of dyes



Source: Industry reports

There are 12 types of dyes, classified on the basis of the usage, however disperse, reactive and direct dyes are the most commonly used in India. Pigments are broadly classified as organic and inorganic. The pigment market is estimated at ~USD 1.1 Bn. Carbon black and TiO<sub>2</sub> accounts for the 90% of the total pigment demand.

## Pigments demand, India



Source : Industry Reports, TATA Strategic analysis

There has been a notable transition in the global arena during the last 2-3 decades in the manufacturing base of colorants, with a shift in production from Europe, USA and Japan to Asia viz. China, India, Taiwan, Thailand and Indonesia etc. With decline in production in most of the traditional centers, non-traditional centers like India and China are now preferred sources for supply of colorants to the global market. India had a distinctive edge over other centers however based on supportive Chinese government policies the threat from Chinese manufacturers is increasing. Preference for eco-friendly products has additionally cast responsibility on the industry to be more selective and improve the product range with greater focus on R&D. This would ensure quality and performance colorants to suit the market expectations.

(Source: <http://ficci.in/spdocument/20325/India%20chem.pdf>)

## BUSINESS OVERVIEW

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Prospectus, including the information contained in the section titled “Risk Factors” on page 10 of the Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us” and “Our” refers to Our Company. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian Accounting Policies set forth in the Prospectus.

### Overview

#### Company Background

Our Company was incorporated as Mamta Dyes and Intermediaries Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated July 27, 1994 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to Mamta Dyes and Intermediaries Limited and fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, the name of our Company was changed to R R J-Dyes and Intermediates Limited vide fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Later on the name of the company was changed to Prolife Industries Limited and fresh certificate of Incorporation dated March 7, 2013 pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

Our company is engaged in the business of manufacturing of special and exclusive range of intermediates for dyes, pigments, pharmaceuticals, agrochemicals and others. The company originally founded in the year 1994 in the name of Mamta Dyes & Intermediates Private Ltd and has been in this Industry from the very inception. Company has established even its own Research & Development Department within few years of incorporation of the company. It has already succeeded in developing very high quality Specialty Chemicals as result of thorough knowledge and R & D efforts of the Chairman and Managing Director of the company who has sound knowledge as well as vast experience of two decades in the chemical industry. The company has established its presence in domestic as well export market and are regularly catering to the needs of their customers in many countries including U.S.A, Spain, Switzerland, Germany, France, Taiwan, Japan, Germany, Brazil etc.

At present the company is manufacturing mainly ranges of intermediaries for dyes, pigments, pharmaceuticals agro chemicals. Our existing and proposed product and products mix are Dehydro Thio Para Toluidine Sulfonic Acid (DTPTSA), Amino Phenoxy Propane Sulfonic Acid (SPA), Amino Methyl Phenoxy Sulfonic Acid (SPMT), PYBIZS- 4-Nitrile-1-Hydroxy-8-Methoxy-3-Methyl Benzo [4,5] Imidazo [1,2A] Pyridine-7 & Sulphonic Acid & its sodium salt, Basic Red51/Red 76/Brown16/Brown17/Brown99/yellow-1/Yellow57/Orange31, 2-Chloro Methyl -3,4- Dimethoxy Pyridine, Octahydro-4B-Methyl-9 (Methylamino), Di Amino Bisphenoxy Ethane, 5-Methoxy 6- Amino Benz Imidazole Para Nitro Aniline, Epsilon Acid, 2:4 Di Nitro Aniline, Dichloro Para Nitro Aniline, Ortho Chloro Para Nitro Aniline, 6 Chloro 2:4 Di Nitro Aniline, 6 Bromo Di Nitro Aniline.

Our Company has shown growth during the last five financial years. The improvement in top line and bottom line is explained below:

(₹ In Lacs)

| Particulars              | FY 2011-12      | FY 2012-13      | FY 2013-14      | FY 2014-15      | FY 2015-16      |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenue from Operations  | 1,220.00        | 1,642.85        | 1,895.34        | 1,958.38        | 2,229.55        |
| Other Income             | 9.56            | 16.49           | 10.29           | 30.79           | 53.64           |
| <b>Total Income (A)</b>  | <b>1,229.55</b> | <b>1,659.34</b> | <b>1,905.63</b> | <b>1,989.16</b> | <b>2,283.19</b> |
| <b>Profit Before Tax</b> | <b>26.77</b>    | <b>35.52</b>    | <b>40.11</b>    | <b>62.71</b>    | <b>87.92</b>    |

#### Our Competitive Strength

##### Experienced management team and motivated employee

We have a highly experienced and qualified management team. Our MD is professionally qualified person having sound knowledge and vast experience of more than two decades in chemical industry. Our Management is backed by motivated staff that is instrumental in our business growth.



### **Well equipped Research and Development facility**

We have well equipped research and Development facility to improve quality of the products and to produce high performance chemicals. Company has in house sound R&D Department backed by technical expertise of our Managing Director Mr. Maninder Singh Jolly, which helps the company to enhance our product range.

### **Established vast Domestic as well as Export market**

The company is catering the customers both in domestic market as well as overseas market. The company is catering the needs of customers with its high quality customized products as per the specific requirements of buyers located in U.S.A, Spain, Switzerland, Germany, France, Taiwan, Japan, Germany, Brazil etc. The company is selling its product to internationally renowned companies.

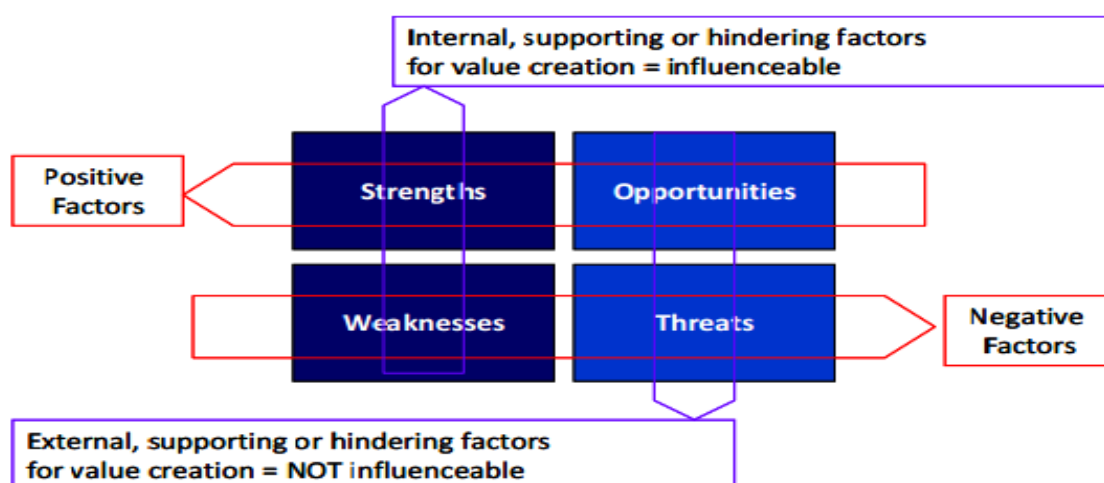
### **Continuous Innovation of Products and diverse products**

The management is of the opinion that in order to be successful and competitive in the market, the company needs to be innovative. We offer special and exclusive range of intermediates for dyes, pigments, pharmaceuticals agrochemicals and others. Such diverse product mix helps us to cater the diverse customer segments and to various sectors of Industry. The product mix helps us to sustain the growth level. Over the years we have developed various products which is used by Pharmaceutical Industry, Chemical industry, Packaging / FMCG Industry, agro-chemical industry.

### **Modern Infrastructure and Integrated Facilities**

The unit is located in Panoli Industrial Estate, Tal. Ankleshwar, Dist Bharuch. The Industrial estate is developed by GIDC and enjoys good infrastructure like electricity, water, roads, labour, raw material suppliers and market for finished products which has a vital demand in the market & with this scenario we are concentrating on expanding the production capacity and new product range.

### **SWOT ANALYSIS**



#### **Strengths**

- The promoters have been in this business for over two decades and have gained vast experience in chemical industry.
- The company has good infrastructural facilities for manufacturing various types of dyes & intermediates and for effluent treatment plant for pollution control.
- The Company has established vast domestic as well as export market and are regularly catering to the needs of customers for the last five years in all parts of world including U.S.A, Spain, Switzerland, Germany, France, Taiwan, Japan, Germany, Brazil etc.

- In a continual effort to improve quality of the products and to produce high performance chemicals Company has in house sound R&D Department.
- N.H. no. 8 and Western Railway transportation facilitates time minimal transportation for procurement of raw materials as well as supply of finished products nationally.

### **Weaknesses**

- Strict Environmental policies and controls may pose real hurdle to the development of chemical project.
- In general companies claim a lack of specialized logistic service providers having the required experience for warehousing and handling of chemical goods.
- The public image of the Chemical Industry is evaluated by chemical producers as a big barrier, because people are still afraid of hazardous chemicals in their neighborhood.

### **Opportunities**

- Despite the current critical financial and economic hurdles, the expected positive long term economic development and the increasing freight transport volumes all constitute an opportunity for the growth and the further development of most of the chemical enterprises. This can be an important contribution to the stabilization of markets and the improvement of customer satisfaction.

### **Threats**

- The present economic position serves as a threat to many chemical and logistic companies both worldwide and on the regional level.
- In general labourers avoid working in chemical plants. Hence company may have to face labour problem.

### **Our Business Strategy**

#### **1. Enhanced product range through emphasis on R&D**

We intend to strengthen our Research and Development department to enhance the product range and improve the quality of the products and achieve the cost reduction by utilizing the improved method of production. In keeping with this philosophy, we will focus on increasing our customer base of our products, give them a platform of choice to transact and support them with quality research as well as on capturing the significant growth opportunities across the spectrum.

#### **2. Broad basing our Overseas reach**

The company is engaged in manufacture and development of various kinds of Dyes & Intermediates. The main end product of the company is Naphthalene based Dyes & Intermediates which are being sold to well known multinational trading houses in various countries like U.S.A, Spain, Switzerland, Germany, France, Taiwan, Japan, Germany, Brazil, Pakistan etc. The company is manufacturing one exclusive product namely Violet Acid which is in demand all over the world. The Company is planning to expand their business area which turns into higher demand and sales of products manufactured by the company in various countries of the world.

#### **3. Maintain and expand long-term relationships with clients**

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that a long-term client relationship with large clients fetches better dividends. Long-term relations are built on trust and continuous maintaining of the requirements of the customers. It forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely.

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

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We regularly analyze our existing material procurement policy and manufacturing process to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.



### **Location of the Project**

Our manufacturing plant and registered office of the company is situated at Plot No 213, Panoli Industrial Estate, GIDC Panoli, Tal. Ankleshwar, Dist: Bharuch consisting of Revenue Survey no 258/P within the village limit of Sanjali, Tal. Ankleshwar, Dist. Bharuch. in the area of 4700 Sq. Mts.

### **Plant & Machinery, technology, process etc**

**Existing :** The plant and machineries includes Various M.S. Tanks for various chemicals, HDPE Tanks, Chilling Plant, Steam Boilers, Thermo pack Boiler, Air Compressor, Flash Dryer, Cooling Towers, Effluent Treatment plant and pulwizer.

The company has well equipped laboratory for testing the quality of raw material, work-in-process goods and finished products. The generally used testing and quality checks and control equipments are Analytics Balance, High Performance Liquid Chromatography, Gas Chromatograph, UV/VIS Spectrophotometer, Melting Point Apparatus, TLC Chamber etc. for checks & testing of micro balancing, moisture, purity, spectra, melting point etc.

**Proposed:** The Company proposes to increase the production of existing products and also to produce new range of products, for which the Company proposes to purchase additional plant and machineries. For further details of gist of plant and machinery is appearing in section "Object of the Issue" on page no. \_\_\_\_ of this Prospectus.

### **Infrastructure facilities for Raw Materials and Utilities like Water, electricity etc.**

#### **Raw Material**

The majority of raw material required for manufacturing specialty chemicals which the company is manufacturing are Para Toluidine, Caustic soda Flakes, Oleum, Sulfur, Soda Ash, Sulfuric Acid, Magnesium Oxide etc. The raw materials are easily available as the plant of the company is in chemical zone of Gujarat. The company is procuring the raw material from number of suppliers and dealing with the suppliers since long. The company gets the delivery of raw material within time. Certain raw materials are procured from overseas suppliers.

#### **Logistics**

The company has plant in the Panoli Industrial Estate which is well connected by Western railway and National Highway -8 facilitates the transportation of raw material and finished products.

#### **Power**

The company has got the power connection of 22 KV from Daxin Gujarat Vij Company Limited Which is sufficient for present operation as well as for proposed expansion. We have installed diesel set generator for power back up.

#### **Fuel:**

The company had entered in to contract with Gujarat Gas Company Limited for monthly contracted quantity of 11960 SCM for natural gas.

The Company had entered into contract with Gujarat Gas Company limited for purchase of Gas for period a period of five years commencing from 01.01.2013.

#### **Water**

Our water requirement is for production process and for general purpose also. Water requirement is fulfilled through GIDC. We pay fix monthly charges for water for use in production & ancillary processes.

#### **Pollution**

The company has obtained the consent from the Gujarat pollution Control Board to discharge of industrial effluent to operate industrial plant for manufacturing of 1) Para Nitro Anilime, 2) 2:4 Di Nitro Anilime, 3)

Dichloro Para Nitro Aniline, 4) Ortho Chloro Para Nitro Aniline, 5) 6 Chloro 2:4 Di Nitro Aniline, 6) 6 Bromo Di Nitro Aniline 7) Epsilon Acid. The company has applied to the Gujarat Pollution Control board on October 12, 2012 for consent to establish - change in product mix 1) Dehydro Thio Para Toluidine Sulfonic Acid (DTPTSA), 2) Amino Phenoxy Propane Sulfonic Acid (SPA), 3) Amino Methyl Phenoxy Sulfonic Acid (SPMT), 4) PYBIZS 4-Nitrile-1-Hydroxy-8-Methoxy-3-Methyl Benzo [4,5] Imidazo [1,2 A] Pyridine-7 & Sulphonic Acid & its sodium salt, 5) Basic Red51/Red 76/Brown16/Brown17/Brown99/yellow-1/Yellow57/Orange31, 2-Chloro Methyl -3,4- Dimethoxy Pyridine, Octahydro-4B-Methyl-9 (Methylamino) 6) Di Amino Bisphenoxy Ethane 7) 5-Methoxy 6- Amino Benz Imidazole.

## **Human Resources**

Human resource is an asset to any industry, sourcing and managing. We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the chemical Industry. We view this process as a necessary tool to maximize the performance of our employees.

As on October 31, 2016 we have the total strength of 42 permanent employees (including workmen) in various departments. The details of which is given below:

| Sr. No. | Particulars                              | Employees |
|---------|--|-----------|
| 1.      | Management and Finance                   | 4         |
| 2.      | Production/Manufacturing and Maintenance | 2         |
| 3.      | Administrative                           | 5         |
| 4.      | Skilled and Semi Skilled Labour          | 31        |
|         | <b>Total</b>                             | <b>42</b> |

We have not experienced any strikes, work stoppages, labour disputes or actions by or with our employees, and we have cordial relationship with our employees.

## **Collaborations, any Performance guarantee or assistance in marketing by the Collaborators**

Our Company has not entered into any collaboration, or Performance guarantee or assistance for marketing with any Company.

## **Our Products -**

Our company is manufacturing wide ranges of intermediaries for dyes, pigments, pharmaceuticals agro chemicals. Our existing and proposed products are as follows:

### **Dyes Intermediate**

- ✓ Dehydro Thio Para Toluidine Sulfonic Acid ( DTPTSA)
- ✓ Amino Phenoxy Propane Sulfonic Acid (SPA)
- ✓ Amino Methyl Phenoxy Sulfonic Acid (SPMT)
- ✓ PYBIZS- 4-Nitrile-1-Hydroxy-8-Methoxy-3-Methyl Benzo [4,5] Imidazo [1,2A] Pyridine-7 & Sulphonic Acid & its sodium salt

### **Basic Dyes**

- ✓ Basic Red51/Red 76/Brown16/Brown17/Brown99/yellow-1/Yellow57/Orange31

### **Organic Intermediates**

- ✓ 2-Chloro Methyl -3,4- Dimethoxy Pyridine
- ✓ Octahydro-4B-Methyl-9 (Methylamino)
- ✓ Di Amino Bisphenoxy Ethane
- ✓ 5-Methoxy 6- Amino Benz Imidazole Para Nitro Aniline,
- ✓ Epsilon Acid,
- ✓ 2:4 Di Nitro Aniline,
- ✓ Dichloro Para Nitro Aniline,
- ✓ Ortho Chloro Para Nitro Aniline,
- ✓ 6 Chloro 2:4 Di Nitro Aniline,

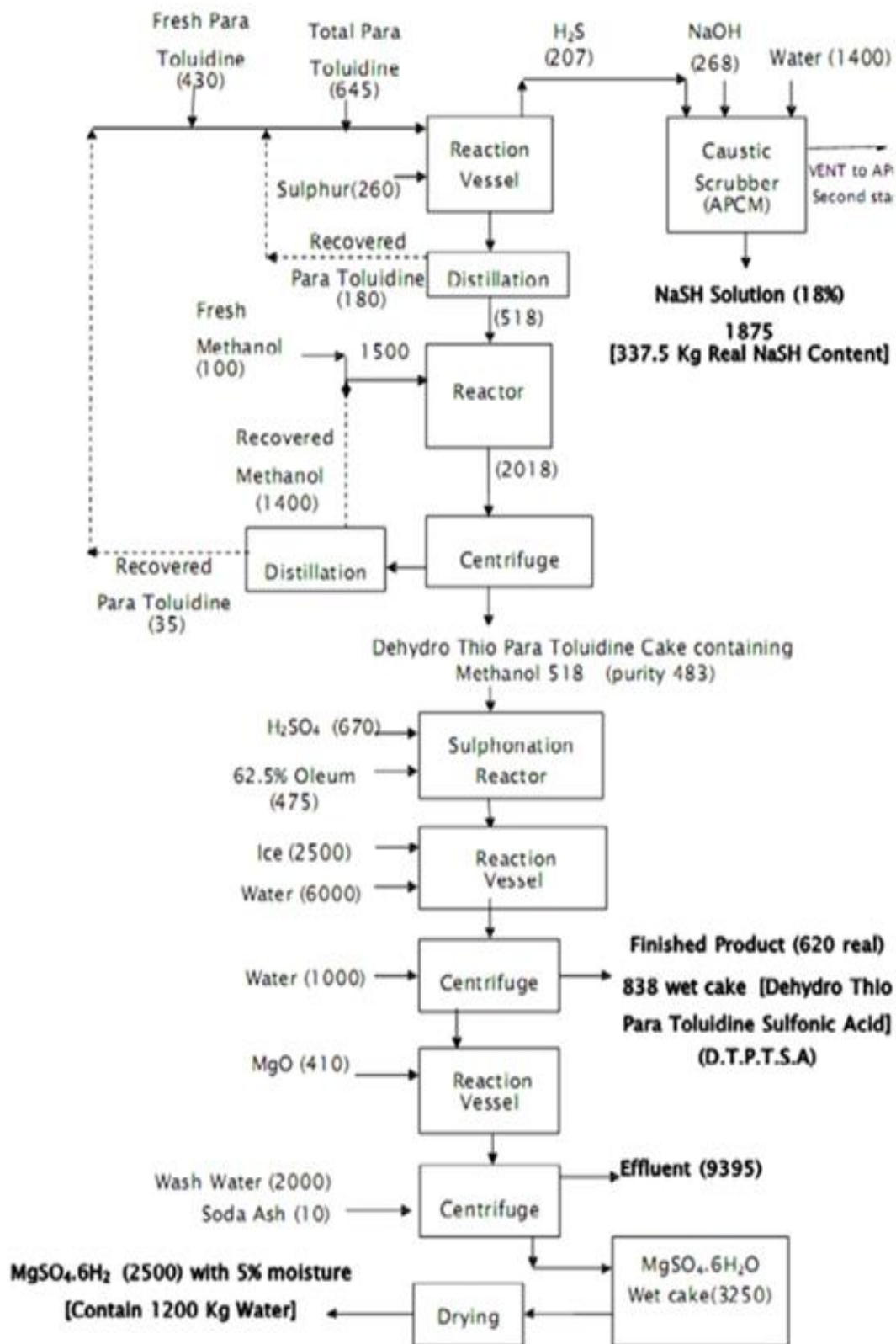
- ✓ 6 Bromo Di Nitro Aniline

## **Manufacturing Process/Process Flow Chart**

### **1. Dehydro Thio Para Toluidine Sulfonic Acid (DTPTSA)**

#### **a) Manufacturing Process:**

- Para Toluidine is reacted with Sulphur at 230°C for 24 hours. The Hydrogen Sulphide gas evolved in the reaction is passed through Caustic Solution Absorption system with scrubber to obtain the By-product 'NaSH solution (18%)'.
- The reaction mass is then distilled partially to recover un-reacted excess Para Toluidine which is recycled.
- After Para Toluidine recovery, the material is cooled, crushed and pulverized. This is crude 'Dehydro Thio Para Toluidine'. It is then treated with Methanol to extract Para Toluidine present in small amount. The material is centrifuged, and taken up for Sulphonation stage. The Methanol mother liquor is taken up for simple distillation wherein Methanol is distilled out and the residue of Para Toluidine is recycled in next batch.
- The 'Dehydro Thio Para Toluidine' wet-cake is added slowly in mixture of Sulphuric Acid and 62% Oleum at 60°C. The temperature is raised to 65°C and maintained for about 12 hours in closed conditions. The mass is then added slowly in Ice/water mixture maintaining a temperature of about 18°C. The resulting slurry is then centrifuged and washed with water. The wet cake of Dehydro Thio Para Toluidine Sulfonic Acid is then blended and packed as per market requirements.
- The mother liquor is treated with Magnesium Oxide to produce Magnesium Sulphate as By-Product; which is dried and packed.

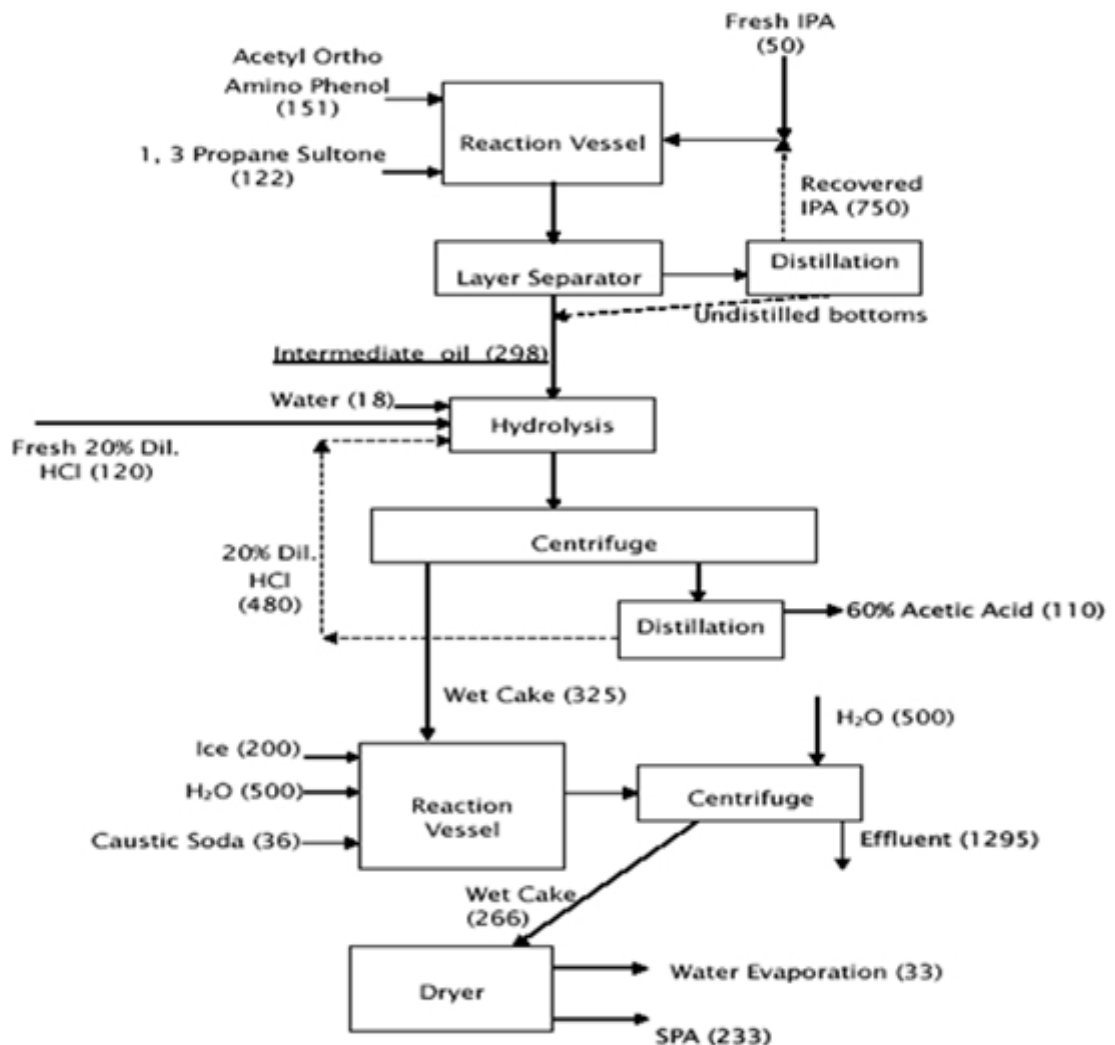


**Note: All units are in KG**

## 2. Amino Phenoxy Propane Sulfonic Acid (SPA)

### a) Manufacturing Process:

- Acetyl Ortho Amino Phenol is condensed with 1, 3-Propane Sultone in Iso- Propanol media at about 85°C and 0.5 Kg pressure for about 18 hours.
- The mass is then cooled to room temperature and centrifuged.
- The mother liquor is taken up for layer separation to separate oil and IPA layer. The IPA layer is distilled to recover IPA and the left out bottoms after IPA distillation is added to the oily layer (Intermediate material) and taken up for further processing.
- The intermediate condensed mass is then taken up for acid hydrolysis with 20% HCl at about 60 °C. The hydrolyzed mass is then centrifuged to obtain crude wet cake of SPA. The mother liquor is partially distilled to recover 60% Acetic Acid and then recycled to next batch.
- The crude SPA wet cake is treated with dilute caustic Soda and the mass is centrifuged and wet cake is washed with water. The ML is sent to ETP.
- The purified SPA is dried and packed.

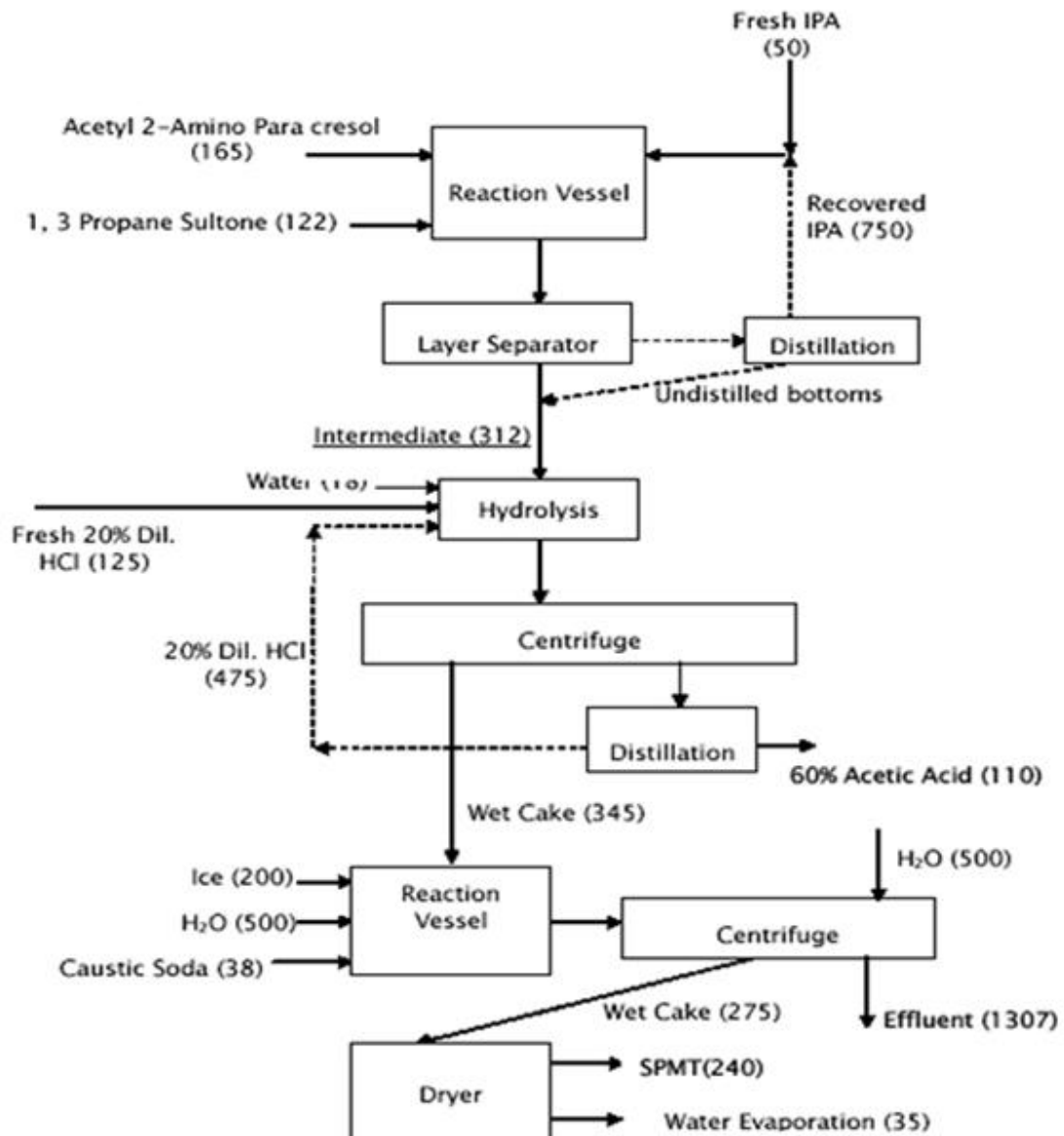


Note: All units are in KG

### 3. Amino Methyl Phenoxy Sulfonic acid (SPMT)

#### a) Manufacturing Process:

- Acetyl 2- Amino Para Cresol is condensed with 1, 3-Propane Sultone in Iso- Propanol media at about 85°C and 0.5 Kg pressure for about 24 hours.
- The mass is then cooled to room temperature and centrifuged.
- The mother liquor is taken up for layer separation to separate oil and IPA layer. The IPA layer is distilled to recover IPA and the left out bottoms after IPA distillation is added to the oil layer (Intermediate material) and taken up for further processing.
- The intermediate condensed mass is then taken up for acid hydrolysis with 20% HCl at about 60°C. The hydrolyzed mass is then centrifuged to obtain crude wet cake of SPA. The mother liquor is partially distilled to recover 60% Acetic Acid and then recycled to next batch.
- The crude SPMT wet cake is treated with dilute caustic Soda and the mass is centrifuged and wet cake is washed with water. The ML is sent to ETP.
- The purified SPMT is dried and packed.

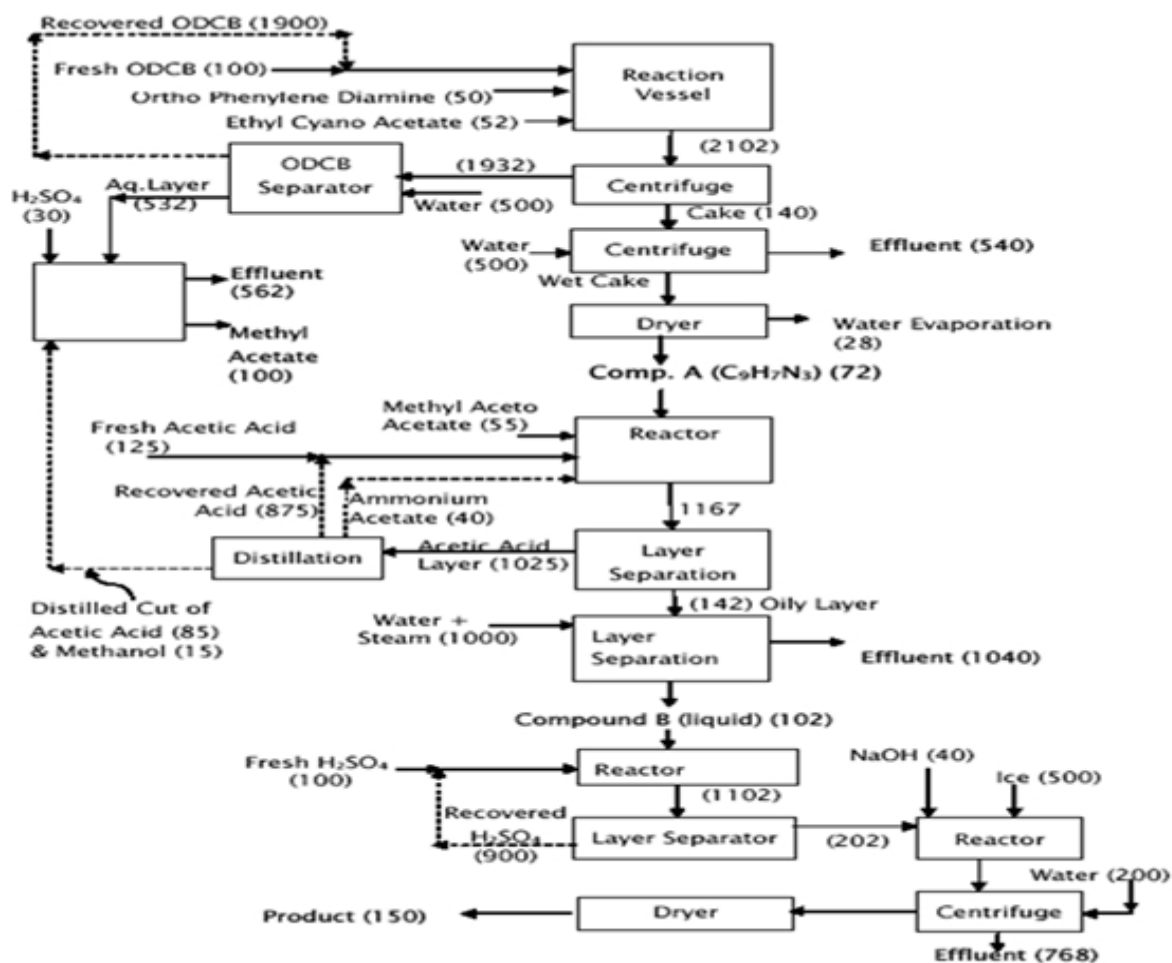


Note: All units are in KG

#### 4. PYBIZS 4-Nitrile-1- Hydroxy-8-Methoxy-3-Methyl Benzo [4,5] Imidazo [1,2 A] Pyridine-7 & 8 sulphonic Acid & its sodium salt mixture

##### a) Manufacturing Process:

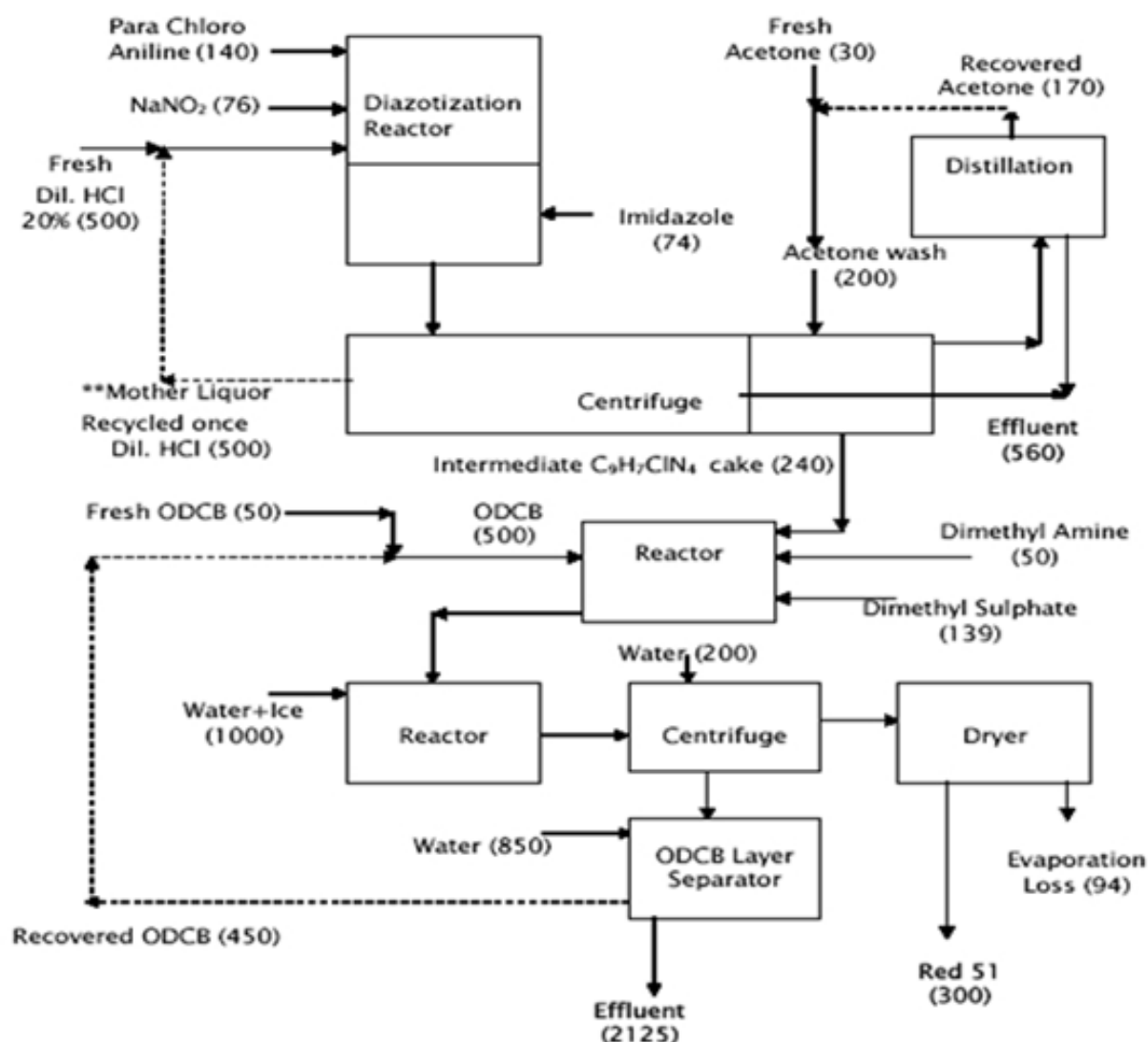
- Ortho Phenylene Diamine and Ethyl Cyano Acetate are reacted at 180 °C to 185 °C in Ortho Dichloro Benzene media under total reflux for about 8 hours. The mass is filtered/centrifuged to get wet cake of intermediate compound which is washed with water and dried to obtain 'Compound A'. The wash Liquor is sent to ETP.
- The centrifuge ML is taken for Layer Separation. The ODCB layer is recycled to next batch and Aqueous Layer is stored and used for Methyl Acetate manufacturing at later stage because it contain Methanol.
- The 'Compound A' above is reacted with Methyl Aceto Acetate in Acetic Acid media in presence of Ammonium Acetate which acts as a catalyst. The reaction is carried out at 65°C. The mass is taken for layer separation. The Organic Layer is washed with hot water to obtain 'Compound B' and wash layer is sent to ETP. The Acetic Acid Layer is distilled partially to get mixture of Acetic Acid and Methanol. which in turn, is reacted with Aq. Layer containing Methanol (of first step) in presence of Sulphuric Acid to get Methyl Acetate as By-Product. The Acetic Acid Layer which would also contain Ammonium Acetate catalyst is recycled to next batch.
- "Compound B' is reacted with Sulphuric Acid at 70°C and taken up for layer separation. The Sulphuric Acid layer is recycled to next batch and Organic Layer is dumped on Ice; and caustic Soda is added slowly to obtain mixture of PYBIZS and its sodium salt. This is then centrifuged. The cake is washed with water and ML/wash liquor is sent to ETP. "The product cake is dried and packed."



## 5. Basic Red51/Red 76/Brown16/Brown17/Brown99/yellow-1/Yellow57/Orange31

### a) Manufacturing Process:

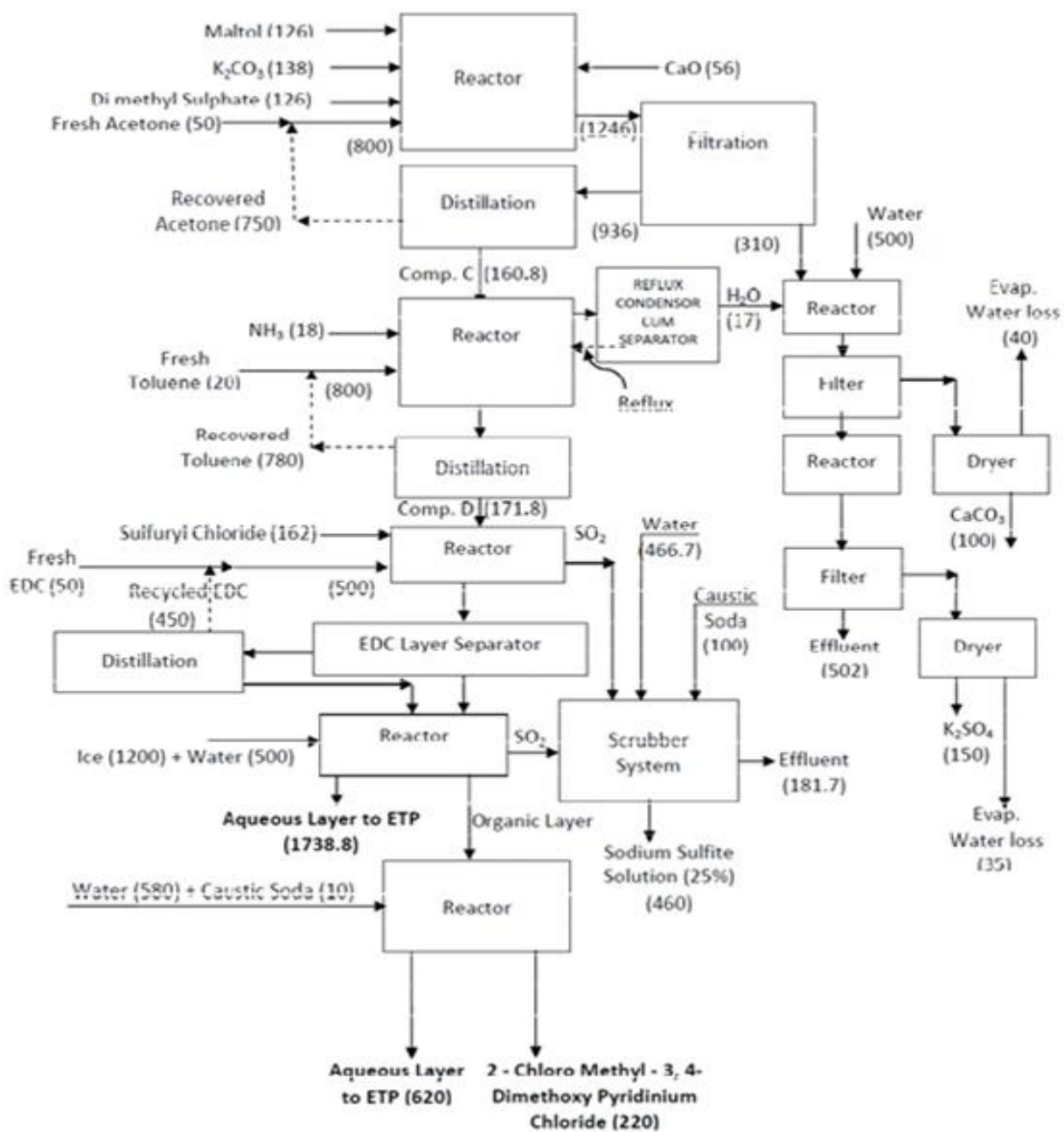
- Para Chloro Aniline is diazotized and coupled with Imidazole. The HCl ML is used once and then sent to ETP. The cake is washed with Acetone and taken up for further processing. The Acetone ML is distilled to recover Acetone and reuse the same. The small amount of residue (after distillation of Acetone) is dissolved with and into centrifuge ML.
- The intermediate of first stage is reacted with Dimethyl Amine and Di Methyl Sulphate in ODCB media at 115°C for 20 hours. The mass is then cooled and quenched into water/Ice and centrifuged. The wet cake of Red 51 is washed with fixed quantity of Water, dried and packed.
- The ML is also washed with water and taken up for layer separation wherein ODCB Layer is recycled and Aqueous Layer is sent to ETP.



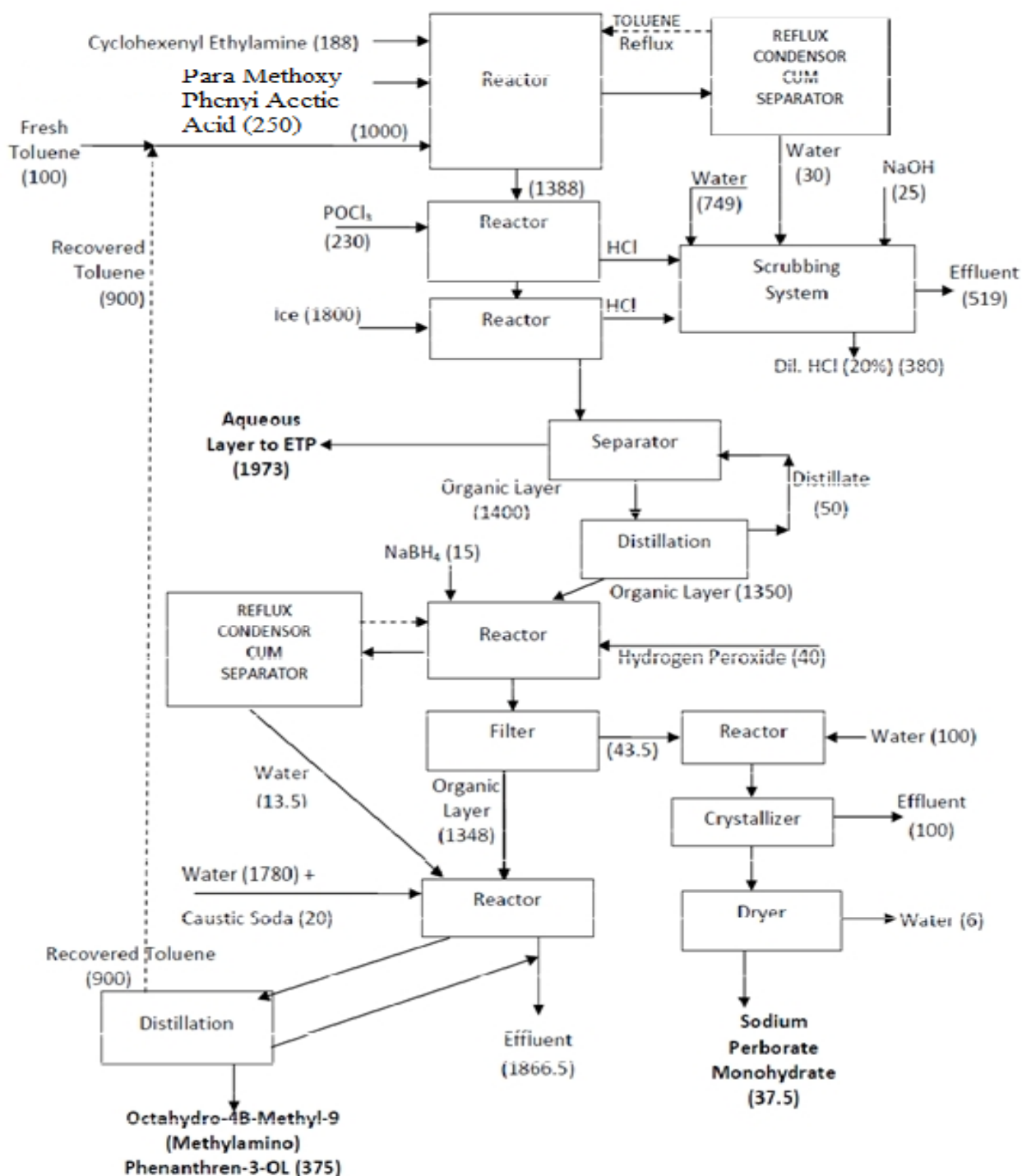
\*\*Mother Liquor recycled fully once for every two batches. Hence considered as 50% recycled



## 6. 2-Chloro Methyl -3,4- Dimethoxy Pyridine



## 7. Octahydro-4B-Methyl-9 (Methylamino)



## 8. Di Amino Bisphenoxy Ethane

### A) Manufacturing Process:

- Charge O- nitro chloro benzene into Reactor and then charge ethylene Glycol and Caustic soda flakes into reactor.
- Start Condensation reaction at 78 °C and maintain it for 15 hrs.
- After completion of reaction start cooling in to jacket and decrease temperature till 30 to 35 °C.
- Send above reaction mass in to separation vessel and separate Organic layer and aqueous layer
- Organic layer charge into Hydrogenator, Charge Raney Nickel Catalyst and take Ethyl Acetate for using as a Reaction medium Base.
- Start Hydrogenator and Pursing H<sub>2</sub> Gas through Hydrogen cylinder Station at 5 kg/cm<sup>2</sup> pressure and 65°C temperature continually till reaction is complete.
- Control temperature using a cooling circulation in to jacket and also control of Hydrogen Gas pursuing.
- After completion of reaction take Reaction mass using a Nitrogen Pressure and send it in to holding tank.
- In holding tank decrease the temperature material will be crystalline and observed.
- Filter material using Nutsche filter take out wet cake and centrifuge it and ML of Ethyl Acetate and water send to separation Vessel for Layer separation, Aqueous layer in Bottom area send to ETP and on top Ethyl acetate layer send to Distillation vessel and distilled it for reuse in hydrogenation process.
- Wet cake load in to dryer, dry it and pack it.

### Marketing Set up & Distribution Arrangement

We sell our products in domestic as well as overseas market. Viz. U.S.A, Spain, Switzerland, Germany, France, Taiwan, Japan, Germany, Brazil, Pakistan etc. The promoter having the contacts directly approaches the large end users. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our Promoter through their vast experience and good relations with clients owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. The company remains in contacts with the various clients for their regular requirement of products. Based on experience of our promoters and market conditions, we do keep our buffer stock.

### COMPETITION

The Dyes and dyes intermediates industry is very competitive industry and there are number of players both in organized sector and unorganized sector. Our competition depends on the products being offered by various companies in the organized segment besides several other factors like quality, price, and timely delivery. Competition emerges not only from organized sector but also from the unorganized sector and from both small and big regional and National players. The company with the help of the technical knowledge of the promoter director and well established R&D department has developed qualitative dyes and dyes intermediates. The company manufactures one exclusive product namely Violet Acid which is in demand in various countries across the world.

### **Capacity and Capacity Utilization**

Our Company is engaged in the business of manufacturing of special and exclusive range of intermediates for dyes, pigments, pharmaceuticals, agrochemicals and others. The installed capacity varies from product to product and especially product mix we manufacture and/or product mix propose to be manufactured. Hence neither product wise installed capacity can be quantified on year to year basis nor for product mix proposed to be manufactured.

### **Indebtedness**

**Our Company is availing following Working Capital facilities from the following bank, details of which are as under:-**

| Name of the Lender | Sanction Amount | Margin & Purpose | Amount O/s as on | Interest Rate per | Security (Combined | Period & Repayment |
|--------------------|-----------------|------------------|------------------|-------------------|--------------------|--------------------|
|--------------------|-----------------|------------------|------------------|-------------------|--------------------|--------------------|

|   |   |  | October<br>31, 2016  | annum                             | Security)  | Schedule                                      |
|---|---|--|--|-----------------------------------|--|---|
| The Jammu & Kashmir Bank Limited (J&K Bank) | ₹ 612.40 Lacs   |  | L.C. of ₹ 42000 USD due date is 01.12.2016. Margin given 25% in the form of FD |                                   | Primary:<br>Hypothecation of entire block of current assets including raw materials, stocks in process, finished goods, book debts including export receivables etc. Hypothecation of existing Plant and Machinery installed having value of ₹ 270.00 lacs as per valuation report dated January 23, 2015 of Gajjar Techno-Consultants Private Limited.  | Working capital would be repayable on demand. |
| Deed of Hypothecation                       | <b>Cash Credit</b><br>(₹ 150.00 lacs)   | 25% on stock<br>40% on book debts not older than 90 days |  | <b>13.50% (Base Rate + 4.00%)</b> |  |   |
|   | <b>Packing Credit Limit</b><br>(₹100.00 lacs)                                 | 25%  |  | As per FEBD guidelines            |  |   |
|   | <b>Post Shipment Limit</b><br>(maximum Usance period 90 days) (₹ 175.00 lacs) | Nil  |  | As per FEBD guidelines            |  |   |
|   | <b>ILC/FLC</b><br>(Usance period 90 days) (Rs 175.00 lacs)                    | 25%  |  | As per FEBD guidelines            |  |   |
|   | <b>Forward Contract Exposure</b><br>(Exposure ₹ 12.40 Lacs)                   | Nil  |  | CCF 2% as per RBI Guidelines      | <b>Collateral:</b><br>Equitable mortgage of factory land and building situated at Plot No. 213, GIDC Panoli, Ankleshwar, Gujarat (Owned by the Company) having value of ₹ 317.00 Lacs as per valuation report dated January 23, 2015 of Gajjar Techno-Consultants Private Limited. Equitable mortgage of land along with allied construction situated at Plot No. 214, GIDC Panoli, Ankleshwar, Gujarat, |   |
|   |   | <u>Working capital requirement</u>                       |  |                                   |  |   |

|  |  |  |  |  |   |  |
|--|--|--|--|--|---|--|
|  |  |  |  |  | <p>belonging to M/s. Ayaz Ice &amp; Cold Storage having estimated value of ₹ 145.00 lacs as per valuation report dated January 23, 2015 of Gajjar Techno-Consultants Private Limited.</p> <p><u>Personal Guarantee of Promoter and Directors of the Company:</u><br/> Sh. Maninder Singh Jolly R/O Plot No. 1004, Sukh Shanti Society, GIDC Township, Ankleshwar, Gujarat having networth of ₹ 1129.99 lacs as on March 31, 2014.<br/> Smt. Anureet Kaur Jolly R/O Plot No. 1004, Sukh Shanti Society, GIDC Township, Ankleshwar, Gujarat having networth of ₹ 776.53 lacs as on March 31, 2014.</p> <p><u>Corporate Guarantee:</u><br/> M/s. Pro-life Biochemicals Industries Private Limited having tangible net worth of ₹ 508.90 Lacs as on March 31, 2014.</p> |  |
|--|--|--|--|--|---|--|

#### Terms and Conditions

1. The company to undertake that during the currency of the credit facilities it should not without the bank's prior permission in writing;
  - a. affect any change in company's constitution/capital structure;

- b. formulate any scheme of amalgamation or reconstruction;
- c. invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group concerns), excepting normal trade credit or security deposits in the normal course of business or advances to employees;
- d. declare dividends for any year except out of profits relating to that year after making all dues and necessary provisions and provided further that no default had occurred in any repayment obligations;
- e. create any charge, lien or encumbrances over the undertaking or any part thereof in favour of financial institution, bank, company, Firm or persons;
- f. sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank;
- g. permit any transfer of the controlling interest or make any drastic change in the management set up;
- h. enter into any contractual obligation of a long term nature or affecting the firm financially to a significant extent.

#### Details of Immovable Property:

The details of the Owned properties and leased properties are given below:

#### Leased Properties

| Particulars             | Details   |
|-------------------------|---|
| Name of the Lessor      | Gujarat Industrial Development Corporation  |
| Description of Property | Plot No 213, Panoli Industrial Estate, Revenue Survey No 258/P, Village Sanjali, Tal Ankleshwar, Dist. Bharuch. |
| Date of agreement       | 19 <sup>th</sup> August, 1996   |
| Usage                   | Registered Office/Factory   |
| Area (Approx)           | 4700 Sq.Mts.  |
| Consideration (Rent)    | ₹12,10,920 and Rs 6/- rent per year.  |
| Period                  | 99 years from 26 <sup>th</sup> December 1994.   |

#### Owned Properties:

| Particulars                    | Details   |
|--------------------------------|---|
| Name of the Property & Address | S-6, 8, 10, 12 Hexon Arcade, Second Floor, GIDC Ankleshwar, Dist: Bharuch                               |
| Description of Property        | Plot No 623-3-A, 623-2-B-1, Revenue Survey No 221 – 223 paiki, 241 paiki Tal Ankleshwar, Dist. Bharuch. |
| Name of Seller                 | M/s Shraddha Corporation  |
| Date of agreement              | February 11, 2013   |
| Consideration Paid             | ₹ 11,20,000/-   |
| Usage                          | Office Complex  |
| Area (Approx)                  | 130.04 Sq.Mts.  |

#### Intellectual Property Rights

The Company has no any registered Intellectual Property rights like Trademark, Brand etc. in its name.

However, one of the Group Companies namely Prolife Bio-Chemical Industries Pvt. Ltd. has applied for registration of Word mark namely **PROLIFE** for chemical substances, chemical materials and chemical preparations, and natural elements (hereinafter referred to as the said goods) included in class-1 bearing application Trade Mark No. **3220377** And **PROLIFE** for bio-chemical research, bio-technological research, information on the subject of scientific research in the field of biochemistry and biotechnology included in class-42 bearing application Trade Mark No. **3220376**.

#### Insurance

Our Company has insured our assets, liabilities and workers through various insurance policies details of which are as under.

| Sr. No. | Name of the Policy | Insurer | Description/ Coverage | Policy No | Policy Period | Premium (In ₹) | Insured Amount/ Limits of |
|---------|--------------------|---------|-----------------------|-----------|---------------|----------------|---------------------------|
|---------|--------------------|---------|-----------------------|-----------|---------------|----------------|---------------------------|

|    |  |   |  |                          |                             |        | <b>Liability<br/>(Amount In<br/>₹)</b>   |
|----|--|---|--|--------------------------|-----------------------------|--------|--|
| 1. | Standard Fire and Special Peril policy     | United India Insurance Company Limited      | Building, Plant and Machinery and All type of Stocks   | 1806011116P<br>103646537 | 14/06/2016 to<br>13/06/2017 | 71,705 | Building 1,75,00,000<br>Plant and Machinery 3,00,000<br>All type of Stocks 2,50,00,000 |
| 2. | Workmen Compensation Policy                | IFFCO – TOKIO General Insurance CO. Limited | Workers' policy  | 43121495                 | 18/06/2016 to<br>17/06/2017 | 65,089 | 60,99,840  |
| 3. | Boiler And Pressure Plant Insurance Policy | United India Insurance Company Limited      | Boiler and Pressure Plants   | 1806014416P<br>103610545 | 14/06/2016 to<br>13/06/2017 | 608    | 2,00,000   |
| 4. | Burglary Standard Policy                   | United India Insurance Company Limited      | Cash and Valuables   | 1806011216P<br>103606637 | 14/06/2016 to<br>13/06/2017 | 3,450  | 5,00,000   |
| 5. | Burglary Standard Policy                   | United India Insurance Company Limited      | Furniture, fixtures, fittings, utensils, trade appliances etc and stock in trade or goods in custody of the Insured – other general goods. | 1806011216P<br>103608709 | 14/06/2016 to<br>13/06/2017 | 15,813 | 5,50,00,000  |
| 6. | Money Insurance Policy                     | United India Insurance Company Limited      | Money for the payment of wages, salaries etc., money in personal custody etc.  | 1806011216P<br>103607801 | 14/06/2016 to<br>13/06/2017 | 4,198  | 5,00,000   |

### Exports & Exports Obligations

As on date of this Prospectus, our Company does not have any Export Obligation under Export Promotion Capital Goods (EPCG) Scheme or any other scheme of Government of India.

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. The regulations set out below are not exhaustive and are only intended to provide general information to the bidders. The company is engaged in business of chemical manufacturing. Set further below are certain general legislations and regulations which govern this industry in India.*

### **Statutory Legislations**

#### **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, 1956 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 September 12, 2013 and March 26, 2013 notified a total of 283 Sections of the Companies Act, 2013, which have become effective as on the date of this Prospectus.

#### **Industrial (Development and Regulation) Act, 1951**

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

#### **The Workmen Compensation Act, 1923**

The Workmen Compensation Act, 1923 ("WCA") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

#### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

#### **Tax Related Legislations Value Added Tax ("VAT")**



The levy of Sales Tax within the state is governed by the Value Added Tax Act and Rules 2008 ("the VAT Act") of the respective states. The VAT Act has addressed the problem of Cascading effect (double taxation) that were being levied under the hitherto system of sales tax. Under the current regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax- that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source , Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

### **Central Sales Tax Act, 1956**

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (Monthly/ Quarterly/ Annually) as required by the State sale Tax laws of the assessee authority together with treasury challan or bank receipt in token of the payment of taxes due.

### **Trade Marks Act, 1999 (Trade Marks Act)**

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years and can be renewed in accordance with the specified procedure. Application for trademark registry has to be made to controller-general of patents, designs and trade - marks who is the registrar of trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

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

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

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

The Foreign Trade (Development and Regulation) Act, 1992 ("FTA") read along with relevant rules inter-alia provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit,

restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import ("EXIM") Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such 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.

### **Shops and Establishments legislations in various States**

Our Company is governed by the various Shops and Establishments legislations, as applicable, in the states where it has its branch offices. These legislations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

### **Other Applicable Laws The Indian Stamp Act, 1899**

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### **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.

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

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

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

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The Central Pollution Control Board has powers, inter alia, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, inter alia, to inspect any sewage or trade

effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

### **The Air (Prevention And Control Of Pollution) Act, 1981 ("Air Act")**

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the above requirements include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. Under the Air Act, the Central Board for the Prevention and Control of Water Pollution has powers, inter alia, to specify standards for quality of air, while the State Board for the Prevention and Control of Water Pollution have powers, inter alia, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

### **Payment Of Bonus Act, 1965**

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. The said Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires the maintenance of certain books and registers such as the register showing computation of the allocable surplus; the register showing the set on & set off of the allocable surplus and register showing the details of the amount of Bonus due to the employees. Further it also require for the submission of Annual Return in the prescribed form (FORM D) to be submitted by the employer within 30 days of payment of the bonus to the Inspector appointed under the Act.

### **Factories Act, 1948**

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

### **The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957**

The Industrial Disputes Act, 1947 ("ID Act") was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman's services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, layoffs and retrenchment.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Mamta Dyes and Intermediaries Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated July 27, 1994 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to Mamta Dyes and Intermediaries Limited and fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, the name of our Company was changed to R R J-Dyes and Intermediates Limited vide fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Later on the name of the company was changed to Prolife Industries Limited and fresh certificate of Incorporation dated March 7, 2013 pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

Our company is engaged in the business of manufacturing special and exclusive range of intermediates for dyes, pigments, pharmaceuticals, agrochemicals and others. The company originally founded in the year 1994 in the name of Mamta Dyes & Intermediates Private Ltd and has been in this Industry from the very inception. Company has established even its own Research & Development Department within few years of incorporation of the company. It has already succeeded in developing very high quality Specialty Chemicals as result of thorough knowledge and R & D efforts of the Chairman and Managing Director of the company who has sound knowledge as well as vast experience of two decades in the chemical industry. The company has established its presence in domestic as well export market and are regularly catering to the needs of their customers in many countries including U.S.A, Spain, Switzerland, Germany, France, Taiwan, Japan, Germany, Brazil etc.

### Details of Changes in register office of our company

| Date              | From   | To  |
|-------------------|--|---|
| March 06, 1997    | 305, Sahyog Chamber, Near Bazar, Varachha Road, Surat 395 006              | Plot No 213, G.I.D.C, Phase II Panoli, Dist, Bharuch                        |
| July 31, 1997     | Plot No 213, G.I.D.C, Phase II Panoli, Dist, Bharuch                       | 203, Supath, Nr. Vijay Char Rasta Navrangpura, Ahmedabad, Gujarat – 380 009 |
| November 15, 2007 | 203, Supath, Nr Vijay Char Rasta Navrangpura, Ahmedabad, Gujarat – 380 009 | 213, G.I.D.C, Panoli, Ankleshwar – 394116, Dist. Bharuch, Gujarat           |

### Amendments to the Memorandum of Association

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

| Date of Amendment/Passing the Resolution | Particulars  |
|--|--|
| July 03, 1996                            | Increased in authorized capital from ₹ 10,00,000 to Rs 50,00,000.  |
| February 20, 1997                        | Converted company from Private Limited to Public Limited and Company has changed its name to R R J- Dyes and Intermediates Limited |
| March 23, 1998                           | Increased in authorized capital from ₹ 50,00,000 to ₹ 80,00,000.   |
| February 28, 2002                        | Increased in authorized capital from ₹ 80,00,000 to ₹ 1,00,00,000.   |
| November 15, 2009                        | Increased in authorized capital from ₹ 1,00,00,000 to ₹ 1,30,00,000.   |
| July 16, 2012                            | Increased in authorized capital from ₹ 1,30,00,000 to ₹ 1,50,00,000.   |

|                 |   |
|-----------------|---|
| July 16, 2012   | Company has altered its object clause by inserting sub clause 3 & 4 of Clause III [A] of MOA which are as follows:<br>(3) To carry on all the business of hotels, restaurants, cafes, holiday camps, resorts in India or abroad.<br>(4) To act as hotel management consultants, managers, operators, advisors, planners, valuers and to impart technical know-how and training in the field of planning, construction, operation of hotels, motels, restaurants, recreation and entertainment centres in the field of tourism industry whether in India or abroad and to purchase erect or otherwise acquire, establish and equip and act as collaborators, technicians, financiers to any other hotel or restaurant in India or abroad.  |
| March 07, 2013  | Company has changed its name to Prolife Industries Limited  |
| March 25, 2013  | Increased in authorized capital from ₹ 1,50,00,000 to ₹ 3,00,00,000.  |
| July 21, 2016   | Increased in authorized capital from ₹ 3,00,00,000 to ₹ 4,50,00,000.  |
| August 16, 2016 | Company has altered its object clause by inserting sub clause 5 of clause III [A] of MOA which is as follows:<br>(5) To carry on the business as exporter, importer, traders, buyers, sellers, merchant, agents, dealers, distributors, commission agents, brokers, stockiest, factors, consignors, collaborators, franchisers, concessionaire, consultant, advisors, manufacturer's representative, job worker, assembler, repairers and other wise to deal in all kinds, classes, size, nature and description of Industrial, Commercial, Consumer, Capital Goods, Item, Things, Articles, Commodities, Merchandise, Products weather finished, semi-finished or raw material including chemical, Engineering Goods, Equipments, Apertures, Home-Appliances, Household, Automobiles, Chemicals, Pigments, Colours, Paints and Varnishes, Electrical and electronic goods, Computer Hardware, Software, Gift Article, Toys, Readymade Garments, Fibers ana Fabrics, Yam, Textile, Hosiery Goods, Foot wares, Decorative, Glass and Glass Products, Glass ware, Crockery, Beverages, Minerals, Fertilizers, Pesticides, Drugs, Medicines and Pharmaceuticals, Seeds, Food grains, Spices, Cereals, Flours, Fruits, Dry fruits, Vegetables, Herbal and Aurvedic Products, Agriculture produce and products, Milk and Dairy Products, Food products, Marine Products, Sugar and Sugar Products, Tea and Coffee, Tobacco, Cosmetics, Cement, Cement Product, Ceramics Products, Sanitary ware Salt, Dyes, Intermediates, Diamond, Gold, Jewelry, Novelty, Stationery, Ferrous and non- ferrous metals, Solvent, Oil edible and non-edible, Lubricants, fuel additive, Stones, Marbles and Granites, all shapes, sizes, varieties, specifications, descriptions, applications and use of tiles, including ceramic tiles, glazed tiles, wall tiles including digital wall tiles, floor tiles including digital floor tiles, marbles tiles, artificial marbles tiles, granite tiles, vitrified tiles, double charge vitrified tiles, multi charge vitrified tiles, glaze vitrified tiles, digital vitrified tiles, polished vitrified tiles, porcelain tiles, roofing tiles, china tiles, ceramic products, ceramic raw materials and byproducts thereof, sanitary wares, ceramics wares, earthen wares, crockeries, pressed wares, decorative wares, garden wares, kitchen wares, potteries insulators, terracotta, porcelain wares, bathroom wares and accessories thereof. Mining products, Plastic and Polymers products, Timber, Wood and Wooden article, Furniture, Petroleum product and other articles, goods capable of being imported, exported and traded. |

### Major Events

The major events of the company since its incorporation in the particular financial year are as under:

| Financial Year | Events   |
|----------------|--|
| 1994           | Incorporation of Company                           |
| 1997           | Conversion from Private Limited to Public limited. |
| 2014           | Obtained Import Export Code                        |

### Subsidiaries/Holdings of the company

Our Company does not have any subsidiary company and company is not having any holding company, as on date of filing of the Prospectus.

### **Injunction and restraining order**

Our company is not under any injunction or restraining order, as on date of filing of the Prospectus.

### **Managerial Competence**

For managerial Competence please refer to the section "Our management" on Page no 102 of the prospectus.

### **Acquisitions / Amalgamations / Mergers/ Revaluation of assets**

No acquisitions / amalgamations / mergers or revaluation of assets have been done by the company.

### **Total number of Shareholders of Our Company**

As on the date of filing of this Prospectus, the total numbers of equity share holders are 8. For more details on the shareholding of the members, please see the section titled "Capital Structure" at page 38.

### **Main Objects as set out in the Memorandum of Association of the 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 business of manufacture, export, import, process, purchase, sell or deal in either as wholesalers, semi-wholesalers and commission agents for all types and kinds of chemicals, chemical compound (organic & inorganic) intermediates, pigments & their related preparations, articles, products & by-products.
2. To carry on the business of running weaving and spinning mill for silk, artificial silk, rayon, nylon, cotton-silk, wool and knitted fabrics and yarns.
3. To carry on all the business of hotels, restaurants, cafes, holiday camps, resorts in India or abroad.
4. To act as hotel management consultants, managers, operators, advisors, planners, valuers and to impart technical know-how and training in the field of planning, construction, operation of hotels, motels, restaurants, recreation and entertainment centers in the field of tourism industry whether in India or abroad and to purchase erect or otherwise acquire, establish and equip and act as collaborators, technicians, financiers to any other hotel or restaurant in India or abroad.
5. To carry on the business as exporter, importer, traders, buyers, sellers, merchant, agents, dealers, distributors, commission agents, brokers, stockiest, factors, consignors, collaborators, franchisers, concessionaire, consultant, advisors, manufacturer's representative, job worker, assembler, repairers and other wise to deal in all kinds, classes, size, nature and description of Industrial, Commercial, Consumer, Capital Goods, Item, Things, Articles, Commodities, Merchandise, Products weather finished, semi-finished or raw material including chemical, Engineering Goods, Equipments, Apertures, Home-Appliances, Household, Automobiles, Chemicals, Pigments, Colours, Paints and Varnishes, Electrical and electronic goods, Computer Hardware, Software, Gift Article, Toys, Readymade Garments, Fibers ana Fabrics, Yam, Textile, Hosiery Goods, Foot wares, Decorative, Glass and Glass Products, Glass ware, Crockery, Beverages, Minerals, Fertilizers, Pesticides, Drugs, Medicines and Pharmaceuticals, Seeds, Food grains, Spices, Cereals, Flours, Fruits, Dry fruits, Vegetables, Herbal and Aurvedic Products, Agriculture produce and products, Milk and Dairy Products, Food products, Marine Products, Sugar and Sugar Products, Tea and Coffee, Tobacco, Cosmetics, Cement, Cement Product, Ceramics Products, Sanitary ware Salt, Dyes, Intermediates, Diamond, Gold, Jewelry, Novelty, Stationery, Ferrous and non- ferrous metals, Solvent, Oil edible and non-edible, Lubricants, fuel additive, Stones, Marbles and Granites, all shapes, sizes, varieties, specifications, descriptions, applications and use of tiles, including ceramic tiles, glazed tiles, wall tiles including digital wall tiles, floor tiles including digital floor tiles, marbles tiles, artificial marbles tiles, granite tiles, vitrified tiles, double charge vitrified tiles, multi charge vitrified tiles, glaze vitrified tiles, digital vitrified tiles, polished vitrified tiles, porcelain tiles, roofing tiles, china tiles, ceramic products, ceramic raw materials and byproducts thereof, sanitary wares, ceramics wares, earthen wares, crockeries, pressed wares, decorative wares, garden wares, kitchen wares, potteries insulators, terracotta, porcelain wares, bathroom wares and accessories

thereof. Mining products, Plastic and Polymers products, Timber, Wood and Wooden article, Furniture, Petroleum product and other articles, goods capable of being imported, exported and traded.

### **Shareholders' Agreements**

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

### **Other Agreements**

Company has entered into joint venture agreement on dated November 15, 2012 for purchase of property located at 1000 Omni Blvd, Newport News, Virginia, U.S.A where our company is holding 16.67% stake/ownership to carry on the business of Motel.

### **Strategic Partners**

Our Company is not having any strategic partner as on the date of filing this Prospectus.

### **Financial Partners**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Prospectus.

## OUR MANAGEMENT

Our Company currently has 4 directors on our Board out of which 2 (two) are Non Independent Directors and 2 (two) are Independent directors, they are:

- |                            |  |
|----------------------------|--|
| 1. Mr. Manindersingh Jolly | Chairman and Managing Director             |
| 2. Mr. Anureet Kaur Jolly  | Non Executive and Non Independent Director |
| 3. Mr. Nareshbhai Thakkar  | Independent Director                       |
| 4. Mr. Nikunj Soni         | Independent Director                       |

The Following table sets forth details regarding the Board of Directors as of the date of this Prospectus:-

| Name, Father's Name, Address, Age, Designation, Status, DIN , Occupation and Nationality |  | Qualification & No. of Years of Experience   | Date of Appointment and Term  | Other Directorships  |
|--|--|--|---|--|
| Name   | Mr. Manindersingh Jolly  | Qualification:   | Initial Appointment July 27, 1994   | 1. Prolife Entertainment And Production Private Limited<br>2. Pro Chukan Chemical Industries Private Limited<br>3. Goldstar Chemicals Private Limited<br>4. Solvochem Intermediates Private Limited<br>5. Shraddha Finechem Private Limited<br>6. Nem Organics Limited<br>7. Prolife Hair And Health Care Private Limited<br>8. Prolife Communication Private Limited<br>9. Prolife Multi Specialty Hospitals Private Limited<br>10. Prolife Bio-Chemical Industries Private Limited |
| Father's Name  | Mr. Satnamsingh Jolly  | Bachelor of Science (B.Sc)   | Appointed as Chairman and Managing Director w.e.f. November 1, 2010 for a period of 5 years and Re-Appointed as Chairman and Managing Director w.e.f. November 01, 2015 |  |
| Address  | 1004, Sukhshanti Co-Op Soc-2, Gidc Ankleshwar – 393 002 Gujarat, India                         | Experience:  |   |  |
| Age  | 51 years   | More than 22 years of experience in field of chemical business   |   |  |
| Designation  | Managing Director  |  |   |  |
| Status   | Executive & Non-Independent  |  |   |  |
| DIN  | 00491254   |  |   |  |
| Occupation   | Business   | Holds office for a period of 5 years till October 30, 2020   |   |  |
| Nationality  | Indian   |  |   |  |
| Name   | Mrs. Anureet Kaur Jolly  | Qualification:   | Appointed as Director w.e.f. October 31, 2009   |  |
| Father's Name  | Mr. Nirmal Singh Maunder   | Bachelor of Science (B.Sc), Graduate Diploma in Financial Management (PGDFM) and Post Graduate Diploma in System Management (PGDSM). | Term:<br>Liable to retire by Rotation   |  |
| Address  | 1004, Sukh Shanti Co-Op Soc. Part-2, New G.I.D.C. Colony, Ankleshwar – 393 002, Gujarat, India | Experience:  |   |  |
| Age  | 49 years   |  |   |  |
| Designation  | Director   |  |   |  |
| Status   | Non-Executive Independent  |  |   |  |
| DIN  | 02730332   | 7 years of experience in the field of chemical business  |   |  |
| Occupation   | Business   |  |   |  |
| Nationality  | Indian   |  |   |  |
| Name   | Mr. Nareshbhai   | Qualification:   | Appointed as  | 1. Prolife Industries Limited  |



|  |  |  |  |
|--|--|--|--|
| <b>Father's Name</b> Thakkar<br><b>Address</b> Mr. Vanmalidas Thakkar<br>10, Nilkanth Nagar,<br>Gujarat Housing<br>Board, Bharuch – 392<br>001, Gujarat, India<br><b>Designation</b> Director<br><b>Status</b> Non-Executive<br>Independent<br><b>Age</b> 53 years<br><b>DIN</b> 01199285<br><b>Occupation</b> Service<br><b>Nationality</b> Indian                      | Bachelor of<br>Science (B.Sc),<br>LLB (Special)<br><br><b>Experience:</b><br>More than 20<br>years of<br>experience in<br>the field of<br>Media, local<br>newspaper<br>channel<br>Narmada-<br>Bharuch and<br>the<br>administrative<br>work of media<br>related<br>company. | Director w.e.f<br>April 30, 2010<br><br><b>Term:</b> 5 years<br>w.e.f.<br>September<br>30, 2016                      | 2. GTPL Narmada<br>Cyberzone Private<br>Limited<br>3. Narmada Solutions<br>Private Limited<br>4. Bizguard Infonet Private<br>Limited |
| <b>Name</b> Mr. Nikunj Soni<br><b>Father's Name</b> Mr. Dineshkumar Soni<br><b>Address</b> 3619, Pipzhasheri<br>Same, Shahpur<br>Amdavad, Ahmedabad<br>– 380 001, Gujarat,<br>India<br><b>Age</b> 28 years<br><b>Designation</b> Director<br><b>Status</b> Non-Executive<br>Independent<br><b>DIN</b> 07608605<br><b>Occupation</b> Service<br><b>Nationality</b> Indian | <b>Qualification:</b><br>Bachelor of<br>Commerce<br><br><b>Experience:</b> 6<br>years of<br>experience in<br>the field of<br>share broking<br>activities.  | Appointed as<br>Director w.e.f<br>September 7,<br>2016<br><br><b>Term:</b> 5 years<br>w.e.f.<br>September 7,<br>2016 | -----  |

As on the date of the Prospectus;

- A. None of the above mentioned Directors are on the RBI List of willful defaulters.
- B. None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, 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.
- D. None of our Directors are/were directors of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.

#### Relationship between the Directors

None of the Directors of our company are relatives of each other, in terms of the Companies Act, 2013 except Mr. Manindersingh Satnamsingh Jolly and Mrs. Anureet Kaur Jolly who is spouse of each other.

#### Arrangement and understanding with major shareholders, customers, suppliers and others

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

#### Service Contracts

None of our directors have entered into any service contracts with our company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company.

Except statutory benefits no officer of our Company including the directors and key Managerial personnel are entitled to any benefits up on termination of their employment or retirement.

### **Borrowing Powers of the Board of Directors**

Our Articles, subject to the provisions of Section 180(1) (c) of the Companies Act, 2013, authorizes our Board, to raise or borrow and secure the payment of any sum or sums of money subject to the provisions of Section 180(1)(a) of the Companies Act, 2013 for the purposes of the Company. The shareholders of the Company, through a special resolution passed at the EGM held on August 16, 2016 authorized our Board to borrow monies together with monies already borrowed by us, in excess of the aggregate of the paid up capital of the Company and its free reserves, not exceeding ₹ 500 crores at any time.

### **Brief Profiles of Our Directors**

#### **Mr. Manindersingh Jolly**

Mr. Manindersingh Jolly, aged 51 years, is the promoter of our company; He is a Bachelor of Science (B.Sc) and having more than two decades of experience in Chemical Industry. He is director of our company since incorporation and holds the position of Managing Director in our Company since November 1, 2010. He is actively involved in the activities of the Company including manufacturing, development of customize product and marketing of all chemical manufactured. He is the guiding force behind the strategic decisions of our Company.

#### **Mrs. Anureet Kaur Jolly**

Mrs. Anureet Kaur Jolly aged 49 years is the promoter of our company. She holds degree of Bachelor of Science (B.Sc), Post Graduate Diploma in Financial Management (PGDFM) and Post Graduate Diploma in System Management (PGDSM). She is having 7 years of experience in the chemical business. She is Non-Executive Director of the Company since October 31, 2009 and is entrusted with the responsibility of looking after the overall management and operations of the Company.

#### **Mr. Nareshbhai Thakkar**

Mr. Nareshbhai Thakkar aged 53 years is Non Executive Independent Director of our company. He is Bachelor of Science (B. Sc) and LL.B (Spl). He is having more than 20 years of experience in the field of Media, local newspaper channel Narmada- Bharuch and the administrative work of media related company. He has been appointed as independent Director since April 30, 2010.

#### **Mr. Nikunj Soni**

Mr. Nikunj Soni aged 28 years is Non Executive Independent Director of our company. He is commerce graduate. He is having 6 years of experience in the field of stock broking. He has been appointed as independent Director since April 30, 2010.

### **Compensation and Benefits to the Managing Director are as follows:**

Mr. Manindersingh Jolly has been appointed as the Managing Director of the company with effect from November 1, 2015 for a period of five years.

#### **The remuneration payable is as follows:**

|                            |  |
|----------------------------|--|
| <b>Name</b>                | Mr. Manindersingh Jolly                            |
| <b>Designation</b>         | Chairman and Managing Director                     |
| <b>Date of Appointment</b> | November 1, 2015                                   |
| <b>Period</b>              | 5 Years  |
| <b>Salary</b>              | ₹1 Lac per month including perquisites and benefit |

### **Sitting fees payable to Non Executive Directors.**

Till date we have not paid any sitting fees to our Non- Executive Directors.

### Shareholding of Directors:

The shareholding of our directors as on the date of this Prospectus is as follows:

| Sr. No. | Name of Directors       | No. Equity Shares held | Category/ Status                  |
|---------|-------------------------|------------------------|-----------------------------------|
| 1.      | Mr. Manindersingh Jolly | 10,82,200              | Executive and Non Independent     |
| 2.      | Mrs. Anureet Kaur Jolly | 10,10,000              | Non Executive and Non Independent |
| 3.      | Mr. Nareshbhai Thakkar  | Nil                    | Non Executive and Independent     |
| 4.      | Mr. Nikunj Soni         | Nil                    | Non Executive and Independent     |

### Interest of Directors

All the non executive directors of the company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The directors may be regarded as interested in the shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and or trustees. All directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the issuer company with any company in which they hold directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their respective declarations.

Executive Director is interested to the extent of remuneration paid to them for services rendered to the company.

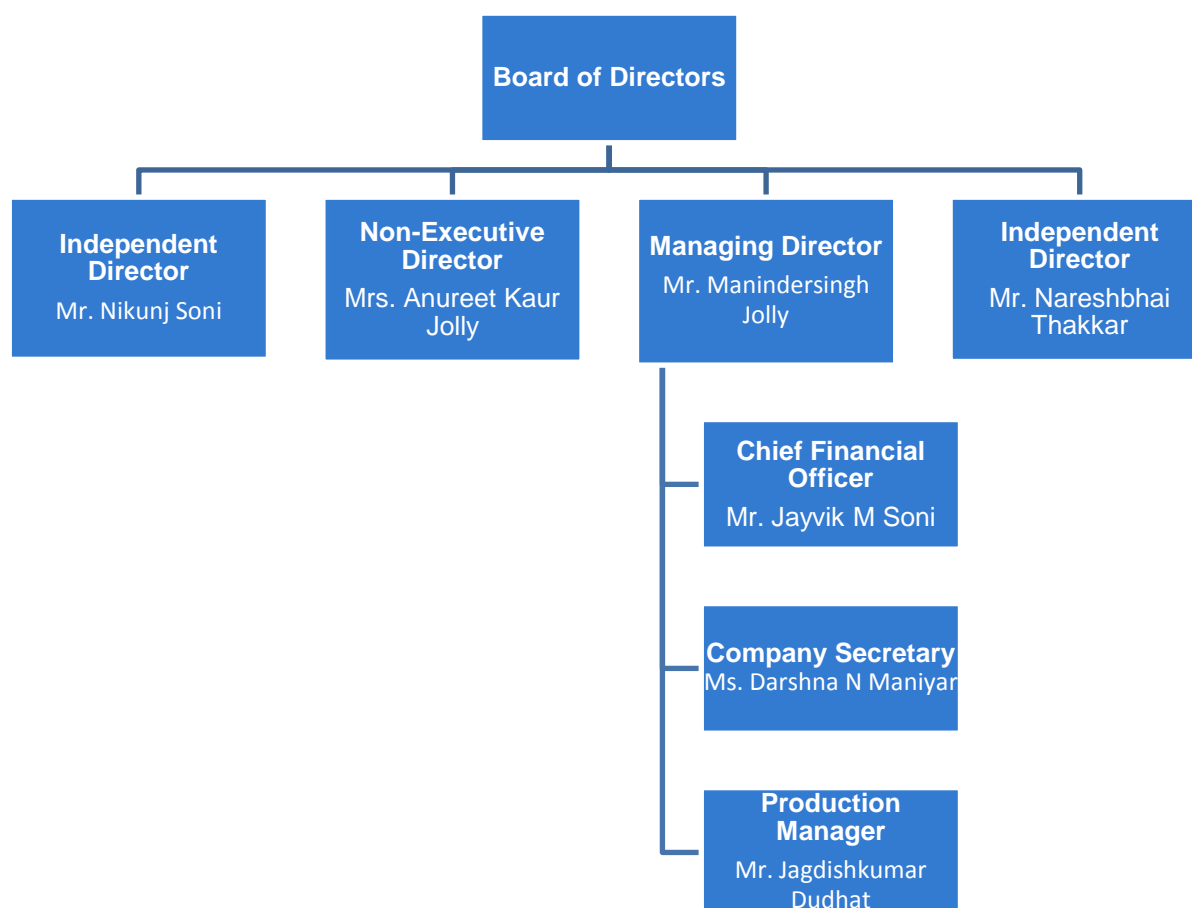
Except as stated under Related Party Transaction on page no. 154 of this Prospectus, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Prospectus in which our directors are interested directly or indirectly.

### Changes in the Board of Directors during the Last Three Years

| Name of Directors        | Date of Appointment | Date of change in Designation | Date of Cessation | Reason for the changes in the board |
|--------------------------|---------------------|-------------------------------|-------------------|-------------------------------------|
| Mr. Nikunj Soni          | September 7, 2016   | -                             | -                 | Appointed as Director               |
| Mr. Arvindbhai T Radadia | -                   | -                             | July 20, 2016     | Resigned as Director                |
| Mr. Mukeshkumar K. Mehta | -                   | -                             | February 15, 2014 | Resigned as Director                |

### Management Organization Structure

The Management Organization Structure of the company is depicted from the following chart:



## Corporate Governance

In additions to the applicable provisions of the Companies Act, 2013, with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will also be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges.

Our Company has complied with the corporate governance code in accordance with the provisions of the SEBI Listing Regulations, particularly, in relation to appointment of independent directors to our Board and constitution of an audit committee, and a shareholders' grievance committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

## Composition of Board of Directors

Currently the Board has Five Directors, of which the Chairman of the Board is Executive Director. In compliance with the requirements of Regulation 17 of SEBI Listing Regulation, our Company has one Executive Director, one non-executive and non independent Director and three Independent Directors on the Board.

Composition of Board of Directors is set forth in the below mentioned table:

| Sr. No. | Board of Directors      | Designation            | Status                            | DIN      |
|---------|-------------------------|------------------------|-----------------------------------|----------|
| 1.      | Mr. Manindersingh Jolly | Managing Director      | Executive and Non-Independent     | 00491254 |
| 2.      | Mrs. Anureet Kaur Jolly | Non-Executive Director | Non Executive and Non-Independent | 02730332 |
| 3.      | Mr. Nareshbhai Thakkar  | Non-Executive Director | Non Executive and Independent     | 01199285 |
| 4.      | Mr. Nikunj Soni         | Non-Executive Director | Non Executive and Independent     | 07608605 |

## Constitutions of Committees

Our company has constituted the following Committees of the Board;

- 1. Audit Committee.**
- 2. Stakeholders Relationship Committee.**
- 3. Nomination and Remuneration Committee.**

#### **1. Audit Committee:**

Our Company in pursuant to section 177 of the Companies Act, 2013 and SEBI Listing Regulations 18, re constituted Audit Committee in the Board Meeting held on September 7, 2016 by inducting Independent directors as committee members.

The members of the Audit Committee are as follows:

| <b>Name of the Directors</b> | <b>Designation</b> | <b>Nature of Directorship</b>     |
|------------------------------|--------------------|-----------------------------------|
| Mr. Nikunj Soni              | Chairman           | Non Executive and Independent     |
| Mr. Nareshbhai Thakkar       | Member             | Non Executive and Independent     |
| Mrs. Anureet Kaur Jolly      | Member             | Non Executive and Non-Independent |

Our Company Secretary will act as the secretary of the Committee.

#### **Terms of Reference**

The terms of reference of Audit Committee comply with the requirements of SEBI Listing Regulations 18.

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

The scope of audit committee shall include but shall not be restricted to the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
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 Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Modified opinion(s) in the audit report.
5. Reviewing, with the management, the quarterly 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/Draft prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence performance and effectiveness of audit process;
8. Approval or any subsequent modification of transaction of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertaking or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;
15. 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;

16. 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;
17. 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;
18. To oversee and review the functioning of the Whistle Blower mechanism, in case the same is existing;
19. Calls for comments of the auditor about the internal control systems, scope of auditing including the observations of the auditor and review of the financial statements before submission to the board;
20. 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;
21. To investigate any other matters referred by any of the Board of Director
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### **Review of information by Audit Committee**

The audit committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. To submit statement of Deviations:
  - i. Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
  - ii. Report of the monitoring agency on annual statement of funds utilised for purposes other than those stated in the offer documents in terms of Regulation 32(6) SEBI Listing Regulation, if applicable

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the board is not in agreement with the recommendations of the committee, reason for disagreement shall be incorporated in the minutes of the board meeting and the same has to be communicate to shareholders. The Chairman of the Audit committee has to attend the Annual General Meeting of the Company to provide clarification on matter relating to the Audit

### **Powers of the Audit Committee:**

The audit committee shall have the powers, which should include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employees;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Quorum and Meetings**

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two Independent Directors present.

## **2. Stakeholders Relationship Committee**

Our Company in pursuant to section 178 of the Companies Act, 2013 and SEBI Listing Regulations 20, re constituted Stakeholders Relationship Committee in the Board Meeting held on September 7, 2016.

The members of the Stakeholders Relationship Committee are as follows:

| <b>Name of the Directors</b> | <b>Designation</b> | <b>Nature of Directorship</b>     |
|------------------------------|--------------------|-----------------------------------|
| Mrs. Anureet Kaur Jolly      | Chairman           | Non Executive and Non-Independent |
| Mr. Nareshbhai Thakkar       | Member             | Non Executive and Independent     |

|                 |        |                               |
|-----------------|--------|-------------------------------|
| Mr. Nikunj Soni | Member | Non Executive and Independent |
|-----------------|--------|-------------------------------|

Our Company Secretary will act as the secretary of the Committee.

The committee shall be governed by the "Terms of Reference" of the Stakeholders Relationship Committee as under and will carry out the following:-

#### Terms of Reference

1. Transfer of shares, including review of cases for refusal of transfer / transmission of shares, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized;
2. Issue duplicate/split/consolidated share certificates;
3. Review the process and mechanism of redressal of Shareholders/ Investor grievance and suggest measures of improving the system of redressal of shareholders/ Investor grievance.
4. Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.,
5. Oversee the implementation and compliance of the Code of conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time.
6. Oversee the performance of Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting;
8. Carrying out any other function contained in the equity listing agreement as and when amended from time to time.

#### Quorum and Meetings

The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the company. The quorum should be two members present.

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater.

### 3. Nomination and Remuneration Committee

Our Company in pursuant to section 178 of the Companies Act, 2013 and SEBI Listing Regulations 19, reconstituted Nomination and Remuneration Committee in the Board Meeting held on September 7, 2016.

The members of the Nomination and Remuneration Committee are as follows:

| Name of the Directors   | Designation | Nature of Directorship            |
|-------------------------|-------------|-----------------------------------|
| Mrs. Anureet Kaur Jolly | Chairman    | Non Executive and Non-Independent |
| Mr. Nareshbhai Thakkar  | Member      | Non Executive and Independent     |
| Ms. Nikunj Soni         | Member      | Non Executive and Independent     |

Our Compliance officer will act as the secretary of the Committee.

The committee shall be governed by the "Terms of Reference" of the Nomination and Remuneration Committee as under and will carry out the following:-

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

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

- b) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.
- c) Formulation of criteria for evaluation of Independent Directors and the Board;
- d) Devising a policy on Board diversity;
- e) Deciding on, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors,
- f) Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive directors.
- g) Define and implements the performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- h) Decide the amount of Commission payable to the Whole time Directors.
- i) Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the company, standards prevailing in the industry, statutory guidelines etc.
- j) To formulate and administer the Employee Stock Option Scheme.
- k) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

### Quorum and Meetings

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is higher. The Committee is required to meet at least once a year. Meeting of the Nomination and Remuneration Committee shall be called by at least Seven day's notice in advance.

### Our Key Management Personnel

The Key Managerial Personnel of our Company other than our Executive Director are as follows:-

| Name, Designation and Date of Joining   | Qualification                                       | Previous Employment                             | Overall Experience | Remuneration paid In previous year (2015-16) (₹ in Lakhs) |
|---|---|---|--------------------|---|
| Mr. Jayvik M Soni<br>Chief Finance Officer<br>August 26, 2016                 | B.Com., C. A.                                       | Prolife Bio-chemical Industries Private Limited | 1 years            | -   |
| Ms. Darshna N Maniyar<br>Company Secretary<br>August 26, 2016                 | B.Com., C.S.  | -   | -                  | -   |
| Mr. Jagdishkumar Dudhat<br>Designation - Production Manager<br>August 1, 2016 | M.Sc.,<br>Post Graduated in Business Administration | Nem Organic Limited                             | 4 Years            | -   |

### Notes:

- All the key managerial personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel have been recruited.
- None of our Key Managerial Personnel has been granted any benefits in kind from our Company, other than their remuneration.
- None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company.



### **Relationship of Key Managerial Personnel**

None of the Key Managerial Personnel of our Company are related to each other.

### **Shareholding of the Key Management Personnel**

None of our Key Managerial Personnel holds Equity Shares in our Company, except Mr. Manindersingh Jolly, Managing director who is holding 10,82,200 equity shares respectively in our Company as on the date of filing Prospectus.

### **Bonus or Profit sharing plan for the Key Management Personnel**

Our Company does not have any bonus or profit sharing plan for our Key Managerial personnel.

### **Changes in the Key Management Personnel**

The following are the changes in the Key Management Personnel in the last three years preceding the date of filing this Prospectus, otherwise than by way of retirement in due course.

| <b>Name</b>             | <b>Designation</b>                       | <b>Date of Appointment</b> | <b>Date of Cessation</b> | <b>Reason of changes</b> |
|-------------------------|--|----------------------------|--------------------------|--------------------------|
| Mr. Jayvik M Soni       | Chief Financial Officer                  | August 26, 2016            | -                        | Appointment              |
| Ms. Darshna N Maniyar   | Company Secretary and Compliance Officer | August 26, 2016            | -                        | Appointment              |
| Mr. Jagdishkumar Dudhat | Production Manager                       | November 16, 2015          | -                        | Appointment              |

### **Employee Stock Option Scheme**

As on the date of filing of Prospectus company does not have any ESOP Scheme for its employees.

### **Relation of the Key Managerial Personnel with our Promoters/ Directors**

None of our Key Managerial Personnel are related to our Promoters/Directors.

### **Payment of Benefit to Officers of Our Company (non-salary related)**

Except the statutory payments made by our Company, in the last two years, our company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers.


## OUR PROMOTERS AND PROMOTER GROUP


### The Promoters of our Company are:

1. Mr. Manindersingh Satnamsingh Jolly
2. Mrs. Anureet Kaur Jolly

For details of the build-up of our Promoters' shareholding in our Company, see section titled — Capital Structure – Notes to “Capital Structure” on page 38.

The details of our Promoters are as follows:

|  |  |
|--|--|
| <b>Mr. Manindersingh Satnamsingh Jolly</b>   |  |
|   |  |
| Mr. Manindersingh Jolly, aged 51 years, is the promoter of our company; He is a Bachelor of Science (B.Sc) and having more than two decades of experience in Chemical Industry. He is director of our company since incorporation and holds the position of Managing Director in our Company since November 1, 2010. He is actively involved in the activities of the Company including manufacturing, development of customize product and marketing of all chemical manufactured. He is the guiding force behind the strategic decisions of our Company. |  |
| <b>Permanent Account Number</b>  | AAWPJ4437E   |
| <b>Passport Number</b>   | G0786038   |
| <b>Voter Identification No.</b>  | WDA2192755   |
| <b>Driving License</b>   | GJ1620040009650  |
| <b>Name of Bank</b>  | HDFC Bank Limited  |
| <b>Bank Account Number</b>   | 00681000046756   |
| <b>Residential Address</b>   | 1004, Sukhshanti Co Op Soc-2, GIDC, Ankleshwar, Bharuch – 393 002  |
| <b>Other Ventures</b>  | <ol style="list-style-type: none"> <li>1. Prolife Entertainment And Production Private Limited</li> <li>2. Pro Chukan Chemical Industries Private Limited</li> <li>3. Goldstar Chemicals Private Limited</li> <li>4. Solvochem Intermediates Private Limited</li> <li>5. Shraddha Finechem Private Limited</li> <li>6. Nem Organics Limited</li> <li>7. Prolife Hair And Health Care Private Limited</li> <li>8. Prolife Communication Private Limited</li> <li>9. Prolife Multi Specialty Hospitals Private Limited</li> <li>10. Prolife Bio-Chemical Industries Private Limited</li> </ol> |

|   |  |
|---|--|
| <b>Mrs. Anureet Kaur Jolly</b>  |  |
|                    |  |
| Mrs. Anureet Kaur Jolly aged 49 years is the promoter of our company. She holds degree of Bachelor of |  |

|   |   |
|---|---|
| Science (B.Sc), Post Graduate Diploma in Financial Management (PGDFM) and Post Graduate Diploma in System Management (PGDSM). She is having 7 years of experience in the chemical business. She is Non-Executive Director of the Company since October 31, 2009 and is entrusted with the responsibility of looking after the overall management and operations of the Company. |   |
| <b>Permanent Account Number</b>   | AEAPJ6658R  |
| <b>Passport Number</b>  | H2919082  |
| <b>Voter Identification No.</b>   | WDA2192722  |
| <b>Driving License</b>  | GJ16/013632/07  |
| <b>Name of Bank</b>   | Axis Bank Ltd   |
| <b>Bank Account Number</b>  | 458010100059990   |
| <b>Residential Address</b>  | 1004, Sukh Shanti<br>Co-Op Soc. Part-2, New G.I.D.C. Colony, Ankleshwar – 393<br>002, Gujarat, India  |
| <b>Other Ventures</b>   | <ol style="list-style-type: none"> <li>1. Pro Chukan Chemical Industries Private Limited</li> <li>2. Solvochem Intermediates Private Limited</li> <li>3. Shraddha Finechem Private Limited</li> <li>4. Nem Organics Limited</li> <li>5. Prolife Hair And Health Care Private Limited</li> <li>6. Prolife Communication Private Limited</li> <li>7. Prolife Multi Specialty Hospitals Private Limited</li> </ol> |

### Confirmations

We confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our individuals Promoters will be submitted to the Stock Exchange at the time of filing the Prospectus with the Stock Exchange.

Further, our Promoters 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 or are currently pending against them.

Additionally, none of our Promoters have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

For details pertaining to other ventures of our Promoters, refer chapter titled “Financial Information of our Group Companies” beginning on page 120 of the Prospectus.

### Change in the management and control of the Issuer

There has not been any change in the management and control of our Company.

### Relationship of Promoters with each other and with our Directors

Mr. Manindersingh Satnamsingh Jolly and Mrs. Anureet Kaur Jolly is spouse of each other. There is no relationship between any of the other directors.

### Interest of Promoters

Except as stated in Note no 31 “Related Party Transaction” beginning on page 154 of the Prospectus and to the extent of compensation / sitting fees and reimbursement of expenses in accordance with their respective terms of employment, our Promoters do not have any other interest in our business.

Further, our Promoters are also directors on the boards, or are members, or are partners, of certain Promoter Group entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities. For the payments that are made by our Company to certain Promoter Group entities, please see the section — “Related Party Transactions” on page 154 of the Prospectus.

Our Promoters do not have any interest in any property acquired by our Company in the period of two (2) years before filing the Prospectus except as stated otherwise in the Prospectus. We have not entered into any contract, agreements or arrangements during the preceding two years from the date of the Prospectus in which the promoters are directly or indirectly interested and no payments have been made to them in

respect of these contracts, agreements or arrangements and no such payments are proposed to be made to them.

For further details of the same please refer to heading titled “Properties” beginning on page 95 under chapter titled “Business overview” and statement of Related Party Transaction beginning on page 127 of the Prospectus.

### Payment of benefits to our Promoters

Except as stated in the section — “Related Party Transactions” on page 154 of the Prospectus, there has been no payment of benefits to our Promoters during the two years preceding the filing of this Prospectus.

### Our Promoter Group

Promoter and Promoter Group in terms of Regulation 2(1)(za) and 2(1)(zb) of the SEBI ICDR Regulations. In addition to our Promoters named above, the following individuals and entities form a part of the Promoter Group:

#### A. Natural persons who are part of our Promoter Group:

| Relationship with promoter | Mr. Manindersingh Satnamsingh Jolly             | Mrs. Anureet Kaur Jolly                         |
|----------------------------|---|---|
| <b>Father</b>              | Mr. Satnamsingh Narayansingh Jolly              | Mr. Nirmal Singh Gurudayal Singh Maunder        |
| <b>Mother</b>              | Mrs. Balwant Kaur Satnamsingh Jolly             | Mrs. Narinder Kaur Nirmal Singh Maunder         |
| <b>Spouse</b>              | Mrs. Anureet Kaur Jolly                         | Mr. Manindersingh Satnamsingh Jolly             |
| <b>Brothers</b>            | Mr. Harpreet Singh Jolly<br>Mr. Ajitsingh Jolly | Mr. Anurag Singh Nirmal Singh Maunder           |
| <b>Sisters</b>             | ---   | ---   |
| <b>Sons</b>                | Karan Jolly                                     | Karan Jolly                                     |
| <b>Daughter</b>            | Yushika Jolly                                   | Yushika Jolly                                   |
| <b>Spouse' Father</b>      | Mr. Nirmal Singh Gurudayal Singh Maunder        | Mr. Satnamsingh Narayansingh Jolly              |
| <b>Spouse' Mother</b>      | Mrs. Narinder Kaur Nirmal Singh Maunder         | Mrs. Balwant Kaur Satnamsingh Jolly             |
| <b>Spouse' Brothers</b>    | Mr. Anurag Singh Nirmal Singh Maunder           | Mr. Harpreet Singh Jolly<br>Mr. Ajitsingh Jolly |
| <b>Spouse' Sisters</b>     | ---   | ---   |

#### B. Companies related to our Promoter Company

| Nature of Relationship  | Entity   |
|---|--|
| <b>Subsidiary or holding company of such body corporate.</b>  | <b>N.A</b>   |
| <b>Any Body corporate in which promoter holds 10% or more of the equity share capital or which holds 10% or more of the equity share capital of the promoter.</b>   | <ol style="list-style-type: none"> <li>1. Prolife Entertainment And Production Private Limited</li> <li>2. Pro Chukan Chemical Industries Private Limited</li> <li>3. Goldstar Chemicals Private Limited</li> <li>4. Solvochem Intermediates Private Limited</li> <li>5. Shraddha Finechem Private Limited</li> <li>6. Nem Organics Limited</li> <li>7. Prolife Hair And Health Care Private Limited</li> <li>8. Prolife Communication Private Limited</li> <li>9. Prolife Multi Specialty Hospitals Private Limited</li> <li>10. Prolife Bio-Chemical Industries Private Limited</li> </ol> |
| <b>Any Body corporate in which a group or individuals or companies or combinations thereof which hold 20% or more of the equity share capital in that body corporate also hold 20% or more of the equity share capital of the Issuer.</b> | -  |

**C. Companies, Proprietary concerns, HUF"s related to our promoters**

| <b>Nature of Relationship</b>  | <b>Entity</b>  |
|--|--|
| <b>Any Body Corporate in which ten percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member.</b> | -  |
| <b>Any Body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital.</b>   | -  |
| <b>Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent.</b>  | 1. Manindersingh Satnamsingh Jolly (HuF)<br>2. Yushika Export (Proprietorship Firm)  |
| <b>Partnership firm in which promoter or any of his relative is having interest.</b>   | 1. Shree Ram Chem (Partnership Firm)<br>2. Solvochem Industries (Partnership Firm)<br>3. J.S. Chemical (Partnership Firm)<br>4. Ayaz Ice and Cold Storage (Partnership Firm) |

For further details on our Promoter Group refer Chapter Titled — "Financial Information of our Group Companies" beginning on page 116 of Prospectus.

## FINANCIAL INFORMATION OF OUR GROUP COMPANY

The definition of 'Group Companies' was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. Pursuant to a Board resolution dated July 23, 2016, our Board has formulated a policy with respect to companies which it considered material to be identified as group companies, pursuant to which the following entities are identified as Group Companies of our Company.

1. Prolife Bio-Chemical Industries Private Limited
2. Nem Organics Limited
3. Gold Star Chemical Private Limited
4. Shraddha Finechem Private Limited
5. Solvochem Intermediates Private Limited
6. Prolife Communication Private Limited
7. Prolife Multi Specialty Hospitals Private Limited
8. Prolife Entertainment And Production Private Limited
9. Prolife Hair and Health Care Private Limited
10. Pro Chukan Chemical Industries Private Limited
11. J.S. Chemicals
12. Shree Ram Chemicals
13. Ayaz Ice and Cold Storage
14. Solvochem Industries
15. Yushika Exports
16. Manindersingh Satnamsingh Jolly HuF

Except as stated above, there are no companies which are considered material by the Board of Directors of our Company to be identified as group companies.

As per sub clause C (2) of clause (IX) of Schedule VIII, we have provided the financial information for the five largest unlisted group companies based on turnover.

### 1. Prolife Bio-Chemical Industries Private Limited (PBCIPL)

#### Brief Corporate Information

Prolife Bio Chemical Industries Private Limited (PBCIPL) is a Private Company incorporated on September 12, 1994 under the provisions of Companies Act, 1956 and has its registered office at Shop No 3, MinalChaya, Aptsalmedia Road, Panch Pakhadi, Thane West, Maharashtra. The Corporate Identification Number of Company is U99999MH1994PTC081025.

#### Current Nature of Activities

PBCIPL is engaged in the business of manufacturing and processing of the chemicals, intermediates, pharmaceuticals, bulk and basic drugs in the form of tablets, capsules, syrup, injections, ointments, liquids and powers.

#### Board of Directors

As on March 31, 2016, the Board of Directors comprised of;

| Sr. No. | Name                            | Designation |
|---------|---------------------------------|-------------|
| 1.      | Manindersingh Satnamsingh Jolly | Director    |
| 2.      | Ashok Phoolchand Jain           | Director    |
| 3.      | Chetan Chandrakant Kapasi       | Director    |
| 4.      | Mukeshkumar Amrutlal Mehta      | Director    |

#### Shareholding Pattern

As on March 31, 2016, the Shareholding Pattern is as follows;

| Sr. No. | Name of the shareholder | Number of Equity shares held | Percentage holding (%) |
|---------|-------------------------|------------------------------|------------------------|
|---------|-------------------------|------------------------------|------------------------|

|              |                                 |                |               |
|--------------|---------------------------------|----------------|---------------|
| 1.           | Manindersingh Satnamsingh Jolly | 450000         | 30.00         |
| 2.           | Anureet Kaur Jolly              | 300000         | 20.00         |
| 3.           | Karan Jolly                     | 220000         | 14.67         |
| 4.           | Yushika Exports                 | 200000         | 13.33         |
| 5.           | Harpreet Jolly                  | 180000         | 12.00         |
| 6.           | J S Chemical                    | 150000         | 10.00         |
| <b>Total</b> |                                 | <b>1500000</b> | <b>100.00</b> |

## Financial Performance

The summary of audited financials for the previous three years is as follows:

( ₹ in lakhs except per share data)

| Particulars  | March 31, 2016 | March 31, 2015 | March 31, 2014 |
|--|----------------|----------------|----------------|
| Equity Share Capital (face value ₹ 10/- each)      | 150.00         | 150.00         | 150.00         |
| Reserves & Surplus (excluding revaluation reserve) | 382.63         | 267.03         | 358.91         |
| Total Income                                       | 3286.61        | 3072.62        | 2898.29        |
| Profit/ (Loss) after Tax                           | 11.56          | 36.01          | 31.53          |
| Earnings Per Share (in ₹)                          | 7.71           | 2.40           | 2.10           |
| Net Asset Value Per Share (in ₹)                   | 35.51          | 27.80          | 33.93          |

- ❖ The Company is not a listed Company.
- ❖ The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- ❖ There are no defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

## 2. Nem Organics Limited (NOL)

### Brief Corporate Information

Nem Organics Limited is a Public Company originally incorporated on April 8, 1994 as Nem Organics Manufacturing Limited under the provisions of Companies Act, 1956 and has its registered office at 162 Senapati Bapat Marg, Janata Indl, Estate Lower Parel Bombay – 13 Mumbai. The Corporate Identification Number of Company is U24231MH1994PLC077647.

### Current Nature of Activities

NOL is engaged in the business of manufacturing and processing of the organic and inorganic chemicals, intermediates, pharmaceuticals, bulk drugs, veterinary and hospital products, agriculture chemicals etc.

### Board of Directors

As on March 31, 2016, the Board of Directors comprised of;

| Sr. No. | Name                            | Designation |
|---------|---------------------------------|-------------|
| 1.      | Manindersingh Satnamsingh Jolly | Director    |
| 2.      | Ashok Phoolchand Jain           | Director    |
| 3.      | Anureet Kaur Jolly              | Director    |

### Shareholding Pattern

As on March 31, 2016, the Shareholding Pattern is as follows;

| Sr. No. | Name of the shareholder                         | Number of Equity shares held | Percentage holding (%) |
|---------|---|------------------------------|------------------------|
| 1.      | Manindersingh Satnamsingh Jolly                 | 54734                        | 36.49                  |
| 2.      | Anureet Kaur Jolly                              | 53866                        | 35.91                  |
| 3.      | Prolife Bio Chemical Industries Private Limited | 39400                        | 26.27                  |
| 4.      | Jasbir Singh Kaur                               | 500                          | 0.33                   |

|              |                 |               |               |
|--------------|-----------------|---------------|---------------|
| 5.           | Rupendra Singh  | 500           | 0.33          |
| 6.           | Indrajeet Singh | 500           | 0.33          |
| 7.           | Gurvinder Singh | 500           | 0.33          |
| <b>Total</b> |                 | <b>150000</b> | <b>100.00</b> |

### Financial Performance

The summary of audited financials for the previous three years is as follows:

( ₹ in lakhs except per share data)

| Particulars  | March 31, 2016 | March 31, 2015 | March 31, 2014 |
|--|----------------|----------------|----------------|
| Equity Share Capital (face value ₹ 100/- each)     | 150.00         | 150.00         | 150.00         |
| Reserves & Surplus (excluding revaluation reserve) | 40.78          | 38.96          | (3.77)         |
| Total Income                                       | 507.57         | 408.66         | 513.84         |
| Profit/ (Loss) after Tax                           | 1.82           | 1.96           | 1.27           |
| Earnings Per Share (in ₹)                          | 1.21           | 1.31           | 0.84           |
| Net Asset Value Per Share (in ₹)                   | 127.19         | 125.97         | 97.49          |

- ❖ The Company is not a listed Company.
- ❖ The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- ❖ There are no defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

### 3. Goldstar Chemical Private Limited (GSCPL)

#### Brief Corporate Information

Goldstar Chemicals Private Limited is a Public Company incorporated on October 27, 1987 under the provisions of Companies Act, 1956 and has its registered office at Pushpawati Bldg., No. 1, 1st Floor, 568, Chira Bazar, Girgaon Road, Mumbai – 400 002. The Corporate Identification Number of Company is U24230MH1987PTC045101.

#### Current Nature of Activities

GSCPL is engaged in the business of manufacturing and processing of the synthetic organic dyestuffs, food colours, acid colours, chemical for confectionaries food and pharma-intermediates etc.

#### Board of Directors

As on March 31, 2016, the Board of Directors comprised of;

| Sr. No. | Name                            | Designation |
|---------|---------------------------------|-------------|
| 1.      | Manindersingh Satnamsingh Jolly | Director    |
| 2.      | Ashok Phoolchand Jain           | Director    |
| 3.      | Arun Sehgal                     | Director    |
| 4.      | Vijay Shyamsunder Agarwal       | Director    |

#### Shareholding Pattern

As on March 31, 2016, the Shareholding Pattern is as follows;

| Sr. No. | Name of the shareholder                         | Number of Equity shares held | Percentage holding (%) |
|---------|---|------------------------------|------------------------|
| 1.      | Manindersingh Satnamsingh Jolly                 | 163500                       | 16.35                  |
| 2.      | Arun Sehgal                                     | 246000                       | 24.60                  |
| 3.      | Vijay Agrawal                                   | 246000                       | 24.60                  |
| 4.      | Prolife Bio Chemical Industries Private Limited | 240000                       | 24.00                  |
| 5.      | Master Karansingh Jolly                         | 79000                        | 7.9                    |
| 6.      | Anureet Kaur Jolly                              | 17500                        | 1.75                   |
| 7.      | Ankit Sehgal                                    | 2000                         | 0.20                   |



|              |                 |                |               |
|--------------|-----------------|----------------|---------------|
| 8.           | Vabdan Agarwal  | 2000           | 0.20          |
| 9.           | Chhaya Sehgal   | 2000           | 0.20          |
| 10.          | Santosh Agarwal | 2000           | 0.20          |
| <b>Total</b> |                 | <b>1000000</b> | <b>100.00</b> |

### Financial Performance

The summary of audited financials for the previous three years is as follows:

( ₹ in lakhs except per share data)

| Particulars  | March 31, 2016 | March 31, 2015 | March 31, 2014 |
|--|----------------|----------------|----------------|
| Equity Share Capital (face value ₹ 10/- each)      | 100.00         | 100.00         | 100.00         |
| Reserves & Surplus (excluding revaluation reserve) | 197.47         | 154.58         | 138.14         |
| Total Income                                       | 807.03         | 960.17         | 1041.51        |
| Profit/ (Loss) after Tax                           | 42.90          | 30.08          | 29.94          |
| Earnings Per Share (in ₹)                          | 4.29           | 3.01           | 2.99           |
| Net Asset Value Per Share (in ₹)                   | 29.75          | 25.46          | 23.81          |

- ❖ The Company is not a listed Company.
- ❖ The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- ❖ There are no defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

### 4. Shraddha Finechem Private Limited (SFPL)

#### Brief Corporate Information

Shraddha Finechem Private Limited is a Private company incorporated on November 28, 2000 under the provisions of Companies Act, 1956 and has its registered office at Plot No 2907, Phase III, GIDC Estate, Panoli, Tal Ankleshwar, Dist Bharuch – 394 116. The Corporate Identification Number of Company is The Corporate Identification Number of Company is U24230MH1987PTC045101.

#### Current Nature of Activities

SFPL is engaged in the business of manufacturing and processing of the all kinds of pharmaceuticals chemicals, Chemical, chemical compound (organics and inorganics) in all forms and chemical products of any nature and kind.

#### Board of Directors

As on March 31, 2016, the Board of Directors comprised of;

| Sr. No. | Name                            | Designation |
|---------|---------------------------------|-------------|
| 1.      | Manindersingh Satnamsingh Jolly | Director    |
| 2.      | Anureet Kaur Jolly              | Director    |

#### Shareholding Pattern

As on March 31, 2016, the Shareholding Pattern is as follows;

| Sr. No.      | Name of the shareholder         | Number of Equity shares held | Percentage holding (%) |
|--------------|---------------------------------|------------------------------|------------------------|
| 1.           | Manindersingh Satnamsingh Jolly | 41000                        | 45.55                  |
| 2.           | Bharat Tribhovandas Patel       | 26000                        | 28.90                  |
| 3.           | Hasmukh Ganeshbhai Patel        | 18000                        | 20.00                  |
| 4.           | Maniben Ganeshbhai Patel        | 5000                         | 5.55                   |
| <b>Total</b> |                                 | <b>90000</b>                 | <b>100.00</b>          |

### Financial Performance

The summary of audited financials for the previous three years is as follows:

( ₹ in lakhs except per share data)

| Particulars  | March 31, 2016 | March 31, 2015 | March 31, 2014 |
|--|----------------|----------------|----------------|
| Equity Share Capital (face value ₹ 10/- each)      | 9.00           | 9.00           | 9.00           |
| Reserves & Surplus (excluding revaluation reserve) | (46.23)        | (50.47)        | (8.46)         |
| Total Income                                       | 322.50         | 33.14          | 3.83           |
| Profit/ (Loss) after Tax                           | 4.25           | (37.25)        | (8.17)         |
| Earnings Per Share (in ₹)                          | 4.72           | (41.39)        | (9.08)         |
| Net Asset Value Per Share (in ₹)                   | (41.37)        | (46.08)        | 0.60           |

- ❖ The Company is not a listed Company.
- ❖ The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- ❖ There are no defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

## 5. Solvochem Intermediates Private Limited (SIPL)

### Brief Corporate Information

Solvochem Intermediates Private Limited is a Private company incorporated on December 26, 1988 under the provisions of Companies Act, 1956 and has its registered office at Plot No 311, Phase I GIDC, Naroda Ahmedabad, - 382330. The Corporate Identification Number of Company is U24231GJ1988PTC011677.

### Current Nature of Activities

SIPL is engaged in the business of manufacturing and processing of all kinds of chemicals, auxiliaries, dyes, pigments, paints, intermediates including various kinds of acids, pharmaceutical raw materials, gums, solvent etc.

### Board of Directors

As on March 31, 2016, the Board of Directors comprised of;

| Sr. No. | Name                            | Designation |
|---------|---------------------------------|-------------|
| 1.      | Manindersingh Satnamsingh Jolly | Director    |
| 2.      | AnureetKaur Jolly               | Director    |

### Shareholding Pattern

As on March 31, 2016, the Shareholding Pattern is as follows;

| Sr. No.      | Name of the shareholder         | Number of Equity shares held | Percentage holding (%) |
|--------------|---------------------------------|------------------------------|------------------------|
| 1.           | Anureet S. Jolly                | 10533                        | 51.63                  |
| 2.           | Ashok P Jain                    | 3150                         | 15.44                  |
| 3.           | Manindersingh Satnamsingh Jolly | 2764                         | 13.55                  |
| 4.           | Rita A Jain                     | 2000                         | 9.80                   |
| 5.           | Leela L Patel                   | 1703                         | 8.35                   |
| 6.           | Karan Singh Jolly               | 250                          | 1.23                   |
| <b>Total</b> |                                 | <b>20400</b>                 | <b>100.00</b>          |

### Financial Performance

The summary of audited financials for the previous three years is as follows:

( ₹ in lakhs except per share data)

| Particulars  | March 31, 2016 | March 31, 2015 | March 31, 2014 |
|--|----------------|----------------|----------------|
| Equity Share Capital (face value ₹ 100/- each)     | 20.40          | 20.40          | 20.40          |
| Reserves & Surplus (excluding revaluation reserve) | (91.20)        | (87.87)        | 81.41          |
| Total Income                                       | 67.20          | 46.97          | 41.06          |
| Profit/ (Loss) after Tax                           | (3.32)         | (5.41)         | 0.20           |

|                                  |          |          |          |
|----------------------------------|----------|----------|----------|
| Earnings Per Share (in ₹)        | (16.27)  | (26.51)  | 2.24     |
| Net Asset Value Per Share (in ₹) | (347.09) | (330.81) | (299.08) |

- ❖ The Company is not a listed Company.
- ❖ The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- ❖ There are no defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

## 6. Prolife Communication Private Limited (PCPL)

### Brief Corporate Information

Prolife Communication Private Limited is a Private company incorporated on January 18, 2016 under the provisions of Companies Act, 2013 and has its registered office at SF 6, 8, 10, 12 Hexzone Arcade, Valia Road GIDC, Ankleshwar Bharuch – 393 002. The Corporate Identification Number of Company is U64202GJ2016PTC085746.

### Current Nature of Activities

PCPL is engaged in the business of printing and conducting for sale one or more newspapers and other periodicals including magazines, books, pamphlets or any other publication in English, Hindi or any other language in India or elsewhere in the world.

### Board of Directors

As on March 31, 2016, the Board of Directors comprised of;

| Sr. No. | Name                            | Designation |
|---------|---------------------------------|-------------|
| 1.      | Manindersingh Satnamsingh Jolly | Director    |
| 2.      | Anureet Kaur Jolly              | Director    |
| 3.      | Yogesh Satyanarayan Pareek      | Director    |

As on March 31, 2016, the Shareholding Pattern is as follows;

| Sr. No.      | Name of the shareholder | Number of Equity shares held | Percentage holding (%) |
|--------------|-------------------------|------------------------------|------------------------|
| 1.           | Manindersingh S. Jolly  | 5000                         | 50.00                  |
| 2.           | Anureet Kaur Jolly      | 5000                         | 50.00                  |
| <b>Total</b> |                         | <b>10000</b>                 | <b>100.00</b>          |

- ❖ The Company is not a listed Company.
- ❖ The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- ❖ There are no defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

## 7. Prolife Multi Specialty Hospitals Private Limited (PMSHPL)

### Brief Corporate Information

Prolife Multi Specialty Hospitals Private Limited is a Private company incorporated on February 3, 2016 under the provisions of Companies Act, 2013 and has its registered office at SF 6, 8, 10, 12 Hexzone Arcade, Valia Road GIDC, Ankleshwar Bharuch – 393002. The Corporate Identification Number of Company is U85100GJ2016PTC085944.

### Current Nature of Activities

PMSHPL is engaged in the business of purchasing, leasing, or otherwise acquiring, running, managing of hospitals, medicate, daycare and health centers, nursing homes, clinic etc.

### Board of Directors

As on March 31, 2016, the Board of Directors comprised of;

| Sr. No. | Name                            | Designation |
|---------|---------------------------------|-------------|
| 1.      | Manindersingh Satnamsingh Jolly | Director    |
| 2.      | Anureet Kaur Jolly              | Director    |
| 3.      | Harpreet Singh                  | Director    |

### Shareholding Pattern

As on March 31, 2016, the Shareholding Pattern is as follows;

| Sr. No.      | Name of the shareholder | Number of Equity shares held | Percentage holding (%) |
|--------------|-------------------------|------------------------------|------------------------|
| 3.           | Manindersingh S. Jolly  | 5000                         | 50.00                  |
| 4.           | Anureet Kaur Jolly      | 5000                         | 50.00                  |
| <b>Total</b> |                         | <b>10000</b>                 | <b>100.00</b>          |

- ❖ The Company is not a listed Company.
- ❖ The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- ❖ There are no defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

### 8. Prolife Entertainment And Production Private Limited (PEAPPL)

#### Brief Corporate Information

Prolife Entertainment And Production Private Limited is a Private company incorporated on May 13, 2016 under the provisions of Companies Act, 2013 and has its registered office at SF 6,8,10,12 Hexzone Arcade, Valia Road GIDC, Ankleshwar Bharuch – 393 002. The Corporate Identification Number of Company is U22300GJ2016PTC091975.

#### Current Nature of Activities

PEAPPL is engaged in the business of producing, processing, editing, running Cine films, TV Serials, Advertising films, telefilms, documentary films etc.

#### Board of Directors

As on May 13, 2016, the Board of Directors comprised of;

| Sr. No. | Name                            | Designation |
|---------|---------------------------------|-------------|
| 1.      | Manindersingh Satnamsingh Jolly | Director    |
| 2.      | Mukeshkumar Amrutlal Mehta      | Director    |
| 3.      | Yogesh Satyanarayan Pareek      | Director    |

### Shareholding Pattern

As on May 13, 2016, the Shareholding Pattern is as follows;

| Sr. No.      | Name of the shareholder | Number of Equity shares held | Percentage holding (%) |
|--------------|-------------------------|------------------------------|------------------------|
| 1.           | Manindersingh S. Jolly  | 5000                         | 50.00                  |
| 2.           | Anureet Kaur Jolly      | 5000                         | 50.00                  |
| <b>Total</b> |                         | <b>10000</b>                 | <b>100.00</b>          |

- ❖ The Company is not a listed Company.
- ❖ The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- ❖ There are no defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

### 9. Prolife Hair and Health Care Private Limited (PHAHCPL)

#### Brief Corporate Information

Prolife Hair and Health Care Private Limited is a Private company incorporated on October 14, 2015 under the provisions of Companies Act, 2013 and has its registered office at SF 6, 8, 10, 12 Hexzone Arcade,

Valia Road GIDC, Ankleshwar Bharuch – 393 002. The Corporate Identification Number of Company is U22300GJ2016PTC091975.

### Current Nature of Activities

PHAHCPL is engaged in the business of manufacturing and trading of hair color chemicals compounds (organic and inorganic), dyes and other preparations and articles.

### Board of Directors

As on March 31, 2016, the Board of Directors comprised of;

| Sr. No. | Name                            | Designation |
|---------|---------------------------------|-------------|
| 1.      | Manindersingh Satnamsingh Jolly | Director    |
| 2.      | Anureet Kaur Jolly              | Director    |

### Shareholding Pattern

As on March 31, 2016, the Shareholding Pattern is as follows;

| Sr. No.      | Name of the shareholder | Number of Equity shares held | Percentage holding (%) |
|--------------|-------------------------|------------------------------|------------------------|
| 3.           | Manindersingh S. Jolly  | 5000                         | 50.00                  |
| 4.           | Anureet Kaur Jolly      | 5000                         | 50.00                  |
| <b>Total</b> |                         | <b>10000</b>                 | <b>100.00</b>          |

- ❖ The Company is not a listed Company.
- ❖ The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- ❖ There are no defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

## 10. Pro Chukan Chemical Industries Private Limited (PCCIPL)

### Brief Corporate Information

Pro Chukan Chemical Industries Private Limited is a private company incorporated on January 11, 2013 under the provisions of Companies Act, 1956 and has its registered office at Plot No 2921, Phase III, GIDC Estate, Ankleshwar, Panoli, Bharuch – 394116. The Corporate Identification Number of Company is U24100GJ2013PTC073347.

### Current Nature of Activities

PCCIPL is engaged in the business of manufacturing and processing of chemicals, chemical compounds (organic and inorganic) in all forms of all types, dyes stuffs, intermediates, textile auxiliaries, cellophanes, colors etc.

### Board of Directors

As on March 31, 2016, the Board of Directors comprised of;

| Sr. No. | Name                            | Designation |
|---------|---------------------------------|-------------|
| 1.      | Manindersingh Satnamsingh Jolly | Director    |
| 2.      | Anureet Kaur Jolly              | Director    |
| 3.      | Hiroki Kadota                   | Director    |

### Shareholding Pattern

As on March 31, 2016, the Shareholding Pattern is as follows;

| Sr. No.      | Name of the shareholder | Number of Equity shares held | Percentage holding (%) |
|--------------|-------------------------|------------------------------|------------------------|
| 1.           | Manindersingh S. Jolly  | 5000                         | 50.00                  |
| 2.           | Anureet Kaur Jolly      | 5000                         | 50.00                  |
| <b>Total</b> |                         | <b>10000</b>                 | <b>100.00</b>          |

- ❖ The Company is not a listed Company.
- ❖ The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- ❖ There are no defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

#### 11. J.S. Chemicals

M/s. J. S. Chemicals was constituted on October 15, 1992 under the Partnership Act, 1932. The office of J.S, Chemical is situated at Plot No 4801/A/8 GIDC estate Ankleshwar Bharuch – 393002.

##### Current Nature of Activities

M/s. J.S. Chemicals is engaged in the business of manufacturing and trading of various chemicals.

##### Interest of Partners

The Profit Sharing ratio of Partners in J.S. Chemicals is as under:

| Sr. No | Name                            | Profit Sharing ratio |
|--------|---------------------------------|----------------------|
| 1.     | Manindersingh Satnamsingh Jolly | 55%                  |
| 2.     | Ashok P Jain                    | 30%                  |
| 3.     | Karan Jolly                     | 15%                  |

#### 12. Shree Ram Chemicals

M/s. Shree Ram Chemicals was constituted on January 1, 2009 under the Partnership Act, 1932. The office of Shree Ram Chemicals is situated at Plot No C1- 7009, B/h. Lyka Lab, GIDC, Ankleshwar Bharuch GJ 393002.

##### Current Nature of Activities

M/s. Shree Ram Chemicals is engaged in the business of manufacturing and trading of dyes and chemicals including their intermediaries and by products.

##### Interest of Partners

The Profit Sharing ratio of Partners in Shree Ram Chemicals is as under:

| Sr. No | Name                            | Profit Sharing ratio |
|--------|---------------------------------|----------------------|
| 1.     | Manindersingh Satnamsingh Jolly | 50%                  |
| 2.     | Anureet Kaur Jolly              | 50%                  |

#### 13. Ayaz Ice and Cold Storage

M/s. Ayaz Ice and Cold Storage was constituted on March 9, 1982 under the Partnership Act, 1932. The office of Ayaz Ice and Cold Storage is situated at Plot No 214 GIDC, Panoli Ankleshwar Bharuch GJ.

##### Current Nature of Activities

M/s. Ayaz Ice and Cold Storage is engaged in the business of manufacturing of Ice and Cold Storage.

##### Interest of Partners

The Profit Sharing ratio of Partners in Ayaz Ice and Cold Storage is as under:

| Sr. No | Name                            | Profit Sharing ratio |
|--------|---------------------------------|----------------------|
| 1.     | Manindersingh Satnamsingh Jolly | 50%                  |
| 2.     | Anureet Kaur Jolly              | 50%                  |

#### 14. Solvochem Industries

M/s. Solvochem Industries was constituted on March 27, 1993 under the Partnership Act, 1932. The office of Solvochem Industries is situated at Plot No 1501 GIDC, Phase I Naroda, Ahmedabad GJ.

### Current Nature of Activities

M/s. Solvochem Industries is engaged in the business of manufacturing, trading and exports of dyes, chemicals and allied products.

### Interest of Partners

The Profit Sharing ratio of Partners in Solvochem Industries is as under:

| Sr. No. | Name                            | Profit Sharing ratio |
|---------|---------------------------------|----------------------|
| 1.      | Manindersingh Satnamsingh Jolly | 53%                  |
| 2.      | Anureet Kaur Jolly              | 47%                  |

### 15. Yushika Exports

M/s.Yushika Exports is a sole proprietorship firm. It was constituted in the year, 2003. The office of Yushika Exports is situated at Plot No 104 Satyam Appartment, Kohinoor Complex GIDC Ankleshwar Bharuch – 384 546.

M/s. Yushika Exports is engaged in the business of trading of dyes Intermediates. The Proprietor of Yushika Exports is Anureet Kaur Jolly.

### Details about Companies/Firms from which Promoters have disassociated during the last three years:

| Sr. No. | Name of Promoters               | Name of the Company                       | Date of Dissociation | Reason for Dissociation                 |
|---------|---------------------------------|---|----------------------|---|
| 1.      | Manindersingh Satnamsingh Jolly | Chukan Butsu Exim (India) Private Limited | May 15, 2015         | He was appointed as Alternate Director  |
| 2.      | Anureet Kaur Jolly              | Chukan Butsu Exim (India) Private Limited | May 15, 2015         | She was appointed as Alternate Director |

### 16. Manindersingh Satnamsingh Jolly HuF:

Manindersingh Satnamsingh Jolly HuF was constituted on March 3, 1985. The Karta of Manindersingh Satnamsingh Jolly HuF is Mr. Manindersingh Satnamsingh Jolly. The office of Manindersingh Satnamsingh Jolly HuF is situated at 1004, Sukh Shanti Co-op., Near Navjivan Society, Ankleshwar, Bahruch.

Manindersingh Satnamsingh Jolly HuF is mainly engaged in the business of miscellenous Civil Contracts.

### Common Pursuits

Our group companies have some of the objects similar to that of our Company's Business. The details of Group Companies which are in similar line of business activities, as carried out by our Company, are stated below;

1. Prolife Bio-Chemical Industries Private Limited is doing the same activity which is being carried out by Our Company.
2. Pro Chukan Chemical Industries Private Limited is engaged in the same activity which is being carried out by Our Company but at present not doing any business activities.
3. Gold Star Chemical Private Limited is doing the same activity which is being carried out by Our Company.

### Related Business transactions within the group company and its significance on the financial performance of our Company



Sales or Purchases between our group Company and associated company with our Company is given below:

(₹ In Lacs)

| Particulars                                  | 2012          | 2013           | 2014           | 2015           | 2016           | 30 <sup>th</sup> June 2016 |
|--|---------------|----------------|----------------|----------------|----------------|----------------------------|
| <b>Total Purchase</b>                        | <b>978.61</b> | <b>1569.76</b> | <b>1520.12</b> | <b>1348.34</b> | <b>1407.94</b> | <b>142.17</b>              |
| Gold Star Chemicals Private Ltd              | 63.86         | 215.06         | 280.50         | 152.51         | 147.39         | 22.68                      |
| %  | 6.53          | 13.70          | 18.45          | 11.31          | 10.47          | 15.95                      |
| Nem Organics Ltd                             | 101.82        | 282.79         | 0              | 0              | 222.88         | 0                          |
| %  | 10.40         | 18.01          | 0.00           | 0.00           | 15.83          | 0.00                       |
| Prolife Bio Chemical Industries Private Ltd. | 58.42         | 125.5          | 39.6           | 72.04          | 176.59         | 0                          |
| %  | 5.97          | 7.99           | 2.61           | 5.34           | 12.54          | 0.00                       |
| JS Chemical                                  | 3.16          | 1.58           | 0              | 126.70         | 0              | 0                          |
| %  | 0.32          | 0.10           | 0.00           | 9.40           | 0.00           | 0.00                       |
| <b>% of total Purchase</b>                   | <b>23.22</b>  | <b>39.81</b>   | <b>21.06</b>   | <b>26.05</b>   | <b>38.84</b>   | <b>15.95</b>               |
| <b>Total Sales</b>                           | <b>1220</b>   | <b>1642.85</b> | <b>1895.34</b> | <b>1958.34</b> | <b>2229.55</b> | <b>416.16</b>              |
| Gold Star Chemicals Private Ltd              | 188.69        | 181.03         | 376.007        | 471.28         | 335.28         | 272.3                      |
| %  | 15.47         | 14.84          | 30.82          | 38.63          | 27.48          | 22.32                      |
| Nem Organics Ltd                             | 47.5          | 174.3          | 0              | 110.81         | 0              | 0                          |
| %  | 3.89          | 10.61          | 0              | 5.66           | 0              | 0                          |
| Prolife Bio Chemical Industries Private Ltd  | 434.84        | 528.18         | 309.16         | 486.14         | 628.89         | 0                          |
| %  | 35.64         | 32.15          | 16.31          | 24.82          | 28.21          | 0                          |
| <b>% of total Sales</b>                      | <b>55.00</b>  | <b>57.60</b>   | <b>47.13</b>   | <b>69.11</b>   | <b>55.69</b>   | <b>22.32</b>               |

For details, please see the section “Related Party Transactions” on page 154 of this Prospectus.

#### Defunct /Struck-off Company

- None of Promoters, Promoter Group and our Group Companies has remained defunct and no application has been made to Registrar of Companies for Striking off their name from the Register of Companies, during the five years preceding the date of filing this prospectus.
- None of the securities of our Group Entity are listed on any stock exchange and our Group Entity has not made any public or rights issue of securities in the preceding three years.
- Our Group Entity has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.
- Our Group Entity has not been identified as a Wilful Defaulter.

#### Business Interests amongst our Company and Group Companies /Associate Companies

Except as mentioned under section titled “Financial Information – Note no 31 - Related Party Transactions” beginning on page 154 of this Prospectus there is no business interest among Group Company.

#### Changes in Accounting Policies in the last three years

Except as mentioned under the paragraph Changes in Significant Accounting Policies, “Note 38” under Chapter titled “Auditors’ Report and Financial Information of our Company” beginning on page 129 of the Prospectus, there have been no changes in the accounting policies in the last three years.



## **RELATED PARTY TRANSACTIONS**

For details of the related party transaction of our Company, see Note No 31 and Notes 1 and 2 to Accounts to the financial statements respectively, in “Auditors’ Report and Financial Information of Our Company” beginning from page 129 of this Prospectus.

## Dividend Policy

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual 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.

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, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

The dividends declared by our Company during the last five financial years are set out in the following table:

| Particular                         | 2015-16   | 2014-15   | 2013-14   | 2012-13   | 2011-12  |
|------------------------------------|-----------|-----------|-----------|-----------|----------|
| <b>Number of equity shares</b>     | 14,92,040 | 14,92,040 | 14,92,040 | 14,92,040 | 9,92,040 |
| <b>Rate of dividend (%)</b>        | 2.50      | 2.40      | 3.00      | 4.01      | 4.00     |
| <b>Dividend per Equity Share**</b> | 0.25      | 0.24      | 0.30      | 0.40      | 0.40     |
| <b>Dividend amount (in ₹)</b>      | 3,73,010  | 3,58,072  | 4,47,612  | 5,98,616  | 3,96,816 |

\*\* On the paid up value per share. The Face value of Equity Shares is ₹10 per equity share.

## SECTION V – FINANCIAL STATEMENTS

### FINANCIAL STATEMENT AS RESTATED

#### Independent Auditor's Report for the Restated Financial Statements of Prolife Industries Limited

To

The Board of Directors  
**Prolife Industries Limited**  
213, GIDC Panoli  
Ankleshwar,  
Gujarat-394116

Dear Sirs,

1. We have examined the attached Restated Statement of Assets and Liabilities of **Prolife Industries Limited** as at June 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the financial period ended on June 30, 2016 and for the financial years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 (collectively referred to as the "**Restated Summary Statements**" or "**Restated Financial Statements**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in NSE-EMERGE Platform of National Stock Exchange of India Limited.
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter III to the Companies Act, 2013 ("**Act**") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The terms of reference to our engagements with the Company letter dated September 07, 2016 requesting us to carry out the assignment, in connection with the Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in NSE-EMERGE Platform of National Stock Exchange of India Limited. ("**IPO**" or "**SME IPO**"); and
  - (iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial period ended on June 30, 2016 and for the financial years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 which have been approved by the Board of Directors.
4. In accordance with the requirements of Part I of Chapter III of Act, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (i) The "**Restated Statement of Assets and Liabilities**" as set out in **Annexure I** to this report, of the Company as at June 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Note 2 to Note 39** to this Report.
  - (ii) The "**Restated Statement of Profit and Loss**" as set out in **Annexure II** to this report, of the Company for the financial period ended on June 30, 2016 and for the financial years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012, are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Note 2**

to **Note 39** to this Report.

- (iii) The "**Restated Statement of Cash Flow**" as set out in **Annexure III** to this report, of the Company for the financial period ended on June 30, 2016 and for the financial years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012, are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Note 2 to Note 39** to this Report.
5. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
- a) Adjustments for the changes in accounting policies retrospectively in respective financial years/period to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.
  - b) Adjustments for prior period and other material amounts in the respective financial years/ period to which they relate and there are no qualifications which require adjustments.
  - c) There are certain extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments but there are no qualifications.
  - d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial period ended on June 30, 2016 and for the financial years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 which would require adjustments in this Restated Financial Statements of the Company.
  - e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Note 2 to 39** to this report.
6. Audit for the financial period ended on June 30, 2016 and for the financial years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 was conducted by Mistry & Shah, Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said years/period. The financial report included for these years/period is based solely on the report submitted by them.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period ended on June 30, 2016 and for the financial years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 proposed to be included in the Prospectus/Prospectus ("**Offer Document**").

**Annexure of Restated Financial Statements of the Company:-**

- 1. **Corporate Information in Note No. 1**
- 2. **Significant Accounting Policies in Note No. 2;**
- 3. **Details of Share Capital as Restated as appearing in Note No. 3 to this report;**
- 4. **Details of Reserves and Surplus as Restated as appearing in Note No. 4 to this report;**
- 5. **Details of Long Term Borrowings as Restated as appearing in Note No. 5 to this report;**
- 6. **Details of Deferred Tax Liabilities (Net) as Restated as appearing in Note No. 6 to this report;**
- 7. **Details of Long Term Provisions as restated as appearing in Note No.7 to this report;**
- 8. **Details of Other Long Term Liabilities as restated as appearing in Note No. 8 to this report;**
- 9. **Details of Short Term Borrowings as Restated as appearing in Note No. 9 to this report;**
- 10. **Details of Trade Payables as Restated as appearing in Note No. 10 to this report;**
- 11. **Details of Other Current Liabilities as restated as appearing in Note No. 11 to this report;**
- 12. **Details of Short Term Provisions as Restated as appearing in Note No.12 to this report;**
- 13. **Details of Tangible Assets as Restated enclosed as Note No. 13 to this report;**
- 14. **Details of Non Current Investments as Restated enclosed as Note No. 14 to this report;**
- 15. **Details of Long Term Loans & Advances as restated as appearing in Note No.15 to this report;**
- 16. **Details of Other Non Current Assets as restated as appearing in Note No. 16 to this report;**
- 17. **Details of Inventories as restated as appearing in Note No. 17 to this report;**
- 18. **Details of Trade Receivables as restated as appearing in Note No. 18 to this report;**
- 19. **Details of Cash & Cash Equivalents as restated as appearing in Note No. 19 to this report;**

20. Details of Short Term Loans and Advances as restated as appearing in Note No. 20 to this report;
  21. Details of Other Current Assets as restated as appearing in Note No. 21 to this report;
  22. Details of Revenue from Operations as restated as appearing in Note No. 22 to this report;
  23. Details of Other Income as restated as appearing in Note No. 23 to this report;
  24. Details of Cost of Material Consumed as restated as appearing in Note No. 24 to this report;
  25. Details of Change in Inventories as Restated as appearing in Note NO. 25 to this report;
  26. Details of Employees Benefit Expense as restated as appearing in Note No. 26 to this report;
  27. Details of Finance Cost as restated as appearing in Note No. 27 to this report;
  28. Details of Other Expense as restated as appearing in Note No. 28 to this report;
  29. Capitalization Statement as Restated as at June30, 2016as appearing in Note No. 29 to this report;
  30. Statement of Tax Shelters as appearing in Note No. 30 to this report;
  31. Details of Related Parties Transactions as restated as appearing in Note No. 31 to this report;
  32. Details of Significant Accounting Ratios as restated as appearing in Note No. 32 to this report;
  33. Reconciliation of Restated Profit as appearing in Note No. 33 to this report.
  34. Details of Earnings per share as Restated as appearing in Note No. 34 to this report.
  35. Details of Calculation of Weighted Average Number of shares as appearing in Note No. 35 to this report.
  36. Details of Contingent Liabilities as appearing in Note No. 36 to this report.
  37. Details of Segment as appearing in Note No. 37 to this report.
  38. Details of Change in accounting policy as appearing in Note No. 38 to this report.
  39. Details of General Notes as appearing in Note No. 39 to this report.
8. We, M/s Mistry and shah Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold availed peer review certificate issued by the "Peer Review Board" of the ICAI.
  9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
  10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  12. In our opinion, the above financial information contained in Annexure I to III of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Note 2 to Note 39** are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
  13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For Mistry and shah**  
**Chartered Accountants**  
**Firm Registration No.:122702W**

**Partner**  
**Ketan Mistry**  
**M.No. 112112**

**Date: October 29, 2016**  
**Place: Ahmedabad**

**Note 1. Corporate Information: -**

The Company was incorporated at Ankleshwar as "Mamta Dyes and Intermediates Private Limited" on July 27, 1994 with the registrar of companies at Gujarat, Dadra & Nagar Haveli. The company was converted in to public Limited company vide a fresh certificate of incorporation on February 20, 1997. The name of the company was changed from Mamta Dyes and Intermediates Limited to "R.R.J. Dyes and Intermediates Limited" vide fresh certificate of Incorporation dated February 20, 1997. Further the name of the company was changed to "Prolife Industries Limited" vide fresh Certificate of Incorporation dated March 7, 2013.

Our company is engaged in the business of manufacturing special and exclusive range of intermediates for dyes, pigments, agrochemicals and others. The company originally founded in the year 1994 in the name of Mamta Dyes & Intermediates Private Ltd has been in this Industry from the very inception. Company has established its own research & Development Department within few years of incorporation of the company. It has already succeeded in developing very high quality Specialty Chemicals as result of thorough knowledge and R & D efforts of the Managing Director of the company who have vast knowledge as well as years of experience in the chemical industry. The company has established vast domestic as well export market and are regularly catering to the needs of their customers in various parts of world including U.S.A., Spain, France, Taiwan, Japan etc.

**Note 2. Significant Accounting Policies: -****a. Basis of accounting and preparation of financial statement: -**

The summary statement of restated assets and liabilities of the Company as at June 30, 2016, and as at March 31, 2016, 2015, 2014, 2013, and 2012 and the related summary statement of restated profit and loss and cash flows for the three months ended June 30, 2016 and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 (collectively referred to as the "Restated summary financial information") have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The restated summary financial information has been prepared by applying necessary adjustments to the financial statements ('financial statements') of the Company. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards specified under section 133 of the Companies Act, 2013, of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations 2009, as amended (the "Regulations"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistently applied.

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**b. Use of Estimates: -**

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosures of contingent liabilities. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

**c. Fixed Assets (Tangible / Intangible) & Capital Work-In-Progress: -**

Tangible Fixed Assets are stated at cost less depreciation / amortisation and impairment losses, if any. The cost of Fixed Assets comprises its purchase price net of any taxes, duties, freight and other incidental expenses related to acquisition, improvements and installation of the assets.

Borrowing costs that are directly attributable to the acquisition / construction of the qualifying asset are capitalised as part of the cost of such asset, up to the date of acquisition / completion of construction.

Projects under which Tangible Fixed Assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Gains or Losses arising from derecognition of Fixed Assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less accumulated amortization and accumulated impairment, if any. Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the Asset and are recognized in the statement of profit and loss when the asset is derecognized.

**d. Depreciation and Amortization: -**

Depreciation on tangible assets is provided on "Written down Value Method" over the useful lives of the assets and no depreciation is charged on Tangible Assets under Work-in-Progress.

No Depreciation is provided for Leasehold Land since as per the Lease agreement, the leases are renewable at the option of the Company for a further period of 99 years at the end of the lease period of 99 years, without / with marginal payment of further premium

In respect of additions to / deletions from the Fixed Assets, on prorata basis with reference to the month of addition/deletion of the assets.

Intangible assets are to be amortized on straight line basis over a period of five years.

The Management estimates are based on the useful life provided in the Schedule II to Companies Act 2013, However for certain assets the Management estimates differ from the useful life mentioned in Schedule II. The Useful Life of Various assets are mentioned below: -

| Sr. No | Major Head                             | Assets Included   | Useful Life |
|--------|--|---|-------------|
| 1      | Buildings                              | Road, Factory Building, Office                          | 30 Years    |
| 2      | Plant & Machinery                      | All Plant and Machinery and Diesel Generator Set        | 20 Years    |
| 3      | Furniture and Fittings                 | All Furniture and Fixtures                              | 10 Years    |
| 4      | Motor Vehicle                          | Four Wheel Vehicles                                     | 8 Years     |
| 5      | Motor Vehicle                          | Two Wheel Vehicles                                      | 4 Years     |
| 6      | Office Equipment                       | Weighing Machine, Refrigerator, Telephone, EPBX, Mobile | 5 Years     |
| 7      | Computer and Data Processing Units     | Computers   | 3 Years     |
| 8      | Laboratory Equipment                   | Laboratory Equipment                                    | 10 Years    |
| 9      | Electrical Installations and Equipment | Electrical Installation                                 | 10 Years    |
| 10     | Hydraulic Works, Pipelines and Sluices | Gas Pipelines   | 15 Years    |

**e. Impairment of tangible and intangible assets: -**

The carrying amount of Assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors or an annual impairment testing for an asset is required. An Impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

**f. Research and Development: -**

Research Costs are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account. Development expenditure is carried forward when its future recoverability can reasonably be regarded as assured and is amortized over the period of expected future benefit.

**g. Valuation of Inventories: -**

Raw Materials and Packing materials are valued at the lower of cost and net realisable value.

Finished goods, Stock-in-Trade and Work-in-Progress are valued at lower of cost and net realizable value. Cost for this purpose includes direct materials, direct labour, and appropriate overheads.

Consumable stores and spares are valued at the lower of cost and net realisable value, as estimated by the management. Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for.

**h. Prior Period Adjustments / Exception Items: -**

All identifiable items of Income and Expenditure pertaining to prior period are accounted as "Prior Period Items". "Exceptional items" are accounted depending on the nature of transaction.

**i. Event Occurring After Balance Sheet Date: -**

As per AS 4 Events occurring after the balance sheet date are those significant events, both favorable and unfavorable, that occur between the balance sheet date and the date on which the financial statements are approved by the Board of Directors in the case of a company, and, by the corresponding approving authority in the case of any other entity.

These events can broadly be classified in two ways:

- a) Those which provide further evidence of conditions that existed at the balance sheet date; and
- b) Those which are indicative of conditions that arose subsequent to the balance sheet date.

Adjustments to assets and liabilities are required for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date.

**j. Investments: -**

**Recognition and Measurement**

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

**Presentation and disclosures**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

**k. Revenue Recognition: -**

Income from sale of is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer. Sales are recorded net of- Sales Tax / VAT, returns, rebates, discounts and excise duties.

Interest income is recognised on accrual basis.

Dividend is accounted for when right to receive dividend is established.

**l. Employee Benefits: -**

**• Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognised as an



expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

- **Post-Employment Benefits:**

- a) Defined Contribution Plans**

Payments made to a defined contribution plan such as Provident Fund is charged as an expense in the Statement of Profit and Loss as they fall due.

- b) Defined Benefit Plans**

For defined benefit plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit (PUC) method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

- m. Foreign Currency Transactions: -**

On initial recognition, all foreign currency transactions are converted and recorded at exchange rates prevailing on the date of the transaction.

As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction

- n. Borrowing Costs: -**

Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

- o. Leases: -**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

- p. Earnings Per Share (EPS): -**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period 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.

- q. Taxes on Income: -**

Tax expense comprises both current and deferred taxes. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**r. Provisions and Contingent Liability: -**

A Provision is recognized, if as a result of past event the company has a present obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the Obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**s. Cash and Cash Equivalents (for the purpose of Cash Flow Statement): -**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, fixed deposits with banks, which are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash Flow Statement: -**

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on available information.

**u. Provision for change in accounting policy: -**

No Accounting Policies have been changed during the period from 1st April 2012 to 30th June 2016

**v. General Notes: -**

Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

## ANNEXURE – I

## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Amt. in Lacs)

| Sr. No. | Particulars   | Notes | As at March 31, |                 |                 |                 |                 | As at June 30, 2016 |
|---------|---|-------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|
|         |   |       | 2012            | 2013            | 2014            | 2015            | 2016            |                     |
|         | <b>EQUITY AND LIABILITIES</b>                           |       |                 |                 |                 |                 |                 |                     |
| 1)      | <b><u>Shareholders' Funds</u></b>                       |       |                 |                 |                 |                 |                 |                     |
|         | a. Share Capital  | 3     | 99.20           | 149.20          | 149.20          | 149.20          | 149.20          | 149.20              |
|         | b. Reserves & Surplus                                   | 4     | 72.91           | 87.54           | 104.44          | 153.04          | 208.41          | 225.15              |
| 2)      | <b><u>Share Application Money Pending Allotment</u></b> |       | -               | -               | -               | -               | -               | -                   |
| 3)      | <b><u>Non Current Liabilities</u></b>                   |       |                 |                 |                 |                 |                 |                     |
|         | a. Long Term Borrowings                                 | 5     | 381.67          | 814.13          | 932.53          | 873.94          | 682.15          | 806.04              |
|         | b. Deferred Tax Liabilities                             | 6     | 25.55           | 23.97           | 21.86           | 5.61            | 1.31            | 0.75                |
|         | c. Long Term Provisions                                 | 7     | 1.64            | 3.28            | 4.91            | 6.55            | 7.89            | 8.18                |
|         | d. Other Long Term Liabilities                          | 8     | -               | -               | 22.00           | 22.00           | 27.00           | 27.00               |
| 4)      | <b><u>Current Liabilities</u></b>                       |       |                 |                 |                 |                 |                 |                     |
|         | a. Short Term Borrowings                                | 9     | 86.06           | 125.23          | 27.05           | 136.35          | 179.25          | 45.72               |
|         | b. Trade Payables                                       | 10    | -               | -               | -               | -               | -               | -                   |
|         | Micro Small Medium Enterprise                           |       | -               | -               | -               | -               | -               | -                   |
|         | Others  |       | 326.82          | 189.45          | 293.72          | 335.38          | 322.42          | 271.07              |
|         | c. Other Current Liabilities                            | 11    | 1.45            | 13.57           | 61.04           | 83.05           | 13.95           | 20.20               |
|         | d. Short Term Provisions                                | 12    | 10.94           | 4.17            | 3.42            | 4.20            | 13.09           | 10.95               |
|         | <b>TOTAL (1+2+3+4)</b>                                  |       | <b>1,006.23</b> | <b>1,410.55</b> | <b>1,620.18</b> | <b>1,769.32</b> | <b>1,604.67</b> | <b>1,564.26</b>     |
|         |   |       |                 |                 |                 |                 |                 |                     |
|         | <b>ASSETS</b>   |       |                 |                 |                 |                 |                 |                     |
| 5)      | <b><u>Non Current Assets</u></b>                        | -     |                 |                 |                 |                 |                 |                     |
|         | a. Fixed Assets   |       |                 |                 |                 |                 |                 |                     |
|         | Tangible Assets   | 13    | 214.32          | 222.17          | 229.38          | 272.53          | 320.74          | 312.32              |
|         | Intangible Assets                                       |       | -               | -               | -               | -               | -               | -                   |
|         | Capital Work in Progress                                |       | 13.47           | 13.47           | 13.47           | 13.47           | 56.57           | 81.43               |
|         | Intangible Assets under                                 |       | -               | -               | -               | -               | -               | -                   |

|           |                                |    |                 |                 |                 |                 |                 |                 |
|-----------|--------------------------------|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|           | development                    |    |                 |                 |                 |                 |                 |                 |
|           | b. Deferred Tax Assets (Net)   |    | -               | -               | -               | -               | -               | -               |
|           | c. Non-current Investments     | 14 | 66.01           | 252.57          | 286.30          | 286.51          | 280.45          | 302.26          |
|           | d. Long Term Loans & Advances  | 15 | 245.89          | 152.35          | 185.98          | 121.67          | 139.96          | 102.91          |
|           | e. Other Non Current Assets    | 16 | 0.55            | 0.55            | -               | -               | -               | -               |
| <b>6)</b> | <b><u>Current Assets</u></b>   |    |                 |                 |                 |                 |                 |                 |
|           | a. Inventories                 | 17 | 233.00          | 479.18          | 615.18          | 625.59          | 323.78          | 189.39          |
|           | b. Trade Receivables           | 18 | 181.14          | 225.57          | 275.57          | 336.37          | 387.09          | 475.99          |
|           | c. Cash and Cash Equivalents   | 19 | 19.56           | 18.46           | 14.23           | 47.01           | 34.18           | 39.17           |
|           | d. Short Term Loans & Advances | 20 | -               | -               | -               | 64.68           | 61.83           | 60.45           |
|           | e. Other Current Assets        | 21 | 32.29           | 46.23           | 0.07            | 1.50            | 0.07            | 0.34            |
|           | <b>TOTAL (5+6)</b>             |    | <b>1,006.23</b> | <b>1,410.55</b> | <b>1,620.18</b> | <b>1,769.32</b> | <b>1,604.67</b> | <b>1,564.26</b> |

## ANNEXURE – II

## STATEMENT OF PROFIT AND LOSS AS RESTATED

(Amt. in Lacs)

| Sr. No.  | Particulars  | Notes | As at March 31, |                 |                 |                 |                 | As at June 30, 2016 |
|----------|--|-------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|
|          |  |       | 2012            | 2013            | 2014            | 2015            | 2016            |                     |
| <b>A</b> | <b>INCOME</b>  |       |                 |                 |                 |                 |                 |                     |
|          | Revenue from Operations  | 22    | 1,220.00        | 1,642.85        | 1,895.34        | 1,958.38        | 2,229.55        | 416.16              |
|          | Other Income   | 23    | 9.56            | 16.49           | 10.29           | 30.79           | 53.64           | 2.89                |
|          | <b>Total Income (A)</b>  |       | <b>1,229.55</b> | <b>1,659.34</b> | <b>1,905.63</b> | <b>1,989.16</b> | <b>2,283.19</b> | <b>419.05</b>       |
| <b>B</b> | <b>EXPENDITURE</b>   |       |                 |                 |                 |                 |                 |                     |
|          | Cost of materials consumed   | 24    | 974.21          | 1,320.11        | 1,430.37        | 1,357.03        | 1,590.59        | 217.82              |
|          | Purchase of stock-in-trade   |       | -               | -               | -               | -               | -               | -                   |
|          | Changes in inventories of finished goods, traded goods and work-in-progress                | 25    | (3.49)          | 3.46            | (46.26)         | (19.10)         | 119.17          | 58.73               |
|          | Employee benefit expenses  | 26    | 22.34           | 31.31           | 36.52           | 40.36           | 65.33           | 15.95               |
|          | Finance costs  | 27    | 20.37           | 44.28           | 86.80           | 110.61          | 96.14           | 22.15               |
|          | Depreciation and amortisation expense  | 13    | 27.99           | 26.11           | 28.98           | 39.70           | 42.17           | 11.00               |
|          | Other Expenses   | 28    | 161.38          | 198.54          | 329.11          | 397.85          | 275.82          | 66.17               |
|          | <b>Total Expenses (B)</b>  |       | <b>1,202.79</b> | <b>1,623.81</b> | <b>1,865.53</b> | <b>1,926.45</b> | <b>2,189.22</b> | <b>391.83</b>       |
| <b>C</b> | <b>Profit before tax</b>   |       |                 |                 |                 |                 |                 |                     |
|          | Prior period items (Net)   |       |                 |                 |                 |                 |                 |                     |
|          | <b>Profit before exceptional, extraordinary items and tax (A-B)</b>                        |       | <b>26.77</b>    | <b>35.52</b>    | <b>40.11</b>    | <b>62.71</b>    | <b>93.98</b>    | <b>27.22</b>        |
|          | Exceptional items  |       | -               | -               | -               | -               | (6.05)          | -                   |
|          | <b>Profit before extraordinary items and tax</b>   |       | <b>26.77</b>    | <b>35.52</b>    | <b>40.11</b>    | <b>62.71</b>    | <b>87.92</b>    | <b>27.22</b>        |
|          | Extraordinary items  |       |                 |                 |                 |                 |                 |                     |
| <b>D</b> | <b>Profit before tax</b>   |       | <b>26.77</b>    | <b>35.52</b>    | <b>40.11</b>    | <b>62.71</b>    | <b>87.92</b>    | <b>27.22</b>        |
|          | Tax expense :  |       |                 |                 |                 |                 |                 |                     |
|          | (i) Current tax  |       | (12.52)         | (14.97)         | (20.08)         | (25.65)         | (33.13)         | (11.03)             |
|          | (ii) Deferred tax  |       | 3.159           | 1.58            | 2.11            | 3.42            | 4.30            | 0.56                |
|          | (iii) MAT credit   |       |                 |                 |                 |                 |                 |                     |
| <b>E</b> | <b>Total Tax Expense</b>   |       | <b>(9.357)</b>  | <b>(13.40)</b>  | <b>(17.98)</b>  | <b>(22.23)</b>  | <b>(28.83)</b>  | <b>(10.48)</b>      |
| <b>F</b> | <b>Profit for the year (D-E) (RESTATED)</b>  |       | <b>17.41</b>    | <b>22.13</b>    | <b>22.13</b>    | <b>40.48</b>    | <b>59.09</b>    | <b>16.75</b>        |
|          | <b>ACTUAL</b>  |       | <b>19.50</b>    | <b>24.91</b>    | <b>27.93</b>    | <b>37.22</b>    | <b>52.54</b>    | <b>16.75</b>        |
|          | Earning per equity share(face value of ₹10/- each): Basic and Diluted ( ₹ )                |       | 1.75            | 1.72            | 1.48            | 2.71            | 3.96            | 4.49                |
|          | Adjusted Earning per equity share(face value of ₹10/- each): Basic and Diluted ( ₹ ) ( ₹ ) |       | 0.88            | 0.86            | 0.74            | 1.36            | 1.98            | 2.24                |
|          | Change in Profit due to Restatement  |       | (2.09)          | (2.79)          | (5.80)          | 3.26            | 6.55            | (0.00)              |

## ANNEXURE – III

## STATEMENT OF CASH FLOW AS RESTATED

(Amt. in Lacs)

| Particulars   | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>June 30,<br>2016 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| <b>Cash flow from operating activities:</b>                       |                            |                            |                            |                            |                            |                           |
| Net Profit before tax as per Profit And Loss A/c                  | 17.41                      | 22.13                      | 22.13                      | 40.48                      | 59.09                      | 16.75                     |
| <b>Adjusted for:</b>  |                            |                            |                            |                            |                            |                           |
| Deferred Tax  | (3.16)                     | (1.58)                     | (2.11)                     | (3.42)                     | (4.30)                     | (0.56)                    |
| Extra-ordinary Items  |                            |                            |                            |                            |                            |                           |
| Income Tax  | 12.52                      | 14.97                      | 20.08                      | 25.65                      | 33.13                      | 11.03                     |
| MAT Credit  |                            |                            |                            |                            |                            |                           |
| Depreciation & Amortisation with effect of Reserve                | 27.99                      | 26.11                      | 28.98                      | 39.70                      | 42.17                      | 11.00                     |
| Provision for Gratuity  |                            |                            |                            |                            |                            |                           |
| Dividend Received   | -                          | -                          | -                          | (0.03)                     | -                          | -                         |
| Interest & Finance Cost   | 0.00                       | 0.00                       | 0.00                       | 0.00                       | 0.00                       | 0.00                      |
| Interest income   | -                          | (3.18)                     | (1.89)                     | (3.04)                     | (1.56)                     | (0.42)                    |
| <b>Operating Profit Before Working Capital Changes</b>            | 54.75                      | 58.45                      | 67.19                      | 99.34                      | 128.53                     | 37.80                     |
| Adjustments   |                            |                            |                            |                            |                            |                           |
| Decrease/(Increase) in Inventory                                  | 225.11                     | (246.19)                   | (136.00)                   | (10.41)                    | 301.82                     | 134.38                    |
| Decrease/(Increase) in Trade Receivables                          | 348.54                     | (44.43)                    | (50.01)                    | (60.79)                    | (50.72)                    | (88.91)                   |
| Decrease/(Increase) in Short term Loans and Advances              | 185.74                     | -                          | -                          | (64.68)                    | 2.85                       | 1.39                      |
| Decrease/(Increase) in Other Current assets                       | 4.73                       | (13.93)                    | 46.16                      | (1.43)                     | 1.43                       | (0.27)                    |
| (Decrease)/Increase in Other Current Liabilities                  | (570.42)                   | 12.11                      | 47.47                      | 22.02                      | (69.10)                    | 6.25                      |
| (Decrease)/Increase in Provisions                                 | (10.61)                    | (6.76)                     | (0.75)                     | 0.77                       | 8.89                       | (2.14)                    |
| (Decrease)/Increase in Trade payables                             | 326.82                     | (137.36)                   | 104.27                     | 41.66                      | (12.96)                    | (51.35)                   |
| (Decrease)/Increase in Long Term Provisions                       | 1.64                       | 1.64                       | 1.64                       | 1.64                       | 1.34                       | 0.29                      |
|   |                            |                            |                            |                            |                            |                           |
| <b>Cash Generated From Operations Before Extra-Ordinary Items</b> | 566.30                     | (376.47)                   | 79.97                      | 28.11                      | 312.07                     | 37.44                     |
| Add:- Extra-Ordinary Items  | -                          | -                          | -                          | -                          | -                          | -                         |
| <b>Cash Generated From Operations</b>                             | 566.30                     | (376.47)                   | 79.97                      | 28.11                      | 312.07                     | 37.44                     |
| Less: Direct Tax Paid   | (12.52)                    | (14.97)                    | (20.08)                    | (25.65)                    | (33.13)                    | (11.03)                   |
| <b>Net Cash Flow from/(used in) Operating Activities: (A)</b>     | 553.78                     | (391.44)                   | 59.88                      | 2.46                       | 278.94                     | 26.40                     |
|   |                            |                            |                            |                            |                            |                           |
| <b>Cash Flow From</b>   |                            |                            |                            |                            |                            |                           |

|   |          |          |         |         |          |          |
|---|----------|----------|---------|---------|----------|----------|
| <b>Investing Activities:</b>                                  |          |          |         |         |          |          |
| (Purchase) / Sale of Fixed Assets                             | -        | (33.96)  | (36.19) | (83.97) | (133.48) | (27.43)  |
| Capital Subsidy   |          |          |         |         |          |          |
| Interest Income   | -        | 3.18     | 1.89    | 3.04    | 1.56     | 0.42     |
| (Purchase)/Sale of Investment                                 |          |          |         |         |          |          |
| Dividend Received   | -        | -        | -       | 0.03    |          |          |
| Decrease/(Increase) in Long term Loans and advances           | (245.89) | 93.54    | (33.63) | 64.31   | (18.29)  | 37.05    |
| (Decrease)/Increase in Other Long term Liabilities            | -        | -        | 22.00   | -       | 5.00     | -        |
| Decrease/(Increase) in Non Current Investment                 | 25.11    | (186.56) | (33.73) | (0.21)  | 6.05     | (21.81)  |
| Decrease/(Increase) in Non Current Investment                 | (0.55)   | -        | 0.55    | -       | -        | -        |
|   |          |          |         |         |          |          |
| <b>Net Cash Flow from/(used in) Investing Activities: (B)</b> | (221.33) | (123.80) | (79.11) | (16.80) | (139.16) | (11.77)  |
|   |          |          |         |         |          |          |
| <b>Cash Flow from Financing Activities:</b>                   |          |          |         |         |          |          |
| Proceeds From Share Capital                                   | -        | 50.00    |         |         |          |          |
| Share application money pending allotment                     |          |          |         |         |          |          |
| Proceeds/(Repayment) of Long term borrowings (Net)            | (278.81) | 432.46   | 118.40  | (58.59) | (191.79) | 123.89   |
| Proceeds/(Repayment) of Short term borrowings (Net)           | 86.06    | 39.17    | (98.17) | 109.30  | 42.90    | (133.53) |
| Interest & Financial Charges                                  | (0.00)   | (0.00)   | (0.00)  | (0.00)  | (0.00)   | (0.00)   |
| Dividend paid(including DDT)                                  | (4.61)   | (6.94)   | (5.24)  | (3.58)  | (3.73)   | -        |
|   |          |          |         |         |          |          |
| <b>Net Cash Flow from/(used in) Financing Activities (C)</b>  | (197.37) | 514.69   | 14.99   | 47.12   | (152.62) | (9.64)   |
|   |          |          |         |         |          |          |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)    | 135.08   | (0.55)   | (4.23)  | 32.79   | (12.83)  | 4.99     |
| Cash & Cash Equivalents As At Beginning of the Year           | 2.85     | 19.56    | 18.46   | 14.23   | 47.01    | 34.18    |
| Cash & Cash Equivalents As At End of the Year                 | 137.93   | 19.01    | 14.22   | 47.01   | 34.18    | 39.17    |

**Note 3**

**SHARE CAPITAL**
**AMOUNT IN ₹**
**i)**

| Particulars   | As at March 31, 2012 | As at March 31, 2013 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2016 | As at June 30, 2016 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| <b>Equity Share Capital</b>                                 |                      |                      |                      |                      |                      |                     |
| <b>Authorized Share capital</b>                             |                      |                      |                      |                      |                      |                     |
| Equity Share of ₹ 10/- each                                 | 100.00               | 300.00               | 300.00               | 300.00               | 300.00               | 300.00              |
| <b>Issued, Subscribed &amp; Fully Paid Up Share Capital</b> |                      |                      |                      |                      |                      |                     |
| Equity Share of ₹ 10/- each                                 | 99.20                | 149.20               | 149.20               | 149.20               | 149.20               | 149.20              |
| <b>T O T A L</b>  | <b>99.20</b>         | <b>149.20</b>        | <b>149.20</b>        | <b>149.20</b>        | <b>149.20</b>        | <b>149.20</b>       |

**ii) Reconciliation of number of shares outstanding at the end of year**

| Particulars                                | As at March 31, 2012 | As at March 31, 2013 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2016 | As at June 30, 2016 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Equity shares at the beginning of the year | 9.92                 | 9.92                 | 14.92                | 14.92                | 14.92                | 14.92               |
| Add: Shares Allotted during the year       | -                    | 5.00                 | -                    | -                    | -                    | -                   |
| Equity Shares at the end of the year       | 9.92                 | 14.92                | 14.92                | 14.92                | 14.92                | 14.92               |

**iii) Details of shareholders holding more than 5% of the aggregate shares in the company**

| Name of Shareholder  | As at March 31, 2012 |            | As at March 31, 2013 |            | As at March 31, 2014 |            | As at March 31, 2015 |            | As at March 31, 2016 |            | As at June 30, 2016 |            |
|----------------------|----------------------|------------|----------------------|------------|----------------------|------------|----------------------|------------|----------------------|------------|---------------------|------------|
|                      | No. of Shares        | Percentage | No. of Shares        | Percentage | No. of Shares        | Percentage | No. of Shares        | Percentage | No. of Shares        | Percentage | No. of Shares       | Percentage |
| Maninder Singh Jolly | 382,100.00           | 38.52%     | 542,100.00           | 36.33%     | 542,100.00           | 36.33%     | 542,100.00           | 36.33%     | 542,100.00           | 36.33%     | 542,100.00          | 36.33%     |
| Anureet Kaur Jolly   | 305,000.00           | 30.74%     | 505,000.00           | 33.85%     | 505,000.00           | 33.85%     | 505,000.00           | 33.85%     | 505,000.00           | 33.85%     | 505,000.00          | 33.85%     |
| Karan M Jolly        | 100,500.00           | 10.13%     | 200,500.00           | 13.44%     | 200,500.00           | 13.44%     | 200,500.00           | 13.44%     | 200,500.00           | 13.44%     | 200,500.00          | 13.44%     |
| Harpreet S Jolly     | 104,440.00           | 10.53%     | 144,440.00           | 9.68%      | 144,440.00           | 9.68%      | 144,440.00           | 9.68%      | 144,440.00           | 9.68%      | 144,440.00          | 9.68%      |
| Nirmal Singh Munder  | 95,000.00            | 9.58%      | 95,000.00            | 6.37%      | 95,000.00            | 6.37%      | 95,000.00            | 6.37%      | 95,000.00            | 6.37%      | 95,000.00           | 6.37%      |

**Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.



## NOTE NO. 4

## RESERVES AND SURPLUS

(Amt. in Lacs)

| Particulars                                       | As at<br>March<br>31, 2012 | As at<br>March<br>31, 2013 | As at<br>March<br>31, 2014 | As at<br>March<br>31, 2015 | As at<br>March<br>31, 2016 | As at<br>June 30,<br>2016 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| <b><u>Surplus (Profit &amp; Loss Account)</u></b> |                            |                            |                            |                            |                            |                           |
| Opening Balance                                   | 60.11                      | 72.91                      | 87.54                      | 104.44                     | 153.04                     | 208.41                    |
| Add: Restated Profit for the year                 | 17.409                     | 22.13                      | 22.13                      | 40.48                      | 59.09                      | 16.75                     |
| Add: Deferred Tax Liability                       | -                          | -                          | -                          | 12.83                      | -                          | -                         |
| Less: Adjustment in Depreciation                  | -                          | (0.56)                     | -                          | (1.13)                     | -                          | -                         |
| Less: Proposed Dividend                           | (3.968)                    | (5.97)                     | (4.48)                     | (2.98)                     | (3.08)                     | -                         |
| Less: Dividend Distribution Tax                   | (0.64)                     | (0.97)                     | (0.76)                     | (0.60)                     | (0.65)                     | -                         |
| <b>Closing Balance</b>                            | <b>72.91</b>               | <b>87.54</b>               | <b>104.44</b>              | <b>153.04</b>              | <b>208.41</b>              | <b>225.15</b>             |

## NOTE NO. 5

## LONG TERM BORROWING

AMOUNT IN ₹

Lacs

| Particulars                   | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at June<br>30, 2016 |
|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------|
| <b><u>Secured Loans</u></b>   |                            |                            |                            |                            |                            |                        |
| From Banks                    | -                          | 4.27                       | 1.90                       | -                          | -                          | -                      |
| <b><u>Unsecured Loans</u></b> |                            |                            | -                          | -                          | -                          | -                      |
| From Related Parties          | -                          | -                          | 0.25                       | -                          | 10.76                      | 10.76                  |
| From Others                   | 194.67                     | 306.96                     | 195.63                     | -                          | -                          | -                      |
| From Body Corporates          | 187.00                     | 502.90                     | 734.75                     | 873.94                     | 671.39                     | 795.28                 |
| <b>T O T A L</b>              | <b>381.67</b>              | <b>814.13</b>              | <b>932.53</b>              | <b>873.94</b>              | <b>682.15</b>              | <b>806.04</b>          |

The above Loans are unsecured and terms of repayment are three years from the date of acceptance.

## NATURE OF SECURITY AND TERMS OF REPAYMENT

| Particulars  |               | Components of Short<br>term Borrowings | Components of Long<br>Term Borrowings |
|--|---------------|--|---------------------------------------|
| ICICI Car Loan (Secured<br>againsts Motor Vehicle(Vento<br>Car)) | March 31,2013 | 2.15                                   | 4.27                                  |
|  | March 31,2014 | 2.37                                   | 1.90                                  |
|  | March 31,2015 | 1.90                                   | -                                     |

**NOTE NO. 6****Deferred Tax Liabilities****(Amt. in Lacs)**

| Particulars                                  | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>June 30,<br>2016 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| Depre as Per Companies                       | 28.54                      | 26.11                      | 28.98                      | 39.70                      | 42.17                      | 11.00                     |
| Depre as per IT                              | 18.32                      | 21.01                      | 23.35                      | 28.33                      | 36.04                      | 9.21                      |
| ROC Fees as per Companies                    | -                          | -                          | 1.50                       | -                          | -                          | -                         |
| ROC Fees as per IT                           | -                          | -                          | 0.30                       | 0.30                       | 0.30                       | 0.08                      |
| Gratuity                                     | -                          | -                          | -                          | -                          | 8.08                       | 0.10                      |
| Depreciation<br>Adjustment(Written off)(DTA) | -                          | -                          | -                          | 41.53                      | -                          | -                         |
| Time Difference                              | (10.22)                    | (5.10)                     | (6.82)                     | (52.60)                    | (13.91)                    | (1.81)                    |
| (DTA)/DTL Trf to P&L                         | (3.16)                     | (1.58)                     | (2.11)                     | (16.25)                    | (4.30)                     | (0.56)                    |
| Opening balance of (DTA)/DTL                 | 28.70                      | 25.55                      | 23.97                      | 21.86                      | 5.61                       | 1.31                      |
| <b>Total Balance (Net)</b>                   | <b>25.55</b>               | <b>23.97</b>               | <b>21.86</b>               | <b>5.61</b>                | <b>1.31</b>                | <b>0.75</b>               |

**NOTE NO. 7****Long Term Provision****(Amt. in Lacs)**

| Particulars        | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at June<br>30, 2016 |
|--------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------|
| Gratuity Provision | 1.64                       | 3.28                       | 4.91                       | 6.55                       | 7.89                       | 8.18                   |
| <b>TOTAL</b>       | <b>1.64</b>                | <b>3.28</b>                | <b>4.91</b>                | <b>6.55</b>                | <b>7.89</b>                | <b>8.18</b>            |

**NOTE NO. 8****Other Long Term Liabilities****(Amt. in Lacs)**

| Particulars                  | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at June<br>30, 2016 |
|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------|
| Other Long Term<br>Liability | -                          | -                          | 22.00                      | 22.00                      | 27.00                      | 27.00                  |
| <b>TOTAL</b>                 | <b>-</b>                   | <b>-</b>                   | <b>22.00</b>               | <b>22.00</b>               | <b>27.00</b>               | <b>27.00</b>           |

\* The amount of Other Long Term Liability represent advance received from Shweta Co-Operative Housing Society Limited towards "Agreement for Sale" of GIDC Plot No.H31 and H36 situated at GIDC Panoli.

**SHORT TERM BORROWINGS****NOTE NO. 9**  
**(Amt. in Lacs)**

| Particulars                     | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at June<br>30, 2016 |
|---------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------|
| <b>Secured</b>                  |                            |                            |                            |                            |                            |                        |
| J & K Bank(Bank OD and PCL A/c) | 86.06                      | 123.08                     | 24.69                      | 134.45                     | 179.25                     | 45.72                  |
| ICICI Car Loan                  |                            | 2.15                       | 2.37                       | 1.90                       | -                          | -                      |
| <b>TOTAL</b>                    | <b>86.06</b>               | <b>125.23</b>              | <b>27.05</b>               | <b>136.35</b>              | <b>179.25</b>              | <b>45.72</b>           |

# 1 The J & K Bank (Bank OD) and (PCL A/c) is secured by way of hypothecation of entire block of current assets including raw material, stock in process, finished goods, Book Debts including export receivables etc. as primary security.

# 2 The J & K Bank (Bank OD) and (PCL A/c) is also secured by way of Equitable mortgage of factory land and building situated at Plot No. 2013, GIDC Panoli, Ankleshwar, Gujarat.

# 3 The J & K Bank (Bank OD) and (PCL A/c) is also secured by way of Equitable mortgage of land along with allied construction situated at Plot No. 214, GIDC Panoli, Ankleshwar, Gujarat.

# 3 The J & K Bank OD is also secured by way of Personal Guarantee of Mr. Maninder Singh Jolly (Managing Director) and Mrs. Anureetkaur Jolly (Director).

**NATURE OF SECURITY AND TERMS OF REPAYMENT**

| Particulars  |               | Components of<br>Short term<br>Borrowings | Components of<br>Long Term<br>Borrowings |
|--|---------------|---|--|
| ICICI Car Loan (Secured againsts Motor Vehicle(Vento Car)) | March 31,2013 | 214,746.20                                | 426,566.70                               |
|  | March 31,2014 | 236,693.40                                | 189,873.00                               |
|  | March 31,2015 | 189,872.40                                | -  |

**TRADE PAYABLES****NOTE NO. 10**  
**(Amt. in Lacs)**

The details of amounts outstanding to Micro, Small and Medium Enterprise based on information available with the company is as under:

| Particulars  | As at<br>March<br>31, 2012 | As at<br>March<br>31, 2013 | As at<br>March<br>31, 2014 | As at<br>March<br>31, 2015 | As at<br>March 31,<br>2016 | As at<br>June 30,<br>2016 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| Principal Amount due and remaining unpaid                      | -                          | -                          | -                          | -                          | -                          | -                         |
| Interest due on above and unpaid interest                      | -                          | -                          | -                          | -                          | -                          | -                         |
| Interest paid  | -                          | -                          | -                          | -                          | -                          | -                         |
| Payment made beyond the appointed day during the year          | -                          | -                          | -                          | -                          | -                          | -                         |
| Interest due and payable for the period of delay               | -                          | -                          | -                          | -                          | -                          | -                         |
| Interest accrued and remaining unpaid                          | -                          | -                          | -                          | -                          | -                          | -                         |
| Amount of further remaining due and payable in succeeding year | -                          | -                          | -                          | -                          | -                          | -                         |
| <b>Total</b>   | -                          | -                          | -                          | -                          | -                          | -                         |

\* As per management representation there is no amount outstanding to MSME Creditors.

**NOTE NO. 11****OTHER CURRENT LIABILITIES****(Amt. in Lacs)**

| Particulars                    | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>June 30,<br>2016 |
|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| Interest Payable               | -                          | 0.29                       | 0.11                       | 2.10                       | -                          | -                         |
| PF Payable                     | -                          | 0.08                       | 0.21                       | 0.23                       | 0.43                       | 0.20                      |
| Professional Tax Payable       | -                          | 0.04                       | 0.04                       | 0.03                       | 0.04                       | 0.04                      |
| TDS Payable                    | 0.44                       | 4.06                       | 9.72                       | 10.56                      | 8.97                       | 2.78                      |
| Unpaid Dividends               | -                          | 6.94                       | 11.21                      | 2.98                       | 3.08                       | 3.08                      |
| Prolife Bio Chem(For Expenses) | -                          | -                          | 33.39                      | 65.73                      | -                          | 2.92                      |
| Service Tax Payable(RCM)       | -                          | -                          | 0.04                       | -                          | -                          | -                         |
| Excise Duty Payable            | -                          | -                          | -                          | -                          | -                          | 4.23                      |
| Income Tax Payable             | -                          | -                          | -                          | -                          | -                          | 5.51                      |
| <b>Other Current Liability</b> | -                          | -                          | -                          | -                          | -                          | -                         |
| Traces Demand                  | 1.01                       | 1.37                       | 1.37                       | 1.42                       | 1.42                       | 1.42                      |
| Other Payables                 | -                          | 0.79                       | 4.95                       | -                          | -                          | -                         |
| <b>TOTAL</b>                   | <b>1.45</b>                | <b>13.57</b>               | <b>61.04</b>               | <b>83.05</b>               | <b>13.95</b>               | <b>20.20</b>              |

**NOTE NO. 12****SHORT TERM PROVISION****(Amt. in Lacs)**

| Particulars                  | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>June 30,<br>2016 |
|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| Audit fees payable           | 3.58                       | -                          | -                          | -                          | -                          | -                         |
| Dividend Tax payable         | 0.64                       | -                          | -                          | 0.60                       | 0.65                       | 0.65                      |
| Dividend payable             | 6.72                       | -                          | -                          | -                          | -                          | -                         |
| Salary Wages payable         | -                          | 4.17                       | 1.55                       | -                          | 3.91                       | 0.77                      |
| Water Charges payable        | -                          | -                          | -                          | -                          | -                          | -                         |
| Director Salary payable      | -                          | -                          | 1.60                       | 3.60                       | 8.35                       | 9.54                      |
| Provision For ROC Fees       | -                          | -                          | 0.13                       | -                          | -                          | -                         |
| Provision For Vat Audit Fees | -                          | -                          | 0.15                       | -                          | -                          | -                         |
| Gratuity Payable             | -                          | -                          | -                          | -                          | 0.19                       | -                         |
| PF Payable                   | -                          | -                          | -                          | -                          | -                          | -                         |
| <b>TOTAL</b>                 | <b>10.94</b>               | <b>4.17</b>                | <b>3.42</b>                | <b>4.20</b>                | <b>13.09</b>               | <b>10.95</b>              |

**NOTE NO. 13****DEPRECIATION AND AMORTIZATION****(Amt. in Lacs)**

| Particulars  | For the<br>period<br>ended<br>31st<br>March,<br>2012 | For the<br>period<br>ended<br>31st<br>March,<br>2013 | For the<br>period<br>ended<br>31st<br>March,<br>2014 | For the<br>period<br>ended<br>31st<br>March,<br>2015 | For the<br>period<br>ended<br>31st<br>March,<br>2016 | For the<br>period<br>ended<br>30th June,<br>2016 |
|--------------|--|--|--|--|--|--|
| Depreciation | 27.99  | 26.11  | 28.98  | 39.70  | 42.17  | 11.00  |
| <b>Total</b> | <b>27.99</b>   | <b>26.11</b>   | <b>28.98</b>   | <b>39.70</b>   | <b>42.17</b>   | <b>11.00</b>                                     |

**NOTE NO. 14****Non Current Investments****(Amt. in Lacs)**

| Particulars                                | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at June<br>30, 2016 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------|
| <b><u>Investment in Property</u></b>       |                            |                            |                            |                            |                            |                        |
| Dahej Plot                                 | -                          | -                          | -                          | -                          | -                          | 21.81                  |
| GIDC Plot                                  | 25.11                      | 25.11                      | 25.11                      | 25.11                      | 25.11                      | 25.11                  |
| Office at Thailand                         | 40.90                      | 40.90                      | 40.90                      | 40.90                      | 40.90                      | 40.90                  |
| Investment in Joint Venture                | -                          | 186.56                     | 186.56                     | 186.56                     | 186.56                     | 186.56                 |
| <b><u>Other Non Current Investment</u></b> |                            |                            |                            |                            |                            |                        |
| BEIL A/C                                   | -                          | -                          | -                          | 0.21                       | 0.21                       | 0.21                   |
| Office at Bangkok                          | -                          | -                          | 33.73                      | 33.73                      | 27.67                      | 27.67                  |
| <b>T O T A L</b>                           | <b>66.01</b>               | <b>252.57</b>              | <b>286.30</b>              | <b>286.51</b>              | <b>280.45</b>              | <b>302.26</b>          |

\*The Company has entered into "Agreement for Sale" With Shweta Co-Op Housing Society Limited for sale of GIDC Plot No H31 and H36 For ₹ 27,00,000.00.

\*\*This amount represents 16.67% share in the JSK Motel Management Inc. % of Share is based on actual amount remitted by the company. Based on the letter from JSK Motel Management Inc., 16.67% ownership is based on actual fund invested against 25% Share agreed. In Previous Financial Year % ownership was shown based on agreed percentage but now it is shown based on actual amount invested.

\*\*\* Office at Thailand is recognised as non-monetary investment as thus it is valued at Historic Cost and no Foreign Exchange Gain / Loss is booked. The office was purchased to expand business operations and till date it has not been put to use, Hence classified as Investment in Property. It is in the name of one of the Director Mr.M S Jolly.

\*\*\*\* Thai Office Bangkok is amount remitted for business operation in Thailand. Upto the reporting date business operations has not been commenced.

**NOTE NO. 15****Long Term Loans and Advances****(Amt. in Lacs)**

| Particulars                           | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at June<br>30, 2016 |
|---------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------|
| Unsecured, considered good            | 7.63                       | 10.74                      | 10.45                      | 19.59                      | 23.74                      | 16.57                  |
| Loans and Advances to Related Parties |                            |                            |                            |                            |                            |                        |
| Unsecured, considered good            | 225.01                     | 119.30                     | 62.60                      | 12.26                      | -                          | -                      |
| Balances with Government Authorities  | 13.17                      | 22.24                      | 112.02                     | 88.37                      | 111.31                     | 84.96                  |
| Other Loans and Advances              | 0.08                       | 0.08                       | -                          | 0.54                       | 4.00                       | 0.47                   |
| Loan to Ayaz Ice & Cold Storage       |                            |                            | 0.91                       | 0.91                       | 0.91                       | 0.91                   |
| <b>T O T A L</b>                      | <b>245.89</b>              | <b>152.35</b>              | <b>185.98</b>              | <b>121.67</b>              | <b>139.96</b>              | <b>102.91</b>          |

**NOTE NO. 16****Other Non Current Assets****(Amt. in Lacs)**

| Particulars           | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at June<br>30, 2016 |
|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------|
| Bank Interest Accrued | 0.55                       | 0.55                       | -                          | -                          | -                          | -                      |
| <b>TOTAL</b>          | <b>0.55</b>                | <b>0.55</b>                | <b>-</b>                   | <b>-</b>                   | <b>-</b>                   | <b>-</b>               |

**NOTE NO. 17****INVENTORIES****(Amt. in Lacs)**

| Particulars    | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at June<br>30, 2016 |
|----------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------|
| Stock in Trade | 233.00                     | 479.18                     | 615.18                     | 625.59                     | 323.78                     | 189.39                 |
| <b>TOTAL</b>   | <b>233.00</b>              | <b>479.18</b>              | <b>615.18</b>              | <b>625.59</b>              | <b>323.78</b>              | <b>189.39</b>          |

**NOTE NO. 18****TRADE RECEIVABLE****(Amt. in Lacs)**

| Particulars                              | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>June 30,<br>2016 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| <b><u>Unsecured, considered good</u></b> |                            |                            |                            |                            |                            |                           |
| Outstanding for Less than six months     | 147.98                     | 159.57                     | 267.45                     | 336.37                     | 363.35                     | 409.15                    |
| Outstanding for More than six months     | 33.16                      | 66.00                      | 8.12                       | -                          | 23.74                      | 66.85                     |
| <b>TOTAL</b>                             | <b>181.14</b>              | <b>225.57</b>              | <b>275.57</b>              | <b>336.37</b>              | <b>387.09</b>              | <b>475.99</b>             |

**NOTE NO. 19****CASH AND CASH EQUIVALENT****(Amt. in Lacs)**

| Particulars                    | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>June 30,<br>2016 |
|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| <b>(a) Balances with banks</b> |                            |                            |                            |                            |                            |                           |
| In Current Accounts with bank  | 18.29                      | 14.35                      | 10.20                      | 4.34                       | 8.07                       | 5.65                      |
| <b>(b) Cash on hand</b>        | <b>1.27</b>                | <b>4.11</b>                | <b>4.03</b>                | <b>7.78</b>                | <b>5.04</b>                | <b>11.30</b>              |
| <b>(c) Bank Guarantees</b>     | <b>-</b>                   | <b>-</b>                   | <b>-</b>                   | <b>10.87</b>               | <b>12.34</b>               | <b>12.59</b>              |
| <b>(d) Bank Deposit</b>        | <b>-</b>                   | <b>-</b>                   | <b>-</b>                   | <b>24.01</b>               | <b>8.74</b>                | <b>9.64</b>               |
| <b>(e) Others</b>              |                            |                            |                            |                            |                            |                           |
| <b>TOTAL</b>                   | <b>19.56</b>               | <b>18.46</b>               | <b>14.23</b>               | <b>47.01</b>               | <b>34.18</b>               | <b>39.17</b>              |

## NOTE NO. 20

## SHORT TERM LOANS AND ADVANCES

(Amt. in Lacs)

| Particulars  | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>June 30,<br>2016 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| <b>Short Term Advances (Unsecured Considered Good)</b> |                            |                            |                            |                            |                            |                           |
| Advance for Materials                                  |                            |                            |                            | 64.68                      | 61.83                      | 60.45                     |
| <b>TOTAL</b>   | -                          | -                          | -                          | <b>64.68</b>               | <b>61.83</b>               | <b>60.45</b>              |

## NOTE NO. 21

## OTHER CURRENT ASSETS

(Amt. in Lacs)

| Particulars                               | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>June 30,<br>2016 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| <b>Balances with Government Authority</b> |                            |                            |                            |                            |                            |                           |
| VAT Receivable                            | 31.66                      | 43.46                      |                            |                            | -                          |                           |
| Income Tax Receivable                     | 0.63                       | 2.77                       |                            |                            | -                          |                           |
| <b>Others</b>                             |                            |                            |                            |                            |                            |                           |
| Prepaid expenses                          |                            |                            | 0.07                       | 0.07                       | 0.07                       | 0.34                      |
| Accrued Interest                          |                            |                            |                            | 1.43                       | -                          |                           |
| <b>TOTAL</b>                              | <b>32.29</b>               | <b>46.23</b>               | <b>0.07</b>                | <b>1.50</b>                | <b>0.07</b>                | <b>0.34</b>               |

## NOTE NO. 22

## REVENUE FROM OPREATION

(Amt. in Lacs)

| Particulars   | For the<br>period<br>ended<br>31st<br>March,<br>2012 | For the<br>period<br>ended<br>31st<br>March,<br>2013 | For the<br>period<br>ended<br>31st<br>March,<br>2014 | For the<br>period<br>ended<br>31st<br>March,<br>2015 | For the<br>period<br>ended<br>31st<br>March,<br>2016 | For the<br>period<br>ended<br>30th June,<br>2016 |
|---|--|--|--|--|--|--|
| Sale of Products                                    | 1,219.04   | 1,642.85   | 1,895.34   | 1,958.38   | 2,221  | 391  |
| Sale of Services                                    |  |  |  |  |  | 24   |
| Other operating revenues                            | 0.95   | -  | -  | -  | 9  | 1  |
| <b>Revenue from operations (net of excise duty)</b> | <b>1,220.00</b>                                      | <b>1,642.85</b>                                      | <b>1,895.34</b>                                      | <b>1,958.38</b>                                      | <b>2,229.55</b>                                      | <b>416.16</b>                                    |

**NOTE NO. 23**  
**(Amt. in Lacs)**

**OTHER INCOME**

| Particulars                       | For the period ended 31st March, 2012 | For the period ended 31st March, 2013 | For the period ended 31st March, 2014 | For the period ended 31st March, 2015 | For the period ended 31st March, 2016 | For the period ended 30th June, 2016 |
|-----------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| Other income                      | 9.56                                  | 16.49                                 | 10.29                                 | 30.79                                 | 53.64                                 | 2.89                                 |
| Net Profit Before Tax as Restated | 26.77                                 | 35.52                                 | 40.11                                 | 62.71                                 | 87.92                                 | 27.22                                |
| <b>Percentage</b>                 | <b>36%</b>                            | <b>46%</b>                            | <b>26%</b>                            | <b>49%</b>                            | <b>61%</b>                            | <b>11%</b>                           |

**NOTE NO. 24**  
**(Amt. in Lacs)**

**COST OF MATERIAL CONSUMED**

| Particulars  | For the period ended 31st March, 2012 | For the period ended 31st March, 2013 | For the period ended 31st March, 2014 | For the period ended 31st March, 2015 | For the period ended 31st March, 2016 | For the period ended 30th June, 2016 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| <b><u>Raw Material Consumed:</u></b>   |                                       |                                       |                                       |                                       |                                       |                                      |
| Opening Stock of Raw Material  | 36.64                                 | 41.04                                 | 290.69                                | 380.43                                | 371.74                                | 189.09                               |
| <b>Add : Purchases</b> (including Printing material)(Net of Excise, Discount Rate Diff.) | 978.61                                | 1,569.76                              | 1,520.12                              | 1,348.34                              | 1,407.94                              | 142.17                               |
| <b>Less : Closing Stock of Raw Material</b>  | (41.04)                               | (290.69)                              | (380.43)                              | (371.74)                              | (189.09)                              | (113.44)                             |
| <b>Revenue from operations (net of excise duty)</b>                                      | 974.21                                | 1,320.11                              | 1,430.37                              | 1,357.03                              | 1,590.59                              | 217.82                               |

**NOTE NO. 25**  
**(Amt. in Lacs)**

**CHANGES IN INVENTORIES OF FINISHED GOODS, TRADED GOODS & WORK IN PROGRESS**

| Particulars  | For the period ended 31st March, 2012 | For the period ended 31st March, 2013 | For the period ended 31st March, 2014 | For the period ended 31st March, 2015 | For the period ended 31st March, 2016 | For the period ended 30th June, 2016 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| <b>Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</b> |                                       |                                       |                                       |                                       |                                       |                                      |
| <b>Opening Stock</b>   |                                       |                                       |                                       |                                       |                                       |                                      |
| Finished Goods   | 188.47                                | 191.96                                | 188.49                                | 234.75                                | 253.85                                | 134.68                               |
| <b>Less : Closing Stock</b>  |                                       |                                       |                                       |                                       |                                       |                                      |
| Finished Goods   | (191.96)                              | (188.49)                              | (234.75)                              | (253.85)                              | (134.68)                              | (75.96)                              |
| <b>Increase/Decrease in Stock of Finished Goods &amp; Stock-in-Progress</b>          | (3.49)                                | 3.46                                  | (46.26)                               | (19.10)                               | 119.17                                | 58.73                                |



**NOTE NO. 26****EMPLOYEE BENEFIT EXPENSE****(Amt. in Lacs)**

| Particulars                         | For the period ended 31st March, 2012 | For the period ended 31st March, 2013 | For the period ended 31st March, 2014 | For the period ended 31st March, 2015 | For the period ended 31st March, 2016 | For the period ended 30th June, 2016 |
|-------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| Salary/Wages & Bonus                | 17.50                                 | 26.70                                 | 28.94                                 | 33.46                                 | 57.04                                 | 14.40                                |
| Contribution to Provident Fund etc. | 2.31                                  | 2.53                                  | 3.01                                  | 3.10                                  | 4.10                                  | 0.73                                 |
| Staff Welfare Expenses              | 2.52                                  | 2.08                                  | 4.57                                  | 3.80                                  | 4.19                                  | 0.83                                 |
| <b>Total</b>                        | <b>22.34</b>                          | <b>31.31</b>                          | <b>36.52</b>                          | <b>40.36</b>                          | <b>65.33</b>                          | <b>15.95</b>                         |

**NOTE NO. 27****FINANCE COST****(Amt. in Lacs)**

| Particulars          | For the period ended 31st March, 2012 | For the period ended 31st March, 2013 | For the period ended 31st March, 2014 | For the period ended 31st March, 2015 | For the period ended 31st March, 2016 | For the period ended 30th June, 2016 |
|----------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| Interest Expense     | 20.37                                 | 44.28                                 | 86.80                                 | 107.09                                | 93.15                                 | 22.12                                |
| Other Borrowing Cost |                                       |                                       |                                       | 3.51                                  | 2.99                                  | 0.03                                 |
| <b>Total</b>         | <b>20.37</b>                          | <b>44.28</b>                          | <b>86.80</b>                          | <b>110.61</b>                         | <b>96.14</b>                          | <b>22.15</b>                         |

**NOTE NO. 28****OTHER EXPENSE****(Amt. in Lacs)**

| Particulars                    | For the period ended 31st March, 2012 | For the period ended 31st March, 2013 | For the period ended 31st March, 2014 | For the period ended 31st March, 2015 | For the period ended 31st March, 2016 | For the period ended 30th June, 2016 |
|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| Payment to Auditors            | 0.50                                  | 0.79                                  | 0.65                                  | 0.50                                  | 1.00                                  | 0.25                                 |
| Power and Fuel                 | 58.83                                 | 83.19                                 | 100.09                                | 168.65                                | 106.69                                | 23.74                                |
| Repairs to Plant & Machineries | 26.62                                 | 11.55                                 | 38.85                                 | 64.18                                 | 29.26                                 | 12.59                                |
| Insurance Expense              | 2.20                                  | 1.70                                  | 1.06                                  | 0.89                                  | 0.74                                  | 1.34                                 |
| Rates and Taxes                | 5.996                                 | 28.53                                 | 19.46                                 | 24.75                                 | 25.72                                 | 4.01                                 |
| Miscellaneous Expense          | 67.23                                 | 72.78                                 | 169.01                                | 138.87                                | 112.40                                | 24.25                                |
|                                |                                       |                                       |                                       |                                       |                                       |                                      |
| <b>Total</b>                   | <b>161.38</b>                         | <b>198.54</b>                         | <b>329.11</b>                         | <b>397.85</b>                         | <b>275.82</b>                         | <b>66.17</b>                         |

**Note No 29**

**Capitalization Statement as at 30th June, 2016**

| Particulars                                | Pre Issue     | Post Issue |
|--|---------------|------------|
| <b>Borrowings</b>                          |               |            |
| Short term debt (A)                        | 45.72         | [•]        |
| Long Term Debt (B)                         | 806.04        | [•]        |
| <b>Total debts (C)</b>                     | <b>851.76</b> | [•]        |
| <b>Shareholders' funds</b>                 |               |            |
| Equity share capital                       | 149.20        | [•]        |
| Reserve and surplus - as restated          | 225.15        | [•]        |
| <b>Total shareholders' funds</b>           | <b>374.36</b> | [•]        |
| <b>Long term debt / shareholders funds</b> | 2.15          | [•]        |
| <b>Total debt / shareholders funds</b>     | 2.28          | [•]        |

Post Issue Capitalization will be determined only after the completion of allotment of Equity Shares.

**Note No 30  
(Amt. in Lacs)**

**Statement of Tax Shelters**

| Particulars                                    | For the period ended 31st March, 2012 | For the period ended 31st March, 2013 | For the period ended 31st March, 2014 | For the period ended 31st March, 2015 | For the period ended 31st March, 2016 | For the period ended 30th June, 2016 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| Profit before tax as per books (A)             | 26.77                                 | 35.52                                 | 40.11                                 | 62.71                                 | 87.92                                 | 27.22                                |
| Tax Rate (%)                                   | 30.90%                                | 30.90%                                | 30.90%                                | 30.90%                                | 32.71%                                | 32.71%                               |
| Tax at notional rate on profits                | 8.27                                  | 10.98                                 | 12.39                                 | 19.38                                 | 28.76                                 | 8.90                                 |
| <b>Adjustments :</b>                           |                                       |                                       |                                       |                                       |                                       |                                      |
| <b>Permanent Differences(B)</b>                |                                       |                                       |                                       |                                       |                                       |                                      |
| Expenses disallowed under Income Tax Act, 1961 |                                       |                                       |                                       |                                       |                                       |                                      |
| Amount Disallowable u/s 37                     | 2.65                                  | 446,562.79                            | 971,396                               | 809,816                               | 1238417.45                            | 286107.30                            |
| Amount Disallowable u/s 40                     | 77,550.00                             | 78,652.00                             | 212,640                               | 282,823                               | 182,473.00                            | 9,762.00                             |
| Expense relating to exepmt income              |                                       |                                       |                                       | 1,366                                 | 1,283.00                              |                                      |
| Amount Disallowable u/s 36                     |                                       |                                       |                                       | 11,724                                |                                       |                                      |
| Amount Disallowable u/s 28 to 44DA             |                                       |                                       | 150,000                               |                                       |                                       |                                      |
| <b>Total Permanent Differences(B)</b>          | <b>77,552.65</b>                      | <b>525,215</b>                        | <b>1,334,036</b>                      | <b>1,105,729</b>                      | <b>1,422,173.45</b>                   | <b>295,869.30</b>                    |
|  |                                       |                                       |                                       |                                       |                                       |                                      |
| <b>Income considered separately (C)</b>        |                                       |                                       |                                       |                                       |                                       |                                      |
| Income from Other Source                       | (126,204.00)                          | (318,231.00)                          | (189,009)                             | (304,272)                             | (155,746.00)                          | (42,294.00)                          |
| Capital Gain                                   |                                       |                                       |                                       |                                       | (188,777.00)                          |                                      |
| Exempt Income                                  | (1,750.00)                            | (2,625.00)                            |                                       | (3,062)                               |                                       |                                      |
| Other  |                                       | (55,638.00)                           |                                       |                                       |                                       |                                      |
| <b>Total Income considered separately (C)</b>  | <b>(127,954.00)</b>                   | <b>(376,494.00)</b>                   | <b>(189,009)</b>                      | <b>(307,334)</b>                      | <b>(344,523.00)</b>                   | <b>(42,294.00)</b>                   |

|   |                     |                   |                     |                     |                     |                   |
|---|---------------------|-------------------|---------------------|---------------------|---------------------|-------------------|
|   |                     |                   |                     |                     |                     |                   |
| <b>Timing Differences (D)</b>                             |                     |                   |                     |                     |                     |                   |
| Difference between tax depreciation and book depreciation | 1,022,186.00        | 509,720.00        | 562,405             | 1,136,604           | 612,849.00          | 188,196.51        |
| Deduction u/s 28 to 44DA                                  |                     |                   | (108,652)           | (30,000.00)         | (30,000.00)         | (7,500.00)        |
| <b>Total Timing Differences (D)</b>                       | <b>1,022,186.00</b> | <b>509,720.00</b> | <b>453,753.00</b>   | <b>1,106,604.00</b> | <b>582,849.00</b>   | <b>180,696.51</b> |
| <b>Net Adjustments E = (B+C+D)</b>                        | <b>971,784.65</b>   | <b>658,440.79</b> | <b>1,598,779.80</b> | <b>1,904,998.74</b> | <b>1,660,499.45</b> | <b>434,271.81</b> |
| <b>Tax expense / (saving) thereon</b>                     | 300,281             | 203,458           | 494,023             | 588,645             | 543,094             | 142,036           |
| <b>Capital Gains</b>                                      |                     |                   |                     |                     |                     |                   |
| Short Term Capital Gain                                   |                     |                   |                     |                     |                     |                   |
| <b>Capital Gains (F)</b>                                  |                     |                   |                     |                     | -                   | -                 |
| <b>Income from Other Sources</b>                          |                     |                   |                     |                     |                     |                   |
| Interest Income   | 126,204             | 318,231           | 189,009             | 304,272             | 155,746             | 42,294            |
| Other other source Income                                 | 22,758              |                   |                     |                     |                     |                   |
| <b>Income from Other Sources (G)</b>                      | <b>148,962.00</b>   | <b>318,231.00</b> | <b>189,009</b>      | <b>304,272</b>      | <b>155,746</b>      | <b>42,294</b>     |
| Taxable Income/(Loss) (A+E+F+G)                           | <b>1,120,773.41</b> | <b>976,707.31</b> | <b>1,787,829</b>    | <b>2,209,333</b>    | <b>1,816,333</b>    | <b>476,593</b>    |
| <b>Taxable Income/(Loss) as per MAT</b>                   |                     |                   |                     |                     |                     |                   |
|   |                     |                   |                     |                     |                     |                   |
| <b>Income Tax as returned/computed</b>                    | 346,318.98          | 301,802.56        | 552,439.13          | 2,517,921.00        | 594,062.16          | 155,877.71        |
| <b>Interest on Income Tax</b>                             | 13,530.00           | 11,716.30         | 25,095.00           | 40,926.00           | 57,222.00           | 57,222.00         |
| <b>Interest on TDS</b>                                    |                     |                   | 12,580.66           | 5,807.00            | -                   | -                 |
| <b>Total Tax Expense as per Restatement</b>               | <b>359,848.98</b>   | <b>313,518.86</b> | <b>590,114.79</b>   | <b>2,564,654.00</b> | <b>651,284.16</b>   | <b>213,099.71</b> |
|   |                     |                   |                     |                     |                     |                   |
| <b>Total tax Expense as per Profit and Loss Statement</b> | <b>(12.52)</b>      | <b>(14.97)</b>    | <b>(20.08)</b>      | <b>(25.65)</b>      | <b>(33.13)</b>      | <b>(11.03)</b>    |
|   |                     |                   |                     |                     |                     |                   |
| <b>Difference in tax Expense due to Restatement</b>       | <b>359,836.47</b>   | <b>313,503.89</b> | <b>590,094.71</b>   | <b>2,564,628.35</b> | <b>651,250.85</b>   | <b>213,088.68</b> |
|   |                     |                   |                     |                     |                     |                   |
| Tax paid as per normal or MAT                             | Normal              | Normal            | Normal              | Normal              | Normal              | Normal            |

## Restated Standalone Statement of Related Party Transactions

(Amt. in Lacs)

| Nature of Transaction / Name of Related Party   |  | During the period ended 30 <sup>th</sup> June ,2016 | During the year ended March 31, |         |         |        |        |
|---|--|---|---------------------------------|---------|---------|--------|--------|
|   |  |   | 2016                            | 2015    | 2014    | 2013   | 2012   |
| <b>Remuneration and allowance</b>               | <b>Nature of relationship</b>                    |   |                                 |         |         |        |        |
| Maninder Singh Jolly                            | Director   | 1.25  | 5                               | 3.60    | 3.60    | 3.60   | 0      |
| Arvind Radadia                                  | Director   | 0   | 0                               | 0       | 0       | 1.20   | 0      |
| <b>Purchase</b>                                 |  |   |                                 |         |         |        |        |
| Goldstar Chemicals Private Limited              | Company in which director is interested          | 22.68   | 147.39                          | 152.51  | 280.5   | 215.06 | 63.86  |
| Solvochem Intermediaries Private Limited        | Company in which director is interested          | 0   | 0                               | 0       | 0       | 0      | 10.05  |
| Nem Organics Limited                            | Company in which director is interested          | 0   | 222.88                          | 0       | 0       | 282.79 | 101.82 |
| Prolife Bio Chemical Industries Private Limited | Company in which director is interested          | 0   | 176.59                          | 72.04   | 39.60   | 125.50 | 58.42  |
| Solvochem Industries                            | Partnership Firm in which director is interested | 0   | 0                               | 0       | 0       | 0      | 24.47  |
| JS Chemicals                                    | Partnership Firm in which director is interested | 0   | 0                               | 1267.07 | 0       | 1.58   | 3.16   |
| Shraddha Fine Chem Private Limited              | Company in which director is interested          | 0   | 51.38                           | 0       | 0       | 0      | 0      |
| <b>Interest Expenses</b>                        |  |   |                                 |         |         |        |        |
| Maninder Singh Jolly                            | Director   | 0   | .84                             | 0       | 0       | 0      | 0      |
| <b>Sales</b>                                    |  |   |                                 |         |         |        |        |
| Goldstar Chemicals Private Limited              | Company in which director is interested          | 272.30  | 335.28                          | 471.28  | 376.007 | 181.03 | 188.69 |
| J S Chemicals                                   | Partnership Firm in which director is interested | 14.28   | 67.76                           | 5.75    | 0       | 11.85  | 12.31  |
| Solvochem Intermediates Private Limited         | Company in which director is interested          | 0   | 0                               | 0       | 0       | 0      | 24.24  |
| Nem Organics Limited                            | Company in which director is interested          | 0   | 0                               | 110.81  | 0       | 174.30 | 47.50  |
| Prolife Bio Chemical Industries Private Limited | Company in which director is interested          | 0   | 628.89                          | 486.14  | 309.16  | 528.18 | 434.84 |

|   |  |        |       |       |        |        |         |
|---|--|--------|-------|-------|--------|--------|---------|
| Solvochem Industries                            | Partnership Firm in which director is interested | 0      | 0     | 0     | 0      | 0      | 37.58   |
| Shraddha Fine Chem Private Limited              | Company in which director is interested          | 39.95  | 5.90  | 18.37 | 0      | 0      | 0       |
| Yushika Exports                                 | Partnership Firm in which director is interested | 0      | 0     | 0     | 167.14 | 94.19  | 0       |
| <b>Reimbursement</b>                            |  |        |       |       |        |        |         |
| J S Chemicals                                   | Partnership Firm in which director is interested | 0      | 37.92 | 25.81 | 0      | 17.004 | 8.46    |
| Prolife Bio Chemical Industries Private Limited | Company in which director is interested          | 5.89   | 8.95  | 35.07 | 32.62  | 25.33  | 16.35   |
| <b>Loan Taken By the Company</b>                |  |        |       |       |        |        |         |
| Maninder Singh Jolly                            | Director   |        | 10    | 0     | 0      | 0      | 0       |
| <b>Loan Repaid by the Company</b>               |  |        |       |       |        |        |         |
| Maninder Singh Jolly                            | Director   | 0      | 0     | 0     | 0      | 0      | 4.03    |
| <b>Balance Outstanding At the end of year</b>   |  |        |       |       |        |        |         |
| <b>Maninder Singh Jolly</b>                     | Director   |        |       |       |        |        |         |
| Outstanding-Remuneration                        |  | 9.53   | 8.27  | 3.6   | 3.8485 | .2485  | .2485   |
| Outstanding- Loan                               |  | 10.76  | 10.76 | 0     | 0      | 0      | 0       |
| <b>Arvind Radadia</b>                           | Director   | 0      | 0     | 0     | 0      | 0      | 0       |
| <b>Goldstar Chemicals Private Limited</b>       | Company in which director is interested          |        |       |       |        |        |         |
| Trade Recievable                                |  | 197.68 | 37.89 | 0     | 0      | 0      | 0       |
| Trade Payables                                  |  | 0      | 0     | 0     | 0      | 63.79  | 29.76   |
| <b>Solvochem Intermedieries Private Limited</b> | Company in which director is interested          |        |       |       |        |        |         |
| Trade Recievable                                |  | 0      | 0     | 0     | 0      | 0      | 0       |
| Trade Payables                                  |  | 41.49  | 41.49 | 41.49 | 41.49  | 41.49  | 34.95   |
| <b>Nem Organics Limited</b>                     | Company in which director is interested          |        |       |       |        |        |         |
| Trade Recievable                                |  | 0      | 0     | 0     | 0      | 0      | 354.288 |
| Trade Payables                                  |  | 33.26  | 33.27 | 33.26 | 33.26  | 33.26  |         |
| <b>Solvochem Industries</b>                     | Partnership Firm in which director is interested |        |       |       |        |        |         |
| Trade Recievable                                |  | 0      | 0     | 0     | 0      | 0      |         |

|  |  |        |        |       |       |        |        |
|--|--|--------|--------|-------|-------|--------|--------|
| Trade Payables   |  | 0      | 0      | 0     | 0     | 0      | 6.54   |
| <b>JS Chemicals</b>                                    | Partnership Firm in which director is interested |        |        |       |       | 0      |        |
| Trade Recievable                                       |  | 11.90  | 0      | 0     | 0     |        | 0      |
| Trade Payables   |  | 0      | 0      | 0     | 0     |        | 0      |
| <b>Prolife Bio Chemical Industries Private Limited</b> | Company in which director is interested          |        |        |       |       |        |        |
| Trade Recievable                                       |  | 110.70 | 107.78 | 60.91 | 31.88 | 136.05 | 93.70  |
| Trade Payables   |  | 0      | 0      | 0     | 0     | 0      | 0      |
| <b>Yushika Exports</b>                                 | Partnership Firm in which director is interested |        |        |       |       |        |        |
| Trade Recievable                                       |  | 0      | 0      | 0     | 0     | 0      | .14    |
| Trade Payables   |  | 0      | 0      | 0     | 0     | 0      | 0      |
| <b>Shraddha Fine Chem Private Limited</b>              | Company in which director is interested          |        |        |       |       |        |        |
| Trade Recievable                                       |  | 24.84  | 0      | 13.37 | 0     | 0      | 0      |
| Trade Payables   |  | 0      | 9.09   | 0     | 0     | 0      | 0      |
| <b>Ayaz Ice &amp; Cold Storage</b>                     | Partnership Firm in which director is interested |        |        |       |       |        |        |
| Loan Given   |  | 0.91   | 0.91   | 0.91  | 0.91  | 0      | 0      |
| <b>Loan given by the Company</b>                       |  |        |        |       |       |        |        |
| <b>Nem Organics Limited</b>                            | Company in which director is interested          | 0.096  | 0      | 0     | 0     | 0      | 130.98 |
| <b>Ayaz Ice &amp; Cold Storage</b>                     | Partnership Firm in which director is interested | 0      | 0      | 0     | 0.91  | 0      | 0      |

## Summary of Accounting Ratios

| Particulars  |     | As at                |                       |                       |                       |                       |                       |
|--|-----|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  |     | 30th<br>June<br>2016 | 31st<br>March<br>2016 | 31st<br>March<br>2015 | 31st<br>March<br>2014 | 31st<br>March<br>2013 | 31st<br>March<br>2012 |
|  |     |                      |                       |                       |                       |                       |                       |
| Basic & diluted earnings per share ( ₹ )                                       | A/B | 4.49                 | 3.96                  | 2.71                  | 1.48                  | 1.72                  | 1.75                  |
| Impact of Issue of Bonus Share after June 30, 2016                             |     |                      |                       |                       |                       |                       |                       |
| Basic and diluted before Bonus   |     | 4.49                 | 3.96                  | 2.71                  | 1.48                  | 1.72                  | 1.75                  |
| Basic and diluted earnings per share after bonus <sup>#</sup>                  |     | 2.25                 | 1.98                  | 1.36                  | 0.74                  | 0.86                  | 0.88                  |
| Return on Net Worth (in Percentage)*   | A/C | 4.47                 | 16.52                 | 13.39                 | 8.73                  | 9.35                  | 10.11                 |
| Net Asset Value per equity share ( ₹ )   | C/D | 2.51                 | 2.40                  | 2.03                  | 1.70                  | 1.59                  | 1.73                  |
|  |     |                      |                       |                       |                       |                       |                       |
| NAV per Share( ₹ ) before Bonus  |     | 2.51                 | 2.40                  | 2.03                  | 1.70                  | 1.59                  | 1.73                  |
| NAV per Share(₹) after Bonus <sup>^</sup>                                      |     | 1.25                 | 1.20                  | 1.01                  | 0.85                  | 0.79                  | 0.87                  |
| Net Profit after tax as restated attributable to equity shareholders ( ₹ Lacs) | A   | 16.75                | 59.09                 | 40.48                 | 22.13                 | 22.13                 | 17.41                 |
| Weighted average number of equity shares outstanding at year end               | B   | 3.73                 | 14.92                 | 14.92                 | 14.92                 | 12.84                 | 9.92                  |
| Net Worth at the end of the year   | C   | 374.36               | 357.61                | 302.25                | 253.64                | 236.75                | 172.11                |
| Total number of equity shares outstanding at the end of the year               | D   | 149.20               | 149.20                | 149.20                | 149.20                | 149.20                | 99.20                 |

## \* Annualised Basis

Notes:-

|     |                                |  |
|-----|--------------------------------|--|
| (a) | Basic earnings per share ( ₹ ) | <u>Net profit after tax (as restated) attributable to shareholders</u><br>Weighted average number of equity shares outstanding during the year |
|-----|--------------------------------|--|

EPS Calculation has been done as per Accounting Standard-20, "Earnings Per Share" issued by The Institute of Chartered Accountants of India.

|     |                         |   |
|-----|-------------------------|---|
| (b) | Return on net worth (%) | <u>Net Profit after tax as restated</u><br>Net worth at the end of the year |
|-----|-------------------------|---|

|     |                                 |   |
|-----|---------------------------------|---|
| (c) | Net asset value per share ( ₹ ) | <u>Net Worth at the end of the Year</u><br>Total number of equity shares outstanding at the end of the year |
|-----|---------------------------------|---|

<sup>#</sup>Basic and diluted earnings per share after bonus<sup>#</sup>

|     |                                |  |
|-----|--------------------------------|--|
| (d) | Basic earnings per share ( ₹ ) | <u>Net profit after tax (as restated) attributable to shareholders as at end of the year/Period</u><br>Number of equity shares outstanding after the issue of Bonus Shares |
|-----|--------------------------------|--|

**Material Adjustment:**

| Adjustments for  | For the period ended 31st March, 2012 | For the period ended 31st March, 2013 | For the period ended 31st March, 2014 | For the period ended 31st March, 2015 | For the period ended 31st March, 2016 | For the period ended 30th June, 2016 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| Net profit/(Loss) after Tax as per Audited Profit & Loss Account | 19.50                                 | 24.91                                 | 27.93                                 | 37.22                                 | 52.54                                 | 16.75                                |
| <b>Adjustments for:</b>  |                                       |                                       |                                       |                                       |                                       |                                      |
| Deferred Tax Liability Recognised                                |                                       |                                       |                                       |                                       |                                       |                                      |
| Depreciation   | 0.56                                  |                                       |                                       |                                       |                                       |                                      |
| <b>Prior Period Adjustment</b>                                   |                                       |                                       |                                       |                                       | -                                     | -                                    |
| Gratuity   | (1.64)                                | (1.64)                                | (1.64)                                | (1.64)                                |                                       |                                      |
| Other  |                                       | (0.79)                                | (4.16)                                | 4.95                                  | 6.55                                  |                                      |
| MAT Credit Adjustment  |                                       |                                       |                                       |                                       |                                       |                                      |
| Outstanding TDS/Tax Demands Provisions                           | (1.01)                                | (0.36)                                | -                                     | (0.05)                                | (0.00)                                | -                                    |
| <b>Net Profit/ (Loss) After Tax as Restated</b>                  | <b>17.41</b>                          | <b>22.13</b>                          | <b>22.13</b>                          | <b>40.48</b>                          | <b>59.09</b>                          | <b>16.75</b>                         |

Appropriate adjustment have been made in the restated financial statement, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Companies Act and Accounting Standards.



**Note No 34****(Amt. in Lacs)****Earnings Per Share**

| Sr. No | Earnings Per Share   | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | As at June 30, 2016 |
|--------|--|---------|---------|---------|---------|---------|---------------------|
| 1      | Profit for the period attributable to Equity Shareholder         | 17.41   | 22.13   | 22.13   | 40.48   | 59.09   | 16.75               |
| 2      | No of weighted average equity shares outstanding during the year | 9.92    | 12.84   | 14.92   | 14.92   | 14.92   | 3.73                |
| 3      | Nominal Value of Equity Share                                    | 10.00   | 10.00   | 10.00   | 10.00   | 10.00   | 10.00               |
| 4      | Basic and Diluted Earning Per Share                              | 1.75    | 1.72    | 1.48    | 2.71    | 3.96    | 4.49                |

**Note No 35****Weighted Average Equity Shares**

| Date of Issue                              | Months | Shares outstanding for the period | Weighted average shares | Face Value | Manner |                   |
|--|--------|-----------------------------------|-------------------------|------------|--------|-------------------|
| Opening                                    | 12     | 10                                | 9.92                    | 10         |        |                   |
| <b>Total For FY 11-12</b>                  |        | <b>10</b>                         | <b>9.92</b>             |            |        |                   |
| Opening                                    | 12     | 10                                | 10                      | 10         |        |                   |
| 8/23/2012                                  | 7      | 5                                 | 2.92                    | 10         | Cash   | Further Allotment |
| <b>Total For FY 12-13</b>                  |        | <b>15</b>                         | <b>12.837</b>           |            |        |                   |
| Opening                                    | 12     | 15                                | 15                      | 10         |        |                   |
| <b>Total For FY 13-14</b>                  |        | <b>15</b>                         | <b>15</b>               |            |        |                   |
| Opening                                    | 12     | 15                                | 15                      | 10         |        |                   |
| <b>Total For FY 14-15</b>                  |        | <b>15</b>                         | <b>15</b>               |            |        |                   |
| Opening                                    | 12     | 15                                | 15                      | 10         |        |                   |
| <b>Total For FY 15-16</b>                  |        | <b>15</b>                         | <b>15</b>               |            |        |                   |
| Opening                                    | 3      | 14.92                             | 4                       | 10         |        |                   |
| <b>Total For Period April to June 2016</b> |        | <b>15</b>                         | <b>4</b>                |            |        |                   |

**Note No 36****Contingent Liability**

| Particulars   | For the period ended 31st March, 2012 | For the period ended 31st March, 2013 | For the period ended 31st March, 2014 | For the period ended 31st March, 2015 | For the period ended 31st March, 2016 | For the period ended 30th June, 2016 |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| Disputed Income Tax Liability   | -                                     | -                                     | -                                     | 11.31                                 | 11.31                                 | 11.31                                |
| Disputed Custom Duty Liability  | 3.16                                  | 3.16                                  | 3.16                                  | 3.16                                  | 3.16                                  | 3.16                                 |
| Claims against the Company not acknowledged as debts (Labour matters involving issues like termination of employment) * | -                                     | -                                     | -                                     | 0.79                                  | 0.79                                  | 0.79                                 |
| <b>Total</b>  | <b>3.16</b>                           | <b>3.16</b>                           | <b>3.16</b>                           | <b>15.26</b>                          | <b>15.26</b>                          | <b>15.26</b>                         |

**Note No 37  
(Amt. in Lacs)****Segment Reporting**

| Particulars                      | 2011-12  |          |          | 2012-13  |          |          | 2013-14       |          |          |
|----------------------------------|----------|----------|----------|----------|----------|----------|---------------|----------|----------|
|                                  | Domestic | Overseas | Total    | Domestic | Overseas | Total    | Domestic      | Overseas | Total    |
| Revenue                          | 758.80   | 461.20   | 1,220.00 | 1,196.81 | 446.04   | 1,642.85 | 1,254.66      | 640.68   | 1,895.34 |
| Segment Assets                   | 104.15   | 76.99    | 181.14   | 96.57    | 129.00   | 225.57   | 67.70         | 207.87   | 275.57   |
| Cost for Fixed Asset Acquisition | 48.67    | -        | 48.67    | 33.96    | -        | 33.96    | 36.19         | -        | 36.19    |
|                                  | 2014-15  |          |          | 2015-16  |          |          | For June 2016 |          |          |
| Particulars                      | Domestic | Overseas | Total    | Domestic | Overseas | Total    | Domestic      | Overseas | Total    |
| Revenue                          | 1,446.63 | 511.74   | 1,958.38 | 1,528.39 | 692.29   | 2,220.67 | 340.30        | 74.44    | 414.74   |
| Segment Assets                   | 251.83   | 101.08   | 352.91   | 250.73   | 132.17   | 382.91   | 437.17        | 76.04    | 513.21   |
| Cost for Fixed Asset Acquisition | 133.94   | -        | 133.94   | 133.48   | -        | 133.48   | 27.43         | -        | 27.43    |

**Information about Primary (Business) Segment:**

The Company operates in single business segment of "Dyes Intermediates". Hence, there is only one reportable business segment as envisaged in Accounting Standard (AS) 17 "Segment Reporting".

**Information about Secondary (Geographical) Segment:**

The Company derives revenue from both domestic and overseas markets, which are considered as different geographical segments. Segment-wise revenues are as above.

**38. Provision for change in accounting policy:**

No accounting policies have been change during the period from 1<sup>st</sup> April 2012 to 30<sup>th</sup> June 2016.

**39. General Notes:**

Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Prospectus. You should also read the section entitled "Risk Factors" beginning on page 10, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

### **Business Overview**

Our Company was incorporated as Mamta Dyes and Intermediaries Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated July 27, 1994 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to Mamta Dyes and Intermediaries Limited and fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, the name of our Company was changed to R R J-Dyes and Intermediates Limited vide fresh certificate of incorporation dated February 20, 1997 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Later on the name of the company was changed to Prolife Industries Limited and fresh certificate of Incorporation dated March 7, 2013 pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

Our company is engaged in the business of manufacturing special and exclusive range of intermediates for dyes, pigments, pharmaceuticals, agrochemicals and others. The company originally founded in the year 1994 in the name of Mamta Dyes & Intermediates Private Ltd has been in this Industry from the very inception. Company has established even its own Research & Development Department within few years of incorporation of the company. It has already succeeded in developing very high quality Specialty Chemicals as result of thorough knowledge and R & D efforts of the Chairman and Managing Director of the company who has sound knowledge as well as years' of vast experience in the chemical industry. The company has established its presence in domestic as well export market and are regularly catering to the needs of their customers in many countries including U.S.A, Spain, Switzerland, Germany, France, Taiwan, Japan, Germany, Brazil etc.

### **Significant developments subsequent to the last financial year:**

There is no significant developments subsequent to the last financial year 2015-16 except issue of 14,92,040 bonus equity shares in ratio of 1:1.

### **Discussion on Results of Operation:**

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our Company for the years ended March 31, 2014, 2015, 2016 and three months period ended June 30, 2016.

### **Key factors affecting the results of operation:**

Our Company's future results of operations could be affected potentially by the following factors:

- Political Stability of the Country.
- World Economy.
- Government policies for the capital markets.
- Investment Flow in the country from the other countries.
- Government policy for textile sector.
- Competition from existing players:
- Company's ability to successfully implement our growth strategy
- The loss of shutdown of operations of our Company at any time due to strike or labour unrest or any other reasons,
- Loss due to delay in execution of projects in time

## OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, Note 2 beginning under Chapter titled “Financial Information of our Company” beginning on page 129 of the Prospectus.

## RESULTS OF OUR OPERATION

For the three months ended June 30, 2016.

( ₹ Lacs)

| Particulars   | 30 <sup>th</sup> June, 2016 | %     |
|---|-----------------------------|-------|
| Income  |                             |       |
| Revenue from operations   |                             |       |
| Sale of Products  | 391.12                      |       |
| Sale of Services  | 23.63                       |       |
| Other operating revenues  | 1.41                        |       |
| Other Income  | 2.89                        |       |
| Total Income  | 419.05                      |       |
| Expenses  |                             |       |
| Cost of Material Consumed   | 217.82                      | 52.34 |
| Changes in inventories of finished goods, traded goods and work-in-progress | 58.73                       |       |
| Employee benefits expenses  | 15.95                       | 3.81  |
| Finance Costs   | 22.15                       | 5.29  |
| Depreciation and amortisation expenses                                      | 11.00                       | 2.62  |
| Other Expenses  | 66.17                       | 15.79 |
| Total Expenses  | 391.82                      |       |
| EBIDTA  | 60.38                       |       |
| Restated profit before tax from continuing operations                       | 27.22                       | 6.50  |
| Taxation  | 10.48                       |       |
| Restated profit after tax from continuing operations                        | 16.75                       | 4.00  |

### Total Revenue

The total revenue operations for the three months period ended June 30, 2016 is ₹ 419.05Lacs which includes sale of products amounting to ₹ 391.12lacs, sale of services amounting to ₹ 23.63 lacs, other operating revenues of ₹1.41lacs and Other Income of ₹ 2.89 lacs. The other income includes Interest income on Fixed Deposits of ₹ 0.42 lacs.

### Expenditure:

#### Cost of Materials Consumed

The total cost of materials Consumed was ₹ 217.82 Lacs for three months period ended on June 30, 2016 which is 52.34 % of the Revenue from sale of products, sale of services and other operating revenues  
Purchase of raw material

The Total value of goods purchased was ₹ 142.17Lacs for three months period ended June 30, 2016 which is 34.16 % of the Revenue from sale of products, sale of services and other operating revenues.

#### Employee Benefit Expenses

Employee Benefit expenses was ₹ 15.95 Lacs for three months period ended June 30, 2016. The Employee Benefit expense was 3.81 % of total income.

#### Other Expenses

Other Expenses were ₹ 66.17Lacs for three months period ended June 30, 2016.

The Other Expenses was 15.79 % of total income. The majority of other expense includes Power and Fuel expenses, Repairs to Plant and Machineries and Miscellaneous Expenses amounting to ₹ 60.57lacs.

#### Finance Costs

Finance Costs for three months period ended June 30, 2016 was ₹ 22.15 Lacs. During this period, the Finance cost was 5.29% of total income.

#### Depreciation

Depreciation on fixed assets for three months period ended June 30, 2016 was 2.62 % of total income. The total depreciation for three months period ended June 30, 2016 was ₹ 11.00Lacs.

#### Restated profit after tax from continuing operations

PAT for three months period ended June 30, 2016 stood at ₹ 16.75 Lacs. During this period, our Company recorded PAT margin of 4.00 %.

#### Results of Operations for the FY 2016, 2015 and 2014

( ₹ Lacs)

| Particulars   | For the year ended on |            |            |
|---|-----------------------|------------|------------|
|   | 31.03.2016            | 31.03.2015 | 31.03.2014 |
| Income  |                       |            |            |
| Revenue from operations   |                       |            |            |
| Sale of Products  | 2220.67               | 1958.38    | 1895.34    |
| Sale of Products  | 0                     | 0          | 0          |
| Other operating revenues  | 8.88                  | 0          | 0          |
| Total revenue from operations   | 2,229.55              | 1,958.38   | 1,895.34   |
| % of growth   | 13.85                 | 3.33       | 15.37      |
| Other Income  | 53.64                 | 30.79      | 10.29      |
| % of growth   | 74.21                 | 199.22     | -37.60     |
| Total Income  | 2,283.19              | 1,989.17   | 1,905.63   |
| Expenses  |                       |            |            |
| Costs of Material Consumed  | 1,590.59              | 1357.03    | 1430.37    |
| % Increase/(Decrease)   | 17.21                 | -5.13      |            |
| Changes in inventories of finished goods, traded goods and work-in-progress | 119.17                | -19.1      | -46.26     |
| Employee benefit expenses   | 65.33                 | 40.36      | 36.52      |
| % Increase/(Decrease)   | 61.87                 | 10.51      | 16.64      |
| Finance Costs   | 96.14                 | 110.61     | 86.8       |
| % Increase/(Decrease)   | -13.08                | 27.43      | 96.03      |
| Other expenses  | 275.82                | 397.85     | 329.11     |
| % Increase/(Decrease)   | -30.67                | 20.89      | 65.77      |
| Depreciation and amortisation expenses                                      | 42.17                 | 39.7       | 28.98      |
| % Increase/(Decrease)   | 6.22                  | 36.99      | 10.99      |
| Total Expenses  | 2,189.22              | 1,926.45   | 1,865.52   |
| % to total revenue  | 95.88                 | 96.85      | 97.90      |
| EBIDT   | 232.28                | 213.03     | 155.89     |
| % to total revenue  | 10.17                 | 10.71      | 8.18       |
| Exceptional Items   | 6.05                  | 0.00       | 0.00       |

|   |       |       |       |
|---|-------|-------|-------|
| Restated profit before tax from continuing operations | 87.92 | 62.72 | 40.11 |
| Total tax expense                                     | 28.83 | 22.23 | 17.98 |
| Restated profit after tax from continuing operations  | 59.09 | 40.49 | 22.13 |
| % to total revenue                                    | 2.59  | 2.04  | 1.16  |
| Restated profit for the year                          | 59.09 | 40.49 | 22.13 |
| % Increase/(Decrease)                                 | 45.94 | 82.96 | 0.02  |

#### **COMPARISON OF FY 2016 WITH FY 2015:**

##### Total Income

The Total revenue from operations for the FY 2016 was ₹ 2229.55Lacs as compared to ₹1958.38Lacs during the FY 2015 showing an increase of 13.85 %. The growth of 13.85 % in the FY 2016 Compared to FY 2015 was due to increase in sales of Products. The other income was ₹ 8.88 Lacs in FY 2016 as compared to Nil in FY 2015. The Total income for the FY 2016 was ₹ 2283.19 Lacs as compared to ₹ 1989.17 Lacs during the FY 2015.

##### Expenditure:

##### Costs of Material Consumed

The total costs of material consumed was increased from ₹ 1357.03lacs in FY 2015 to ₹1590.59lacs in the FY 2016 showing increase of 17.21 % on account of growth of sale of products by 13.39 % in FY 2016 as compared to FY 2015.

##### Purchase of raw material

The Total value of goods purchased was increased from ₹ 1348.34 Lacs in FY 2015 to ₹ 1470.94 in FY 2016 showing increase of 9.09 % on account of growth of sale of products by 13.39 % in FY 2016 as compared to FY 2015

##### Employee Benefit Expenses

Employee Benefit expenses increased from ₹ 40.36 Lacs for FY 2015 to ₹ 65.33 Lacs for FY 2016 showing an increase of 61.87 % on account of increase in salary/wages and bonus of employees. The Number of employees in the FY 2016 were 39 as against the 32 in the FY 2015.

##### Other Expenses

Other Expenses decreased from ₹ 397.85Lacs for FY 2015 to ₹ 275.82Lacs for FY 2016 showing decrease of 30.67 %. The decrease is on account of decrease in Power and Fuel Expenses and repairs to plant and machineries expenses. The Company had incurred the power and fuel expenses and repairs to plant and machineries expenses amounting to ₹ 106.69lacs and ₹ 29.26 lacs respectively for FY 2016 as compared to ₹ 168.65lacs and ₹ 64.19 lacs respectively for FY 2015.

##### Finance Cost

Finance Cost decreased from ₹ 110.61Lacs for FY 2015 to ₹ 96.14Lacs for the FY 2016. During FY 2016, the Finance cost decreased by 13.08 % compared to FY 2015 on account of decrease in interest expenses.

##### Depreciation and amortisation

The total depreciation during FY 2016 was ₹ 42.17Lacs and during FY 2015 it was ₹ 39.70Lacs. There was increase in depreciation on account of addition of fixed assets.

##### Profit before Interest, Depreciation and Taxation(EBDIT)

The EBDIT for the FY 2016 stood at 10.17% of the total revenue of the FY 2016 as against EBDIT for the FY 2015 was 10.71% of the total revenue for the FY 2015 showing reduction in EBDIT by 0.54% due to

increase in Inventories and employee benefit expenses by 7 times and 0.6 times respectively as compared to previous financial year.

#### Profit after Tax

PAT increased from ₹40.49Lacs for the FY 2015 to ₹ 59.09Lacs in FY 2016 showing an increase of 45.94 %. This increase was due to increase of total income by 14.78 % in FY 2016.

#### COMPARISON OF FY 2015 WITH FY 2014

##### Total Income

The Total revenue from operations for the FY 2015 was ₹ 1958.38Lacs as compared to ₹ 1895.34Lacs during the FY 2014 showing increase of 3.33 %. The growth of 3.33 % in the FY 2015 Compared to FY 2014 was due to increase in sales of Products.

##### Expenditure:

##### Costs of Material Consumed

The total costs of material consumed was decreased from ₹ 1430.37 lacs in FY 2014 to ₹ 1357.03 lacs in the FY 2015 showing decrease of 5.13 % on account of decrease in purchase of raw materials by 11.30 % in FY 2015 as compared to FY 2014.

##### Purchase of raw material

The Total value of goods purchased was decreased from ₹ 1520.12 Lacs in FY 2014 to ₹ 1348.34 in FY 2015 showing decrease of 11.30 % on account of decrease in inventories by 58.72 % in FY 2015 as compared to FY 2014

##### Employee Benefit Expenses

Employee Benefit expenses increased from ₹ 36.52 Lacs for FY 2014 to ₹ 40.36 Lacs for FY 2015 showing an increase of 10.51 % on account of increase in salary / wages and bonus of employees. The Number of employees in the FY 2015 were 32 as against the 31 in the FY 2014.

##### Other Expenses

Other Expenses increased from ₹ 329.11Lacs for FY 2014 to ₹ 397.85Lacs for FY 2015 showing an increase of 20.89 %. The increase is on account of increase in Power and Fuel Expenses, repairs to plant and machineries expenses and rates and taxes. The Company had incurred the power and fuel expenses, repairs to plant and machineries expenses and rates and taxes amounting to ₹ 168.65 lacs, ₹ 64.18 lacs and ₹ 24.75 lacs respectively for FY 2015 as compared to ₹ 100.09 lacs, ₹ 38.85 lacs and ₹ 19.46 lacs respectively for FY 2014.

##### Finance Cost

Finance Cost increased from ₹ 86.80Lacs for FY 2014 to ₹ 110.61Lacs for the FY 2015. The increase in the finance cost was on account of increase in interest Expense.

##### Depreciation

The total depreciation during FY 2015 was ₹ 39.70 Lacs and during FY 2014 it was ₹ 28.98 Lacs. There was increase in depreciation on account of addition of fixed assets.

##### Profit before Interest, Depreciation and Taxation(EBDIT)

The EBDIT for the FY 2015 was 10.71 % of the total revenue which was 8.18 % of total revenue for the FY 2014 on account of increase in total income.

##### Profit after Tax

PAT increased from ₹ 22.13Lacs for the FY 2014 to ₹ 40.49Lacs in FY 2015 showing substantial increase. The reason for increase of Profit after Tax was on account of increase of other income of ₹ 30.79 Lacs in FY 2015 which was 10.29 Lacs in FY 2014.

#### Related Party Transactions

For further information please refer Note no 31 on page 154 under Chapter titled “Financial Information of our Company” beginning on page 129 of the Prospectus.

#### Financial Market Risks

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

##### Interest Rate Risk

We are currently exposed interest to rate risks to the extent of outstanding loans. However, any rise in future borrowings may increase the risk.

##### Effect of Inflation

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

#### FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled ‘Risk Factors’ beginning on page 10 of the Prospectus. To our knowledge, except as we have described in the Prospectus, there are no known factors which we expect to bring about significant economic changes.

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

Apart from the risks as disclosed under Section titled “Risk Factors” beginning on page 10 in the Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business.

6. Total turnover of each major industry segment in which the issuer company operated.

For details on the total turnover of the industry please refer to Chapter titled “Industry Overview” beginning on page 69 of the Prospectus.

7. Status of any publicly announced new products or business segment.



Our Company has not announced any new product and segment.

8. The extent to which business is seasonal.

Our Company's business is not seasonal. However the business of the company depend upon the Growth potential of the economy and growth of the country

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

The Company is depending upon the Group Companies i.e Prolife Bio Chemical Industries Private Limited and Gold Star Chemicals Private Limited for sales of products. During last 5 years on an average our Group Company is contributing 56.21% of our total turnover of the Company.

10. Competitive conditions.

Competitive conditions are as described under the Chapters titled "Industry Overview" and "Business Overview" beginning on pages 69 and 76, respectively of the Prospectus.

## SECTION VI - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions or proceedings against our Company, our Directors, our Promoters and Entities Promoted by our Promoters before any judicial, quasi-judicial, arbitral or administrative tribunals or any disputes, tax liabilities, nonpayment of statutory dues, over dues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/civil/ any other offences (including past cases where penalties may or may not have been imposed and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoters and the Entities Promoted by our Promoters, except the following:*

*Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoters, directors, Promoter Group companies and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Neither our Company nor its Promoters, members of the Promoter Group, Subsidiaries, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.*

Unless stated to the contrary, the information provided below is as of the date of this Prospectus.

**This chapter has been divided in to following Parts**

1. Outstanding litigations involving Our Company.
2. Outstanding litigations involving Our Promoters.
3. Outstanding litigations involving Our Directors.
4. Outstanding litigations involving Our Group Companies.
5. Penalties imposed in past cases for the last five years.
6. Material Developments.
7. Amount owned to small scale undertakings.

#### 1. Outstanding litigations involving our Company

##### (a) Litigations by Company

NIL

##### (b) Litigation against Company

| Sr. No. | Case No.      | Institution Date/Year | Parties  | Authority/Court               | Subject Matter and Relief Sought  | Amount Involved Penalty<br>(₹ In Lacs) | Present Status             |
|---------|---------------|-----------------------|--|-------------------------------|---|--|----------------------------|
| 1.      | 1106/Ahd-2015 | April 30, 2015        | Prolife Industries Limited<br><br>Vs.<br><br>ACIT, Circle 5, Ahmedabad | Income Tax Appellate Tribunal | Company has filed Appeal with ITAT, Ahmedabad against the CIT order No. CIT(A)-XI/123/ACIT CIR .5 /13-14 dated February 9, 2015 confirming the addition of ₹ 21 lacs against the order of A.O. of ₹ 36 lacs under section 68 of | 14.96                                  | Awaiting for hearing date. |

|    |                               |      |   |                                   |  |      |                      |
|----|-------------------------------|------|---|-----------------------------------|--|------|----------------------|
|    |                               |      |   |                                   | Income Tax, Act, 1961 for the A.Y. 2010-11 towards unexplained cash credit in the form of unsecured loans from two parties.  |      |                      |
| 2. | N.A.                          | N.A. | N.A.  | Income Tax                        | The company's status is being marked as default pursuant to section 234E of the Income Tax Act, 1961 in the traces portal on account of late/not filing of TDS return within due time for the various quarters for the F.Y. 2009-10, 2010-11, 2011-12, 2012-13, 2014-15 and 2015-16.   | 3.09 | N.A.                 |
| 3. | Appeal No. 11/159/2007-08/ECA | 2007 | <p>Prolife Industries Limited formerly known as R.R.J. Dyes Intermediary Limited</p> <p>Vs.</p> <p>Appellate Authority Director General of Foreign Trade, New Delhi</p> | Director General of Foreign Trade | In respect of the SCN dated April 12, 2007 issued by the Office of Jt. DGFT, Ahmedabad under Section 11(2) and 14 of Foreign Trade (Development & Regulation) Act, 1992, the case was considered as a 100% Export Obligation Default Case on the grounds of non-submission of Export documents (like Shipping Bills, Bank Realization Certificate, DEEC (Export) duly audited by the Customs) etc. within the prescribed time limit and non-fulfillment of Export Obligation as a part of the essential conditions governing to the Advance License. | 3.16 | Awaiting for hearing |

|  |  |  |  |  |   |  |  |
|--|--|--|--|--|---|--|--|
|  |  |  |  |  | <p>The details of the demand dated 19-12-2007 made by the Jt. DGFT, Ahmedabad are as under :</p> <p>Amount of Custom Duty - ₹ 1,38,485/-</p> <p>Amount of Interest - ₹ 77,835/-</p> <p>Amount of Penalty - ₹ 1,00,000/-.</p> <p>The Company had made the Revision Application to the AA, DGFT, New Delhi against the order of Adnl. DGFT and JT. DGFT for hearing and praying to quash and to set aside the order of recovery, payment, interest and penalty of ₹ 3,16,320 till the final disposal of the same and reducing the amount of custom duty, penalty and interest of to ₹ 2,90,664 towards the export of 2113.45 Kgs of Epsilon Acid against the Advance License of export of 2300.00 Kgs. of Epsilon Acid. The Company had also filed the application for remand back by fixing the early date of hearing of such pending revision application under section 16 of the Foreign Trade (Development &amp; Regulations) Act, 1992 but it is still pending with the Authority.</p> |  |  |
|--|--|--|--|--|---|--|--|

## 2. Outstanding litigations involving Our Promoters.

### (a) Litigations by Promoters

| Sr. No. | Case No.  | Institution Date/Year | Parties  | Authority/Court  | Subject Matter and Relief Sought  | Amount Involved/ Penalty<br>(₹ In Lacs) | Present Status   |
|---------|-----------|-----------------------|--|--|---|---|--|
| 1.      | CC 9/2010 | 2010                  | Maninder Singh Jolly Vs. Tejas Jayantilal Shah | CJMFC Court, (Chief Judicial Magistrate First Class), Ankleshwar | Mr. Maninder Singh Jolly (Complainant) has filed case/Application under section 406,420,463,464,465,467,468,469,471 of the Indian Penal Code 1860 against Tejas Jayantilal Shah (Accused) for misusing the name of complainant in the matter of Tripex Overseas Limited | -                                       | Police Inspector of GIDC is ordered to investigate the complaint u/s. 202 of code of Criminal Procedure. |

### (b) Litigation against Promoters

| Sr. No. | Case No. | Institution Date/Year | Parties  | Authority/Court             | Subject Matter and Relief Sought  | Amount Involved/ Penalty<br>(₹ In Lacs)  | Present Status                       |
|---------|----------|-----------------------|--|-----------------------------|---|--|--------------------------------------|
| 1.      | 349/2014 | November 12, 2014     | SEBI Vs. Tripex Overseas Limited- Maninder Singh Jolly | City Sessions Court, Mumbai | SEBI has filed prosecution against the Promoter Maninder Singh Jolly for violating regulation 3(d), 4(2) (f) and 4 (2) (r) of SEBI (PFUTP) Act, in the securities of Tripex Overseas Limited Under section 24(1) of SEBI Act in the court 9th Additional Chief Metropolitan Magistrate Bandra Mumbai on 22nd February ,2013 | Punishable u/s. 24(1) read with section 27 of SEBI Act, with imprisonment which may extend to 10 years or with fine which may extend to 25 crores or both. | Next date of hearing January 9, 2017 |

## 3. Outstanding litigations involving Our Directors.

### Litigations by Directors

| Sr. No. | Case No. | Institution Date/Year | Parties | Authority/Court | Subject Matter and Relief Sought | Amount Involved/ Penalty | Present Status |
|---------|----------|-----------------------|---------|-----------------|----------------------------------|--------------------------|----------------|
|---------|----------|-----------------------|---------|-----------------|----------------------------------|--------------------------|----------------|

|    |           |      |  |  |   | (₹ In Lacs) |  |
|----|-----------|------|--|--|---|-------------|--|
| 1. | CC 9/2010 | 2010 | Maninder Singh Jolly Vs. Tejas Jayantilal Shah | CJMFC Court, (Chief Judicial Magistrate First Class), Ankleshwar | Mr. Maninder Singh Jolly (Complainant) has filed case/Application under section 406,420,463,464,465,467,468,469,471 of the Indian Penal Code 1860 against Tejas Jayantilal Shah (Accused) for misusing the name of complainant in the matter of Tripex Overseas Limited | -           | Police Inspector of GIDC is ordered to investigate the complaint u/s. 202 of code of Criminal Procedure. |

#### Litigation against Directors

| Sr. No. | Case No. | Institution Date/Year | Parties   | Authority/Court             | Subject Matter and Relief Sought  | Amount Involved/ Penalty<br>(₹ In Lacs)   | Present Status                       |
|---------|----------|-----------------------|---|-----------------------------|---|---|--------------------------------------|
| 1.      | 349/2014 | November 12, 2014     | SEBI Vs. Tripex Overseas Limited-Maninder Singh Jolly | City Sessions Court, Mumbai | SEBI has filed prosecution against the Promoter Maninder Singh Jolly for violating regulation 3(d), 4(2) (f) and 4 (2) (r) of SEBI (PFUTP) Act, in the securities of Tripex Overseas Limited Under section 24(1) of SEBI Act in the court 9th Additional Chief Metropolitan Magistrate Bandra Mumbai on 22nd February ,2013 | Punishable u/s. 24(1) read with section 27 of SEBI Act, with imprisonment which may extend to 10 years or with fine which may extend to 25 crores | Next date of hearing January 9, 2017 |

#### 4. Outstanding litigations involving Our Group Companies.

##### Litigation by Group Companies

| Sr. No. | Case No.       | Institution Date/Year | Parties   | Authority/Court       | Subject Matter and Relief Sought  | Amount Involved/ Penalty<br>(₹ In Lacs) | Present Status   |
|---------|----------------|-----------------------|---|-----------------------|---|---|--|
| 1.      | SMST S 10/2016 | January 7, 2016       | Nem Organics Limited Vs. Alves Healthcare Private Limited | Civil Court, Vadodara | Nem Organics Limited (Complainant) has sold goods to Alves Healthcare Private | 18.30 including interest of ₹ 3.72 Lacs | Next date of hearing is awaited. (Last date of hearing was September 16, 2016) |

|    |              |                 |   |                          |  |      |   |
|----|--------------|-----------------|---|--------------------------|--|------|---|
|    |              |                 |   |                          | Limited and outstanding amount of recovery of ₹1459126 is due. The Complainant has filed a civil suit under section 224 of Code of Civil Procedure 1908 for recovery of amount of ₹ 18.30 lacs including interest.   |      |   |
| 2. | RCS 149/2006 | January 1, 2006 | J.S. Chemicals (Partnership Firm) through Maninder Singh Jolly Vs. Himmat Bhai Jivabhai Savani & others | Taluka Court, Ankleshwar | J.S. Chemicals a partnership firm through its partner Mr. Maninder Singh Jolly has filed case for restraining Mr. Himmat Bhai Jivabhai Savani & others to enter the premises, recovery of ₹ 1,50,000 and not to interfere in the administration of the partnership firm. | 1.50 | Next date of hearing is awaited. (Last date of hearing was October 6, 2016) |

#### Litigation against Group Companies

| Sr. No. | Case No.     | Institution Date/Year | Parties   | Authority/Court     | Subject Matter and Relief Sought   | Amount Involved. Penalty<br>(₹ In Lacs) | Present Status |
|---------|--------------|-----------------------|---|---------------------|--|---|----------------|
| 1.      | CC 3266/2008 | October 14, 2008      | R P Parmar<br><br>Vs.<br><br>Nem Organics Limited | Taluka Court, Savli | R P Parmar (Complainant) has filed a criminal case under section 30 of Apprentice Act, 1961 for not recruiting as per Apprentice Act, 1961 and Stipend unpaid of ₹19,620 is demanded from the Nem Organics | 0.20                                    | Not Updated    |

|    |      |      |      |            |   |      |      |
|----|------|------|------|------------|---|------|------|
|    |      |      |      |            | Limited   |      |      |
| 2. | N.A. | N.A. | N.A. | Income Tax | Status of Goldstar Chemicals Private Limited is shown as process demand in the traces portal on account of late/not filing/Short Payment of TDS/TDS return within due time for the F.Y. 2009-10, 2011-12, 2012-13 and 2013-14.  | 0.06 | N.A. |
| 3. | N.A. | N.A. | N.A. | Income Tax | Status of Nem Organics Limited is shown as process demand in the traces portal on account of late/not filing/Short Payment of TDS/TDS return within due time for the F.Y. 2007-08, 2008-09, 2010-11, 2012-13 and 2013-14.   | 0.65 | N.A. |
| 4. | N.A. | N.A. | N.A. | Income Tax | Status of Prolife Bio-Chemical Industries Private Limited is shown as process demand in the traces portal on account of late/not filing/Short Payment of TDS/TDS return within due time for the F.Y. 2009-10, 2010-11, 2012-13 and 2014-15.   | 1.36 | N.A. |
| 5. | N.A. | N.A. | N.A. | Income Tax | Status of Shraddha Finchem Private Limited is shown as process demand in the traces portal on account of late/not filing/Short Payment of TDS/TDS return within due time for the F.Y. 2009-10.  | 0.02 | N.A. |
| 6. | N.A. | N.A. | N.A. | Income Tax | Status of J S Chemicals, Partnership Firm is shown as process demand in the traces portal under Section 201, 234E and 220(2) of the Income Tax Act, 1961 for short deduction/interest on payment/interest on deduction/ late filing of return within due time for the F.Y. 2012-13 and previous years.. | 0.36 | N.A. |

**5. Penalties imposed in past cases for the last five years-Nil**

**6. Material Developments**



Except as stated above, there are no material developments after the date of the last audited balance sheet, which may materially affect the performance, or prospects of the Company.

**Other defaults (specify if any)**

There is no other default involving the issuer company or its subsidiary, its director, promoters, promoter group entities.

**7. Amount Outstanding to SSI Undertaking or other creditors (specify if any)**

As per Audit Report, there are no SSI Undertakings or other creditors to whom the Company owes an amount exceeding ₹ 1 Lac which is outstanding for more than 30 days from the due date.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any governmental or regulatory authority except otherwise stated in this section.

Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.

### A. Approvals for the Issue:

The Board of Directors has, pursuant to a resolution passed at its meeting held on July 23, 2016, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1) (c) of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.

The shareholders of the Company have, pursuant to a resolution passed in EGM held on August 16, 2016 authorized the Issue under Section 62(1) (c) of the Companies Act, 2013.

The Company has obtained in-principle listing approval from the NSE-EMERGE Platform dated December 16, 2016.

The Company has entered into an agreement dated October 25, 2016 with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited, for the dematerialization of its shares.

Similarly, the Company has also entered into an agreement dated November 16, 2016 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited, for the dematerialization of its shares.

The Company's International Securities Identification Number ("ISIN") is INE994V01012.

### B. Registration under the Companies Act, 1956 and 2013:

| Sr. No. | Authority Granting Approval                           | Approval/ Registration No.                        | Applicable Laws     | Nature of Approvals   | Validity              |
|---------|---|---|---------------------|---|-----------------------|
| 1.      | Registrar of Companies, Gujarat, Dadra & Nagar Haveli | 04-22613 of 1994-95 dated July 27, 1994           | Companies Act, 1956 | Certificate of Incorporation  | Valid, till Cancelled |
| 2.      | Registrar of Companies, Gujarat, Dadra & Nagar Haveli | 04-22613 dated February 20, 1997                  | Companies Act, 1956 | Fresh Certificate of Incorporation Consequent up on conversion into public limited company.   | Valid, till Cancelled |
| 3.      | Registrar of Companies, Gujarat, Dadra & Nagar Haveli | 04-22613 dated February 20, 1997                  | Companies Act, 1956 | Fresh Certificate of Incorporation Consequent up on change of name of the Company.            | Valid, till Cancelled |
| 4.      | Registrar of Companies, Gujarat, Dadra & Nagar Haveli | CIN: U24231GJ1994PLC 022613 dated August 14, 2012 | Companies Act, 1956 | Certificate of registration of the Special Resolution confirming alteration of Object Clause. | Valid, till Cancelled |
| 5.      | Registrar of  | CIN:  | Companies           | Fresh   | Valid, till           |

|  |  |  |           |  |           |
|--|--|--|-----------|--|-----------|
|  | Companies, Gujarat, Dadra & Nagar Haveli | U24231GJ1994PLC 022613 dated March 7, 2013 | Act, 1956 | Certificate of Incorporation Consequent up on change of name of the Company. | Cancelled |
|--|--|--|-----------|--|-----------|

**C. Registration under various Acts/Rules relating to Income Tax, Sales Tax, Value Added Tax, Central Excise and Service Tax:**

| Sr. No. | Authority Granting Approval   | Approval/ Registration No. | Applicable Laws   | Nature of Approvals                     | Validity              |
|---------|---|----------------------------|---|---|-----------------------|
| 1.      | Income Tax Department   | AAACR9172R                 | Income Tax Act, 1961  | Permanent Account Number                | Valid, till Cancelled |
| 2.      | Income Tax Department   | AHMR00399A                 | Income Tax Act, 1961  | Tax Deduction Account Number            | Valid, till Cancelled |
| 3.      | Central Board of Excise and Customs.  | AAACR9172RST001*           | Finance Act, 1994 read with Service Tax Rules, 1994           | Service Tax registration Number         | Valid, till Cancelled |
| 4.      | Central Board of Excise and Customs.  | AAACR9172RXM001            | Central Excise Act, 1944 read with Central Excise Rules, 2002 | Central Excise Duty Registration Number | Valid, till Cancelled |
| 5.      | Central Sales Tax under Gujarat Commercial Tax.                             | 24711300201                | Central Sales Tax (Registration and Turnover) Rules, 1957     | Central Sales Tax Number                | Valid, till Cancelled |
| 6.      | Assistant Commissioner of Commercial Tax Department, Government of Gujarat. | 24211300201                | The Gujarat Value added Tax Act, 2003                         | VAT Registration Number                 | Valid, till Cancelled |

\* Approval is in the name of R. R. J. Dyes & Intermediates Limited. The Company is taking necessary steps to get the same in the name of Prolife Industries Limited.

**D. Licenses/ Approvals under Statutory Authorities:**

| Sr. No. | Authority Granting Approval                   | Approval/ Registration No.                       | Applicable Laws   | Nature of Approvals   | Validity                      |
|---------|---|--|---|---|-------------------------------|
| 1.      | Gujarat Pollution Control Board, Gandhinagar. | *Consent Order No. AWH-68875 dated March 3, 2015 | The Water (Prevention and Control of Pollution) Act, 1974 | Approval from Gujarat Pollution Control Board, for the Discharge of Industrial Effluent to operate industrial plant for manufacture of 1) Para Nitro Anilime, 2) 2:4 Di Nitro Anilime, 3) Dichloro Para Nitro Anilime, 4) | Valid, till November 30, 2019 |

|    |   |   |  |   |                               |
|----|---|---|--|---|-------------------------------|
|    |   |   |  | Ortho Chloro Para Nitro Anilime, 5) 6 Chloro 2:4 Di Nitro Anilime, 6) 6 Bromo Di Nitro Aniline 7) Epsilon Acid.   |                               |
| 2. | Gujarat Pollution Control Board, Gandhinagar. | *Consent Order No. AWH-68875 dated March 3,2015                               | The Air ( Prevention and Control of Pollution) Act, 1981                     | Approval from Gujarat Pollution Control Board, for the Discharge of Industrial Effluent to operate industrial plant for manufacture of 1) Para Nitro Anilime, 2) 2:4 Di Nitro Anilime, 3) Dichloro Para Nitro Anilime, 4) Ortho Chloro Para Nitro Anilime, 5) 6 Chloro 2:4 Di Nitro Anilime, 6) 6 Bromo Di Nitro Aniline 7) Epsilon Acid. | Valid, till November 30, 2019 |
| 3. | Gujarat Pollution Control Board, Gandhinagar. | *Consent Order No. AWH-68875 dated March 3,2015                               | Hazardous Waste (Management, Handling & Trans-boundary Movement) Rules, 2008 | Approval from Gujarat Pollution Control Board, for the Discharge of Industrial Effluent to operate industrial plant for manufacture of 1) Para Nitro Anilime, 2) 2:4 Di Nitro Anilime, 3) Dichloro Para Nitro Anilime, 4) Ortho Chloro Para Nitro Anilime, 5) 6 Chloro 2:4 Di Nitro Anilime, 6) 6 Bromo Di Nitro Aniline 7) Epsilon Acid. | Valid, till November 30, 2019 |
| 4. | Assistant Director General of Foreign Trade   | 0898000149 issued on January 3, 2014 (Original date of issue of license April | The Foreign Trade (Development & Regulation) Act, 1992                       | Import- Export Code   | Valid, till Cancelled         |

|  |  |          |  |  |  |
|--|--|----------|--|--|--|
|  |  | 3, 1998) |  |  |  |
|--|--|----------|--|--|--|

**E. Licenses/ Approvals under Industrial and Labour Laws:**

| Sr. No. | Authority Granting Approval   | Approval/ Registration No.  | Applicable Laws   | Nature of Approvals  | Validity                     |
|---------|---|---|---|--|------------------------------|
| 1.      | Gujarat Industrial Development Corporation                                | GIDC/RM-A/ALT/PL/SHD/40941  | ----  | Allotment of Plot No. 213  | 99 Years                     |
| 2.      | District Industries Centre, Bharuch                                       | Entrepreneurs' Memorandum No. EM22402112003542 dated January 18, 2014   | Micro, Small & Medium Enterprises Development (MSMED) Act, 2006.          | Approval under Entrepreneurs Memorandum for setting up Micro Small or Medium Enterprise to Manufacture of Organic and Inorganic Compounds N.E.C. | Valid, till Cancelled        |
| 3.      | Regional Provident Fund Commissioner Incharge, Sub-Regional Office, Surat | Code: GJ/0032033/000 dated January 24, 2000   | Employee' Provident Funds and Miscellaneous Provisions Act, 1952          | Registration with Regional Provident Fund Office for Depositing the Contribution and Subscription of the employees.                              | Valid, till Cancelled        |
| 4.      | Deputy Director, Industrial Safety and Health, Bharuch                    | Registration No. 445/24114/1997 & License No. 13523 issued on December 9, 2014 and originally issued on April 1, 1997 | The Factories Act, 1948   | License to work a Factory  | Valid till December 31, 2017 |
| 5.      | Officer of Professional Tax, Ankleshwar                                   | R-2113000084 dated April 1, 2014  | Gujarat State Tax on Profession, Trade, Callings and Employment Act, 1976 | Certificate of Registration  | Valid, till Cancelled        |

**F. Licenses/ Approvals Applied but yet to receive:**

| Sr. No. | Authority Granting Approval                   | Date of Application | Applicable Laws   | Nature of Approvals  |
|---------|---|---------------------|---|--|
| 1.      | Gujarat Pollution Control Board, Gandhinagar. | October 12, 2012    | The Water (Prevention and Control of Pollution) Act, 1974 | Approval from Gujarat Pollution Control Board, for the Discharge of Industrial Effluent to operate industrial plant for manufacture of product mix of 1) Dehydro Thio Para Toluidine Sulfonic Acid (DTPTSA), 2) Amino Phenoxy Propane Sulfonic Acid (SPA), 3) Amino Methyl Phenoxy Sulfonic Acid (SPMT), 4) PYBIZS 4-Nitrile-1-Hydroxy-8-Metoxo-3-Methyl Benzo [4,5] Imidazo [1,2 A] Pyridine-7 & Sulphonic Acid & its sodium salt, 5) Basic Red51/Red |

|    |   |                  |  |  |
|----|---|------------------|--|--|
|    |   |                  |  | 76/Brown16/Brown17/Brown99/yellow-1/Yellow57/Orange31, 2-Chloro Methyl - 3,4- Dimethoxy Pyridine, Octahydro-4B-Methyl-9 (Methylamino) 6) Di Amino Bisphenoxy Ethane 7) 5-Methoxy 6- Amino Benz Imidazole.  |
| 2. | Gujarat Pollution Control Board, Gandhinagar. | October 12, 2012 | The Air (Prevention and Control of Pollution) Act, 1981                      | Approval from Gujarat Pollution Control Board, for the Discharge of Industrial Effluent to operate industrial plant for manufacture of product mix of 1) Dehydro Thio Para Toluidine Sulfonic Acid (DTPTSA), 2) Amino Phenoxy Propane Sulfonic Acid (SPA), 3) Amino Methyl Phenoxy Sulfonic Acid (SPMT), 4) PYBIZS 4-Nitrile-1-Hydroxy-8-Metoxo-3-Methyl Benzo [4,5] Imidazo [1,2 A] Pyridine-7 & Sulphonic Acid & its sodium salt, 5) Basic Red51/Red 76/Brown16/Brown17/Brown99/yellow-1/Yellow57/Orange31, 2-Chloro Methyl - 3,4- Dimethoxy Pyridine, Octahydro-4B-Methyl-9 (Methylamino) 6) Di Amino Bisphenoxy Ethane 7) 5-Methoxy 6- Amino Benz Imidazole. |
| 3. | Gujarat Pollution Control Board, Gandhinagar. | October 12, 2012 | Hazardous Waste (Management, Handling & Trans-boundary Movement) Rules, 2008 | Approval from Gujarat Pollution Control Board, for the Discharge of Industrial Effluent to operate industrial plant for manufacture of product mix of 1) Dehydro Thio Para Toluidine Sulfonic Acid (DTPTSA), 2) Amino Phenoxy Propane Sulfonic Acid (SPA), 3) Amino Methyl Phenoxy Sulfonic Acid (SPMT), 4) PYBIZS 4-Nitrile-1-Hydroxy-8-Metoxo-3-Methyl Benzo [4,5] Imidazo [1,2 A] Pyridine-7 & Sulphonic Acid & its sodium salt, 5) Basic Red51/Red 76/Brown16/Brown17/Brown99/yellow-1/Yellow57/Orange31, 2-Chloro Methyl - 3,4- Dimethoxy Pyridine, Octahydro-4B-Methyl-9 (Methylamino) 6) Di Amino Bisphenoxy Ethane 7) 5-Methoxy 6- Amino Benz Imidazole. |

**G. Licenses/ Approvals yet to be applied under Statutory Authorities:NIL**

**H. Licenses/ Approvals yet to be applied under Statutory Authorities for our expansion of our existing manufacturing operations: NIL**

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on July 23, 2016 and by shareholders of our Company by a special resolution passed in the pursuant to section 62(1)(c) of the Companies Act, 2013 at the EGM of our Company held on August 16, 2016.

We have received in-principle approval from NSE-SME Platform vide their letter dated December 16, 2016 to use the name of NSE-SME Platform in the Prospectus for listing of our Equity Shares on NSE-SME platform. NSE-SME Platform is the Designated Stock Exchange.

### PROHIBITION BY SEBI

We confirm that Our Company, Promoters, Promoter Group and Directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities.

Neither Our Promoters, Promoter Group, Directors nor the person(s) in control of our company has ever been part of promoters, promoter Group, Directors or the person(s) in control of our company which is debarred from accessing the capital market under any order or directions made by the SEBI.

None of the Directors are in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as promoters or directors.

The SEBI has imposed a fine of Rs. 5,00,000 on promoter director Mr. Manindersingh Jolly vide SEBI order date December 6, 2010 bearing no. PKB/AO-158/2010. The fine was paid to SEBI by Demand Draft drawn on HDFC Bank bearing ref no. 025513053694, dated December 30, 2016.

### PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Neither our Company, our Promoters, our Directors, Group companies, have been identified as willful defaulters by the RBI or any other government authorities. There are no violations of securities laws committed by any of them.

### ELIGIBILITY FOR THE ISSUE

Our Company is eligible for the Issue in terms of Regulation 106M(1) of chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, as the post issue capital does not exceed ₹ 1,000 lakhs. Our Company also complies with the eligibility conditions laid by the NSE-EMERGE Platform of National Stock Exchange of India Limited (NSE) for listing of our Equity Shares.

We confirm that:

1. In accordance with regulation 106(P) of the SEBI ICDR Regulations, this Issue will be 100% underwritten and that the LM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled – **“General Information- Underwriting”** beginning on page 35 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If our Company does not allot Equity Shares pursuant to the Issue within five working days from the Issue closing date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from applicants, failing which interest shall be due to be paid to the applicants as prescribed u/s 40 of the Companies Act, 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled —General Information beginning on page 35 of this Prospectus.
5. The Issuer Company is incorporated under Companies Act, 1956.
6. The post issue paid up capital of the company (face value) is not more than ₹ 2500 Lacs.
7. The company has track record of atleast 3 years.
8. The company has positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application viz. for the F.Y 2014-15 and 2015-16 and its net-worth is positive.
9. The Company shall mandatorily facilitate trading in Demat securities and is in the process of entering in to an agreement with both the depositories.
10. The Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR).
11. No petition for winding up is admitted by a court of competent jurisdiction or a liquidator has been appointed against the Company.
12. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
13. The Company has a website: [www.prolifeindustries.in](http://www.prolifeindustries.in)
14. There has been no change in the Promoter(s) of the Company in the preceding one year from the date of filling application to NSE-EMERGE Platform.

( ₹ In Lacs)

| Particulars   | 2015-16 | 2014-2015 | 2013-2014 |
|---------------|---------|-----------|-----------|
| Net worth     | 357.61  | 302.25    | 253.64    |
| Cash Accruals | 123.54  | 99.15     | 74.88     |

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 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

#### **SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, SWASTIKA INVESTMART LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO**



**EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER SWASTIKA INVESTMART LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 19, 2016 WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENTS 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 AND APPLICABLE PROVISIONS OF THE COMPANIES ACT, 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 FULFILL THEIR UNDERWRITING COMMITMENTS. NOTED FOR COMPLIANCE.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS' DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE OFFER DOCUMENT. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE AS SECTION 29 OF THE COMPANIES ACT, 2013 PROVIDES INTER ALIA THAT EVERY COMPANY MAKING PUBLIC OFFERS SHALL ISSUE SECURITIES ONLY IN DEMATERIALIZED FORM BY COMPLYING WITH THE PROVISIONS OF THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
  - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE
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 OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ,ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015 AS PER ANNEXURE "A".
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD- 18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE PROSPECTUS.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER 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 OFFER DOCUMENT 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 OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.- NOTED FOR COMPLIANCE.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUBREGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.- NOT APPLICABLE
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION [106P] AND [106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, HAVE BEEN MADE.

**NOTE:**

THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34, 35 36 AND 38 (1) OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT, 2013.

**DISCLAIMER FROM OUR COMPANY, DIRECTORS AND THE LEAD MANAGER**

The Company, the 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, including our website: [www.prolifeindustries.in](http://www.prolifeindustries.in) would be doing so at his or her own risk, would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum Of Understanding entered into between the Lead Manager Swastika Investmart Limited and our Company dated October 25, 2016 and the Underwriting Agreement dated October 25, 2016 entered into between the Underwriters Swastika Investmart Limited, Beeline Broking Limited and our Company and the Market Making Agreement dated October 25, 2016 entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers etc.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Promoter Group, affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our Promoter Group, affiliates or associates for which they have received, and may in future receive, compensation.

## **CAUTION**

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and Lead Manager 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 the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

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

For details regarding the price information and track record of the past issue handled by Swastika Investmart Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" below and the website of Lead Manager at [www.swastika.co.in](http://www.swastika.co.in)

## **DISCLAIMER IN RESPECT OF JURISDICTION**

This issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised 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, and any FII sub –account registered with SEBI which is a foreign corporate or go reign individual, permitted insurance companies and pension funds) and to FIIs and Eligible NRIs. 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 the 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 Ahmedabad only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

## **DISCLAIMER CLAUSE OF THE NSE EMERGE PLATFORM**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (herein referred to as a NSE).NSE has given vide its letter Ref **NSE/LIST/97528** dated **December 16, 2016** permission to the Issuer to use the Exchange's name in this offer Document as one of the stock exchanges on which the Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or constructed that the offer document has been cleared or approved by NSE; nor does

it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the —"Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, —"U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to — "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **FILING OF PROSPECTUS WITH BOARD AND REGISTRAR OF COMPANIES**

The Draft Prospectus/Prospectus is filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G block, Bandra –Kurla Complex, Bandra (East), Mumbai- 400051, Maharashtra.

A copy of this Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Regulation 106(M)(3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, SEBI Western Regional Office, Unit No. 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad-380009, Gujarat for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013, will be delivered to the RoC situated at RoC Bhavan, Opp Rupal Park Society, Behind Ankur Bus-Stop, Naranpura, Ahmedabad- 380013.

#### **LISTING**

The Equity Shares of our Company are proposed to be listed on NSE-EMERGE. Our company has obtained observatoin letter from NSE vide letter dated **December 16, 2016** to use name of NSE-EMERGE Platform in this offer document for listing of equity shares on NSE-EMERGE Platform.

Applications will be made to the NSE-EMERGE Platform for obtaining In-Principle approval to deal in and for an official quotation of our Equity Shares. NSE-EMERGE Platform is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue. If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE-EMERGE Platform, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE-EMERGE Platform mentioned above are taken within 6 (Six) Working Days from the Issue Closing Date.

## **IMPERSONATION**

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

**Any person who –**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or**
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- (c) otherwise induces directly or indirectly a company to allot or register any transfer of securities to him, or to any other person in a fictitious name**

**Shall be liable to action under section 447 of the Companies Act, 2013**

**The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.**

## **CONSENTS**

The written consents of Directors, the Company Secretary, Compliance Officer, Chief Financial Officer, the Lead Manager to the Issue, Banker to the Issue, Bankers to the Company, Registrar to the Issue, Auditors, Legal Advisor to the Issue, Underwriters and Market Makers and Banker to the Issue to act in their respective capacities have been obtained and will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. Mistry & Shah, Chartered Accountants of the Company have provided their written consent to the inclusion of their report dated October 24, 2016 regarding restated financial statements and inclusion of Statement of Tax Benefits dated October 26, 2016 as applicable, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of this Prospectus.

## **EXPERT OPINION**

Except for the report in section (a) "Financial Information of the Company" and (b) Statement of tax Benefits on Page 129 and Page 63 of this Prospectus from the Peer Review Auditors and Statutory Auditor respectively Our company have not obtained any other expert opinions.

## **PUBLIC ISSUE EXPENSES**

The Management estimates an expense of ₹ 35.00 Lakhs towards issue expense. The Issue related expenses include, among others, lead management, market making, underwriting, SCSB's commission/fees, selling commissions, printing, distribution and stationery expenses, advertising and marketing expenses, and other expenses including registrar, depository, listing and legal fees. All expenses with respect to the Issue will be borne by the Company.

The estimated Issue expenses\* are as follows:

| <b>Sr. No.</b> | <b>Particular</b>  | <b>Amount (₹ In Lacs)</b> |
|----------------|--|---------------------------|
| 1.             | Payment to Merchant Banker including fees and reimbursements of Market Making Fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers | 26.00                     |

|    |  |              |
|----|--|--------------|
|    | etc and other out of pocket expenses.      |              |
| 2. | Printing & Stationery and Postage Expenses | 1.50         |
| 3. | Marketing and Advertisement Expenses       | 2.50         |
| 4. | Regulatory fees and other expenses         | 2.50         |
| 5. | Other Miscellaneous expenses               | 2.50         |
|    | <b>Total</b>                               | <b>35.00</b> |

#### **FEES PAYABLE TO LEAD MANAGER TO THE ISSUE**

The total fees payable to the Lead Manager (underwriting Commission and Selling Commission and reimbursement of their out-of pocket expenses) will be as per the memorandum of Understanding and engagement letter dated October 25, 2016 and October 7, 2016 respectively with the Lead Manager, a 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 to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue dated November 3, 2016 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

#### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue dated November 3, 2016.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send Allotment advice by registered post/speed post.

#### **FEES PAYABLE TO OTHERS**

The total fees payable to the Legal Advisor, Auditor, Market maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

#### **COMMISSION PAYABLE TO SCSBS**

The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. However in case, where ASBA Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Application Form, SCSBs would be given a prescribe fee of ₹ 15 per ASBA Application Form processed by them.

#### **PARTICULARS REGARDING PREVIOUS PUBLIC OR RIGHTS ISSUE DURING THE LAST FIVE (5) YEARS**

Our Company has not made any previous public or rights issue in India during last five (5) years.

#### **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

Our Company has not made any previous issues of shares for consideration otherwise than for cash.

**PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956/ SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS**

Prolife Industries Limited has not made any capital issue during the last three years. None of the equity shares of our Group Entities are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.

Prolife Industries Limited and its Group Companies have not made any capital issue during the last three years.

**LISTED VENTURES OF PROMOTERS**

There are no listed ventures of our Company as on date of filing of this Prospectus.

**PROMISE VIS-A-VIS PERFORMANCE**

Since neither our Company nor our Promoter Group Companies have made any previous rights or public issues during last 10 years, Promise vis-a-vis Performance is not applicable.

**OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Prospectus.

**STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

**MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of Allotment, Demat credit and refund orders to enable the investors to approach the Registrar to the Issue for Redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder.

**DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders), for Redressal of routine investor grievances shall be 10 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.

Our Company has constituted Stakeholder Relationship Committee comprising Mrs. Anureet Jolly, Mr. Naresh Thakkar and Ms Nikunj Soni.



Our Company has also appointed Ms. Darshna Maniyar, as a Company Secretary and Compliance Officer of our company, for this Issue and she may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Ms. Darshna Maniyar**  
**Company Secretary and Compliance Officer,**  
**Prolife Industries Limited,**  
213, G.I.D.C., Panoli, Ankleshwar, Gujarat - 394 116;  
Tel:- +91-02646-272490;  
Website: [www.prolifeindustries.in](http://www.prolifeindustries.in)  
Email: [info@prolifeindustries.in](mailto:info@prolifeindustries.in)

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011 and Revised Circular No. CIR/OIAE/1/2014 dated December 18, 2014, SEBI has Launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and to follow up their complaints and track the status of Redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

#### **CHANGES IN AUDITORS DURING THE LAST THREE (3) YEARS**

There has been no change in the Auditors of the company during the last three years.

#### **CAPITALIZATION OF RESERVES OR PROFITS DURING LAST FIVE (5) YEARS**

Our Company has not capitalized any reserve during last five (5) years except as detail given below

| <b>Sr. No.</b> | <b>Date of Capitalization</b> | <b>Amount Capitalized (In ₹)</b> | <b>No. of Bonus Shares Issued</b> | <b>Ratio of Issue of Bonus Shares</b> |
|----------------|-------------------------------|----------------------------------|-----------------------------------|---------------------------------------|
| 1              | August 16, 2016               | 1,49,20,400                      | 14,92,040                         | 1:1                                   |

#### **REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS**

Our Company has not revalued its assets during last five years.

## **SECTION VIII - ISSUE RELATED INFORMATION TERMS OF THE ISSUE**

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Prospectus, the Draft Prospectus, the 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 this 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 Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November, 10th 2015, all the applicants have to compulsorily apply through the ASBA Process.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 217 of this Prospectus.

### **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 approved by 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 dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association.

### **Face Value and Issue Price**

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ 38 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 for Issue Price" beginning on page 61 of the Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

### **Compliance with SEBI ICDR Regulations**

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and such other rights, as may be available to a shareholder of a listed public limited company under the

Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “Main Provisions of Articles of Association” beginning on page number 217 of the Prospectus.

### **Minimum Application Value; Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 3000 Equity Shares and the same may be modified by NSE Emerge 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 3000 Equity Share subject to a minimum allotment of 3000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 3000 Equity Share subject to a minimum allotment of 3000 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 all the monies blocked by the SCSBs shall be unblocked within 6 Working days of closure of issue.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Ahmedabad.

### **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:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Period of Operation of Subscription List of Public Issue**

ISSUE OPENS ON      December 27, 2016 (Tuesday)  
ISSUE CLOSES ON     December 30, 2016 (Friday)

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 40 of the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

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.

### **Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 3000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE- EMERGE Platform.

### **Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **As per the extant policy of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page number 38 of the Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "Main Provisions of the Articles of Association" beginning on page number 217 of the Prospectus.

### **Option to receive Equity Shares in Dematerialized Form**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. 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 dematerialized segment of the Stock Exchanges. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

### **Migration to Main Board**

Our Company may migrate to the main board of NSE from the SME Platform on a later date subject to the following:

If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this issue are proposed to be listed on the NSE Emerge, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the NSE Emerge 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 see "General Information – Details of the Market Making Arrangements for this Issue" beginning on page 35 of the Prospectus.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital does not exceed ₹ 10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the NSE EMERGE platform). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 192 and 198 respectively of this Prospectus.

Public issue of 11,10,000 equity shares of face value of ₹ 10 each for cash at a price of ₹ 38 per equity share including a share premium of ₹ 28 per equity share (the "issue price") aggregating to ₹ 421.80 lacs ("the issue") by our company.

| Particulars  | Net Issue to Public   | Market Maker reservation portion  |
|--|---|---|
| Number of Equity Shares*   | 10,50,000 Equity Shares   | 60,000 Equity Shares  |
| Percentage of Issue Size available for allocation                      | 94.59% of the Issue Size<br>25.65% of the Post Issue Paid up Capital  | 5.41% of the Issue Size<br>1.46 of the Post Issue Paid up Capital   |
| Basis of Allotment/Allocation if respective category is oversubscribed | Proportionate subject to minimum allotment of 3,000 Equity Shares and Further allotment in multiples of 3,000 Equity Shares each.<br><br>For further details please refer to the section titled "Issue Procedure–Basis of Allotment" on page 213 of this Prospectus.  | Firm Allotment  |
| Mode of Application  | All the Applicants shall make the Application (Online or Physical) through ASBA Process Only.   | Through ASBA mode Only.   |
| Minimum Application Size   | For QIB and NII:<br><br>Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000<br><br>For Retail Individuals:<br>3,000 Equity Shares   | 60,000 Equity Shares  |
| Maximum Bid  | For QIB and NII:<br><br>Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Size does not exceed 10,50,000 Equity Shares subject to adhere under the relevant laws and regulations as applicable.<br><br>For Retail Individuals:<br><br>3,000 Equity Shares so that the Application Value does not exceed ₹ 2,00,000 | 60,000 Equity Shares  |
| Mode of Allotment  | Compulsorily in dematerialized mode   | Compulsorily in dematerialized mode   |
| Trading Lot  | 3,000 Equity Shares   | 3,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009. |
| Terms of payment   | Entire Application Amount shall be payable at the time of submission of Application Form.   |   |

\* 50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹ 2,00,000 and the balance 50 % of the shares are available for applications whose value is above ₹ 2,00,000.

## Withdrawal of the Issue

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case 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.

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, Non retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Ahmedabad.

## Issue Programme

|                 |                             |
|-----------------|-----------------------------|
| ISSUE OPENS ON  | December 27, 2016 (Tuesday) |
| ISSUE CLOSES ON | December 30, 2016 (Friday)  |

Applications for retail applicants and any revisions to the same (except that on the Issue closing date) 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 and application for Non retail applicants will be accepted upto 4.00 p.m. On the Issue Closing Date applications and any revisions to the same will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2003) dated October 23, 2013 notified by SEBI ( the "General Information Documents" ) included below under section "- Part B - General Information Document", which highlights the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations. The General Information Documents has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

### Fixed Price Issue Procedure

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 through a Fixed Price Process.

Applicants are required to submit their Applications to the designated intermediaries. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

**Investors should note that Equity Shares will be allotted to successful Applicants in dematerialize form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI.**

### Availability of Prospectus and Application Forms

The Memorandum 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, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of NSE limited i.e. [www.nseindia.com](http://www.nseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of 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 Applicants to the SCSB, the 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 Applicant. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

The prescribed colour of the Application Form for various categories is as follows:



| Category  | Colour of Application Form |
|---|----------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis                   | White                      |
| Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis | Blue                       |

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.**

### **Submission and Acceptance of Application Forms**

Applicants are required to their applications only through any of the following Application Collecting Intermediaries

- I. An SCSB, with whom the bank account to be blocked, is maintained
- II. A syndicate member (or sub-syndicate member)
- III. A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- IV. A depository participant ('DP') (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
- V. A registrar to an issuer and share transfer agent ('RTA') (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

|   |  |
|---|--|
| For Applications submitted by investors to SCSB:                            | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchanges(s) and may being blocking funds available in the bank account specified in the form, to the extent of the application money specified.   |
| For Applications submitted by investors to intermediaries other than SCSBs: | After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Application are deemed to have authorised our Company to make the necessary changes in the prospectus, without prior or subsequent notice of such changes to the Applicants.

### **Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company. Lead Manager to the Issue, Registrar to the Issue as mentioned in the application Form. The application forms may also be downloaded from the website of NSE Limited i.e. [www.nseindia.com](http://www.nseindia.com).

### **Who can apply?**

- a.) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);

- b.) 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;
- c.) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d.) Mutual Funds registered with SEBI;
- e.) 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;
- f.) 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);
- g.) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h.) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i.) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- j.) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k.) Foreign Venture Capital Investors registered with the SEBI;
- l.) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m.) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n.) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o.) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p.) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q.) 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;
- r.) Insurance funds set up and managed by army, navy or air force of the Union of India;
- s.) Multilateral and bilateral development financial institution;
- t.) Eligible QFIs;
- u.) Insurance funds set up and managed by army, navy or air force of the Union of India;
- v.) Insurance funds set up and managed by the Department of Posts, India;
- w.) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except under guardianship)
2. Partnership firms or their nominees

3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

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.

#### **Participation by associates/affiliates of Lead Manager**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

#### **Option to Subscribe to the Issue**

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialised subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. 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. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

#### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not

be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

### **Applications by Eligible NRIs/FII's on Repatriation Basis**

Application Forms have been made available for Eligible NRIs at the Company's Registered Office and at the office of Lead Manager to the Issue.

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 and should not use the form meant for the reserved category.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to 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. Companies are required to file 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 of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.

In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. 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 the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

### **Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and

Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

#### **Applications by Limited Liability Partnerships**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the 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, the 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 general insurer or reinsurer 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: the least of 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 infrastructure and housing sectors i.e. 26th 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 ₹ 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the 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, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 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, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any 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, the 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 ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 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, the Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

The 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 the Company and the lead manager may deem fit.

The 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 / 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 the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the 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.**

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 Lead Manager.

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 or Registered Brokers or Registered RTA's or DPs registered with SEBI. 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 circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the 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 stock invest, 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 as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

### **Maximum and Minimum Application Size**

The applications in this Issue, being a fixed price issue, will be categorized into two;

**(a) For Retail Individual Applicants**

The Application must be for a minimum of 3,000 Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ 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 ₹ 2,00,000 and in multiples of 3,000 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 ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application form 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 the Prospectus.**

**Information for the Applicants:**

- a.) The Company will file the Prospectus with the ROC at least 3 (three) days before the Issue Opening Date.
- b.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c.) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.
- d.) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager 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.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Gujarati newspaper with wide circulation.

**Signing of Underwriting Agreement**

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on October 25, 2016.

**Filing of the Prospectus with the RoC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of Companies Act, 2013.

**Designated Date and Allotment of Equity Shares**

- a) **Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.



- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

- c) The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d) **Issuer will that:** (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities.

### **Interest and Refunds**

In the event that the listing of the Equity Shares does not occur in the manner described in this Prospectus, the Lead Manager shall intimate Public Issue bank and Public Issue Bank shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary applicants.

### **Completion of Formalities for listing & Commencement of Trading**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

### **Grounds for Refund**

#### **Non Receipt of Listing Permission**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basic of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary bidders.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013)

### **Minimum Number of Allottees**

The Issuer may ensure that the number of provisions Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### **Mode of Refund**

In case of ASBA Application: Within 6 working days of the Issue Closing Date, the Registrar to the Issue may give instruction to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

Mode of making refund for ASBA applicants: In case of ASBA Application, the registrar of the issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### **Interest in case of Delay in Allotment or Refund:**

The Issuer may pay interest at the Rate of 15% per annum to Applicants if the funds are not unblocked within the 6 Working days of the Issue Closing Date.

### **Issuance of Allotment Advice**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

## **GENERAL INSTRUCTIONS**

### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about 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.
- Ensure that Applications submitted by any person resident outside India is in compliance with applicable foreign and Indian laws
- All Applicants should submit their application through ASBA process only.

**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.

**Instructions for completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com).

**Applicant's Depository Account and Bank Details**

***Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.***

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager or the Registrar to the Issue 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.

**Payment by Stock Invest**

In terms of the Reserve Bank of India Circular No.DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

**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). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should

mention his/her PAN allotted under the IT Act. Applications without the PAN 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.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

## **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

## **GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 3000;
- Category not ticked;
- Multiple Applications as defined in the 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 by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person 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 ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/or Depositories Account.

## **Equity Shares In Dematerialized 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) a tripartite agreement dated November 16, 2016 with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated October 25, 2016 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN No INE994V01012

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) 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.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) 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.
- e) 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.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

## **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.**

## **Disposal of applications and application moneys and interest in case of delay**

The Company shall ensure the dispatch of Allotment advise, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

## **IMPERSONATION**

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

**'Any person who:**

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

**shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.**

Section 447 of the Companies Act, 2013, is reproduced as below:

“Without Prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may exceed to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:

Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.”

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with NSE EMERGE Platform (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 3,000 equity shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted 3,000 equity shares; and
  - b. The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 3,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 3,000 equity shares subject to a minimum allotment of 3,000 equity shares.
5. If the Shares allocated 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 3,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - a. A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b. The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c. The unsubscribed portion of the net 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.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity

Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled 'Basis of Allotment' beginning on page 207 of Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 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 the SME Platform of NSE.

#### **Basis of Allotment in the event of Under subscription**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in page 185 shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the SME Platform of NSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Undertaking by our Company**

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. that 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 and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's 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 an 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 section SEBI (Listing Obligations and Disclosure



Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively.

- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by circular of 2015, with effect from May 12, 2015 ("Circular of 2015"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Circular of 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI. Further, in terms of the Consolidated FDI Policy, prior approval of the RBI shall not be required for transfer of shares between an Indian resident and person not resident in India if conditions specified in the Consolidated FDI Policy have been met. The transfer of shares of an Indian company by a person resident outside India to an Indian resident, where pricing guidelines specified by RBI under the foreign exchange regulations in India are not met, will not require approval of the RBI, provided that (i) the original and resultant investment is in line with Consolidated FDI policy and applicable foreign exchange regulations pertaining to inter alia sectorial caps and reporting requirements; (ii) the pricing is in compliance with applicable regulations or guidelines issued by SEBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**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, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

## SECTION IX

### DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

| Title of Article      | Article Number | Content   |
|-----------------------|----------------|---|
| <b>Interpretation</b> | 1.             | <p>In these Articles unless there be something in the subject matter or context inconsistent therewith:</p> <ul style="list-style-type: none"> <li>i. <b>"The Act"</b> means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.</li> <li>ii. <b>"Articles"</b> means Articles of Association of the Company as originally framed or altered from time to time.</li> <li>iii. <b>"Beneficial Owner"</b> shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.</li> <li>iv. <b>"Board or Board of Directors"</b> means the collective body of the Board of Directors of the Company.</li> <li>v. <b>"Chairman"</b> means the Chairman of the Board of the Directors of the Company.</li> <li>vi. <b>"The Company"</b> means Prolife Industries Limited.</li> <li>vii. <b>"Depositories Act, 1996"</b> shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.</li> <li>viii. <b>"Depository"</b> shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.</li> <li>ix. <b>"Directors"</b> mean the Directors appointed to the board for the time being of the Company.</li> <li>x. <b>"Dividend"</b> includes any interim dividend.</li> <li>xi. <b>"Document"</b> means a document as defined in Section 2 (36) of the Companies Act, 2013.</li> <li>xii. <b>"Equity Share Capital"</b>, with reference to any Company limited by shares, means all share capital which is not preference share capital;</li> <li>xiii. <b>"KMP"</b> means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.</li> <li>xiv. <b>"Managing Director"</b> means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.</li> <li>xv. <b>"Month"</b> means Calendar month.</li> <li>xvi. <b>"Office"</b> means the registered office for the time being of the Company.</li> </ul> |

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|  |  | <p>xvii. <b>“Paid-up share capital” or “share capital paid-up”</b> means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;</p> <p>xviii. <b>“Postal Ballot”</b> means voting by post or through any electronic mode.</p> <p>xix. <b>“Proxy”</b> includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.</p> <p>xx. <b>“Public Holiday”</b> means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.</p> <p>xxi. <b>“Registrar”</b> means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.</p> <p>xxii. <b>“Rules”</b> means the applicable rules as prescribed under the relevant sections of the Act for time being in force.</p> <p>xxiii. <b>“SEBI”</b> means Securities &amp; Exchange Board of India established under Section 3 of the Securities &amp; Exchange Board of India Act, 1992.</p> <p>xxiv. <b>“Securities”</b> means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)</p> <p>xxv. <b>“Share”</b> means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.</p> <p>xxvi. <b>“Seal”</b> means the common seal of the Company.</p> <p>xxvii. <b>“Preference Share Capital”</b>, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—</p> <ol style="list-style-type: none"> <li>payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and</li> <li>repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;</li> </ol> <p>Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.</p> <p>Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any</p> |
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|                                     |    | <p>statutory modification thereof in force at the date at which these regulations become binding on the Company.</p> <p>'In writing' and 'written' includes printing, lithography and other modes of representing or reproducing words in a visible form.</p>   |
| <b>Share capital</b>                | 2. | The Authorized share capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.   |
|                                     | 3. | Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.  |
| <b>Issue of sweat equity shares</b> | 4. | Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, and any other applicable provisions of the Act or any law for the time being in force, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.  |
| <b>Issue of debentures</b>          | 5. | The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.   |
| <b>Issue of share certificates</b>  | 6. | <ol style="list-style-type: none"> <li>i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,— <ol style="list-style-type: none"> <li>a. one certificate for all his shares without payment of any charges; or</li> <li>b. Several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.</li> </ol> </li> <li>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</li> </ol> |

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|   |     | <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>   |
|   | 7.  | If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.  |
|   | 8.  | Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.  |
|   | 9.  | The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.  |
| <b>Power to pay commission in connection with the securities issued</b> | 10. | <p>i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>   |
| <b>Variations of shareholder's rights</b>                               | 11. | <p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p> |
|   | 12. | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.  |
| <b>Issue of preference shares</b>                                       | 13. | Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company   |

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|                                |     | before the issue of the shares may, by special resolution, determine.  |
| <b>Further issue of shares</b> | 14. | <p>i. Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</p> <p>(b) To employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</p> <p>ii. The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>iii. Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:</p> <p>Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.</p> |
| <b>Lien</b>                    | 15. | <p>i. The Company shall have a first and paramount lien—</p> <p>a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p style="text-align: center;">Or</p> <p>Every fully paid shares shall be free from all lien and that in the case of partly Paid shares the Issuer's lien shall be restricted to moneys called or payable at Fixed time in respect of such shares; and</p> <p>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>  |
|                                | 16. | <p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p>   |

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|                       |     | <p>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>  |
|                       | 17. | <p>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>  |
|                       | 18. | <p>i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p>   |
| <b>Joint holdings</b> | 19. | <p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-</p> <p>i. The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</p> <p>ii. The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</p> <p>iii. On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</p> <p>iv. Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share</p> <p>v. Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</p> <p>vi. (I) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name</p> |



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|                        |     | <p>of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</p> <p>(II) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</p> <p>vii. The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p>   |
| <b>Calls on shares</b> | 20. | <p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p> |
|                        | 21. | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.  |
|                        | 22. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.   |
|                        | 23. | <p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. Per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>   |
|                        | 24. | <p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>  |
|                        | 25. | <p>The Board—</p> <p>i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the</p>   |

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|                           |     | sum in advance.  |
|                           | 26. | Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.<br><br>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.   |
|                           | 27. | The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.   |
|                           | 28. | The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.  |
| <b>Transfer of shares</b> | 29. | <ul style="list-style-type: none"> <li>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</li> <li>ii. Each share in the Company shall be distinguished by its appropriate number.</li> <li>iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</li> </ul>  |
|                           | 30. | <ul style="list-style-type: none"> <li>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</li> <li>ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</li> </ul>  |
|                           | 31. | <p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <ul style="list-style-type: none"> <li>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</li> <li>ii. Any transfer of shares on which the Company has a lien.</li> </ul> <p>iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</p>  |
|                           | 32. | <p>The Board shall decline to recognise any instrument of transfer unless—</p> <ul style="list-style-type: none"> <li>i. the instrument of transfer is in the common form as prescribed in rules made under sub-section (1) of section 56;</li> <li>ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.</li> </ul> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ul style="list-style-type: none"> <li>iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),</li> <li>iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid</li> </ul> |

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|  |     | <p>proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;</p> <p>v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.</p>  |
|  | 33. | The Company agrees that in respect of transfer of shares where the Company has not affected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay  |
|  | 34. | <p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year</p>   |
|  | 35. | The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.   |
| <b>Register of transfers</b>           | 36. | The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.  |
| <b>Dematerialisation of securities</b> | 37. | <p>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</p> <p>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>b. Option for Investors:</p> <p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form:-<br/>All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.<br/>Nothing contained in Sections 88, 89, 112 &amp; 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</p> <p>d. Rights of Depositories &amp; Beneficial Owners:-<br/>Notwithstanding anything to the contrary contained in the Act a</p> |

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|                               |     | <p>Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p> |
| <b>Transmission of shares</b> | 38. | <p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>  |
|                               | 39. | <p>i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being</p>   |

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|                             |     | <p>produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <ol style="list-style-type: none"> <li>a. to be registered himself as holder of the share; or</li> <li>b. to make such transfer of the share as the deceased or insolvent member could have made.</li> </ol> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>  |
|                             | 40. | <ol style="list-style-type: none"> <li>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</li> <li>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</li> <li>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</li> </ol>  |
|                             | 41. | <p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p> |
|                             | 42. | <p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of administration, Certificate of Death or marriage, power of attorney or similar other documents.</p>  |
| <b>Forfeiture of shares</b> | 43. | <p>If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p>   |
|                             | 44. | <p>The notice aforesaid shall—</p> <ol style="list-style-type: none"> <li>i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</li> <li>ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</li> </ol>   |
|                             | 45. | <p>If the requirements of any such notice as aforesaid are not complied with,</p>   |

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|  |     | any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.  |
|  | 46. | <ul style="list-style-type: none"> <li>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</li> <li>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</li> </ul>   |
|  | 47. | <ul style="list-style-type: none"> <li>i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.</li> <li>ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.</li> </ul>  |
|  | 48. | <ul style="list-style-type: none"> <li>i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</li> <li>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;</li> <li>iii. The transferee shall thereupon be registered as the holder of the share; and</li> <li>iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</li> </ul> |
|  | 49. | The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.   |
|  | 50. | Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.  |
|  | 51. | Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.   |
|  | 52. | The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.   |
|  | 53. | The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by   |



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|   |     | virtue of a call duly made and notified.  |
|   | 54. | The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.   |
| <b>Initial payment not to preclude forfeiture</b> | 55. | Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.  |
| <b>Alteration of capital</b>                      | 56. | The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.   |
|   | 57. | Subject to the provisions of section 61, the Company may, by ordinary resolution,— <ul style="list-style-type: none"> <li>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</li> </ul>   |
| <b>Conversion of shares into stock</b>            | 58. | Where shares are converted into stock,— <ul style="list-style-type: none"> <li>i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> </li> <li>ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</li> <li>iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</li> </ul> |
| <b>Reduction of capital</b>                       | 59. | The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,— <ul style="list-style-type: none"> <li>i. its share capital;</li> <li>ii. any capital redemption reserve account; or</li> <li>iii. Any share premium account.</li> </ul>   |
| <b>Share warrants</b>                             | 60. | The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its  |

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|                                  |     | <p>discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.</p> <p>The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p> |
| <b>Capitalisation of profits</b> | 61. | <p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <ol style="list-style-type: none"> <li>that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</li> <li>that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</li> </ol> <p>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <ol style="list-style-type: none"> <li>paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;</li> <li>partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</li> <li>A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</li> <li>The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</li> </ol>  |



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|  | 62. | <p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>b. Generally to do all acts and things required to give effect thereto.</p> <p>ii. The Board shall have power—</p> <p>a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and</p> <p>b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p> |
| <b>Buy-back of shares</b>              | 63. | Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.  |
| <b>General meeting</b>                 | 64. | All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.   |
|  | 65. | <p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>   |
| <b>Proceedings at general meetings</b> | 66. | <p>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>ii.</p> <p>A. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>  |
|  | 67. | The chairperson, if any, of the Board shall preside as Chairperson at every   |

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|                               |     | general meeting of the Company.   |
|                               | 68. | If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.  |
|                               | 69. | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.  |
|                               | 70. | The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.   |
|                               | 71. | A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.   |
| <b>Demand for poll</b>        | 72. | <p>A. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</p> <p>B. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p>   |
| <b>Time of taking poll</b>    | 73. | <p>i. A poll demanded on a question of adjournment shall be taken forthwith.</p> <p>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</p>   |
| <b>Adjournment of meeting</b> | 74. | <p>i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p> |
| <b>Voting rights</b>          | 75. | <p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>i. on a show of hands, every member present in person shall have one vote; and</p>  |

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|   |     | ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.  |
|   | 76. | A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.   |
|   | 77. | i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.<br>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.  |
|   | 78. | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.  |
|   | 79. | Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof. |
|   | 80. | Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.  |
|   | 81. | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.   |
|   | 82. | i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.<br>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.  |
|   | 83. | No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.   |
| <b>Casting vote</b>                     | 84. | In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.   |
| <b>Representation of body corporate</b> | 85. | A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.  |
| <b>Circulation of</b>                   | 86. | The Company shall comply with provisions of Section 111 of the   |

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| <b>member's resolution</b>   |     | Companies Act, 2013, relating to circulation of member's resolution.  |
| <b>Resolution requiring special notice</b>                                       | 87. | The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.   |
| <b>Resolutions passed at adjourned meeting</b>                                   | 88. | The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date  |
| <b>Registration of resolutions and agreements</b>                                | 89. | The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.  |
| <b>Minutes of proceedings of general meeting and of board and other meetings</b> | 90. | <p>i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</p> <p>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :</p> <p>A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p>a. the names of the Directors present at the meetings, and</p> <p>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.</p> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <p>is or could reasonably be regarded, as defamatory of any person</p> <p>is irrelevant or immaterial to the proceedings; or</p> <p>is detrimental to the interests of the Company.</p> <p>iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p> |
| <b>Minutes to be considered to be evidence</b>                                   | 91. | The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.   |

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| <b>Publication of reports of proceeding of general meetings</b> | 92. | No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.   |
| <b>Proxy</b>  | 93. | The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of ₹a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.   |
|   | 94. | An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.   |
|   | 95. | <p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>  |
| <b>Board of directors</b>                                       | 96. | <p>The first directors of the Company shall be:</p> <ol style="list-style-type: none"> <li>1. Mr. Gabrubhai Manjibhai Jhalawadia</li> <li>2. Mr. Maninder Singh Jolly</li> <li>3. Mr. Naresh Jain</li> </ol>   |
|   | 97. | The Directors need not hold any “Qualification Share(s)”.  |
|   | 98. | <p>Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>He shall be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p> |

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|   | 99.  | <p>i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</p> <p>b. in connection with the business of the company.</p>   |
|   | 100. | The Board may pay all expenses incurred in getting up and registering the company.   |
|   | 101. | The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.  |
|   | 102. | All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.   |
|   | 103. | Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.  |
|   | 104. | <p>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>                                    |
| <b>Retirement and rotation of directors</b> | 105. | Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.  |
|   | 106. | The remaining Directors shall be appointed in accordance with the provisions of the Act.   |
|   | 107. | At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.  |
|   | 108. | Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed. |



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|                         | 109. | Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.  |
|                         | 110. | Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.  |
| <b>Nominee director</b> | 111. | Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors wholetime or non-wholetime (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.  |
|                         | 112. | The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.  |
|                         | 113. | The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.  |
|                         | 114. | <p>The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.</p> <p>Provided that if any such Nominee Director/s is an Officer of the financial institution, the sitting fees in relation to such Nominee Directors shall accrue to such financial institution as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.</p> |

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|                             | 115. | Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.  |
| <b>Removal of directors</b> | 116. | The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.  |
|                             | 117. | Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.  |
|                             | 118. | On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.  |
|                             | 119. | <p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,</p> <ul style="list-style-type: none"> <li>(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</li> <li>(b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent ( whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</li> </ul> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p> |
|                             | 120. | A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.   |
|                             | 121. | A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.   |
|                             | 122. | <p>If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:</p> <p>Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.</p>   |
|                             | 123. | <p>Nothing in this section shall be taken-</p> <ul style="list-style-type: none"> <li>a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the</li> </ul>   |



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|  |      | <p>termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or</p> <p>b) as derogating from any power to remove a director under other provisions of this Act.</p>   |
| <b>Remuneration and sitting fees to directors including managing and whole time directors</b>                    | 124. | <p>Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.</p> <p>In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.</p> <p>a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or</p> <p>b. In connection with the business of the Company.</p>   |
|  | 125. | <p>Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of ₹ 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 &amp; 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.</p>  |
| <b>Powers and duties of directors:</b><br><br><b>Certain powers to be exercised by the board only at meeting</b> | 126. | <p>i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <p>a. The power to make calls on shareholders in respect of money unpaid on their shares;</p> <p>b. The Power to authorize buy-back of securities under Section 68 of the Act;</p> <p>c. Power to issue securities, including debenture, whether in or outside India;</p> <p>d. The power to borrow monies;</p> <p>e. The power to invest the funds of the Company;</p> <p>f. Power to Grant loans or give guarantee or provide security in respect of loans;</p> <p>g. Power to approve financial statements and the Board's Report;</p> <p>h. Power to diversify the business of the Company;</p> <p>i. Power to approve amalgamation, merger or reconstruction;</p> <p>j. Power to take over a Company or acquire a controlling or substantial stake in another Company;</p> <p>k. Powers to make political contributions;</p> <p>l. Powers to appoint or remove key managerial personnel (KMP);</p> <p>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</p> <p>n. Powers to appoint internal auditors and secretarial auditor;</p> <p>o. Powers to take note of the disclosure of director's interest and shareholding;</p> <p>p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of</p> |

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|                                       |      | <p>the paid up share capital and free reserves of the investee Company;</p> <p>q. Powers to invite or accept or renew public deposits and related matters;</p> <p>r. Powers to review or change the terms and conditions of public deposit;</p> <p>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <p>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p> |
| <b>Restriction on powers of board</b> | 127. | <p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :</p> <p>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;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which will in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</p>   |

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|  |      | <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p> |
|  | 128. | Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013   |
| <b>General powers of the company vested in directors</b> | 129. | Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.  |
| <b>Specific powers given to directors</b>                | 130. | <p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <p>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</p> <p>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally</p>  |

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|  |  | <p>on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</p> <p>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</p> <p>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</p> <p>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</p> <p>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</p> <p>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of</p> |
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|  |  | <p>the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and</p> |
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|  |  | <p>other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-</p> |
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|   |      | <p>delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>   |
| <b>Managing directors</b><br><br><b>Power to appoint managing or whole-time directors</b> | 131. | <p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 &amp; 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p> |
| <b>Proceedings of the board</b>   | 132. | <p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>  |
|   | 133. | The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.   |
|   | 134. | <p>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>   |
|   | 135. | The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.  |
|   | 136. | The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.   |
|   | 137. | a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.   |

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|   |      | b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.  |
| <b>Delegation of powers of board to committee</b>                                     | 138. | a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.<br>b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.   |
|   | 139. | a) A committee may elect a Chairperson of its meetings.<br>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.  |
|   | 140. | a) A committee may meet and adjourn as it thinks fit.<br>b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.  |
|   | 141. | All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.   |
|   | 142. | Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held  |
| <b>Chief executive officer, manager, company secretary or chief financial officer</b> | 143. | Subject to the provisions of the Act,—<br>a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;<br>A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer  |
|   | 144. | A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.   |
| <b>The seal</b>   | 145. | a) The Board shall provide for the safe custody of the seal.<br>b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. |



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| <b>Dividends and reserve</b> | 146. | The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.   |
|                              | 147. | Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.  |
|                              | 148. | <p>a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>  |
|                              | 149. | <p>a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p> |
|                              | 150. | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.  |
|                              | 151. | <p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>   |
|                              | 152. | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.  |
|                              | 153. | Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.  |
|                              | 154. | <p>No dividend shall bear interest against the Company.</p> <p>Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>   |
|                              | 155. | Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer   |

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|  |      | <p>the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>  |
|  | 156. | The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.   |
|  | 157. | Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.   |
| <b>Accounts</b>  | 158. | <p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p>   |
| <b>Inspection of statutory documents of the company:</b> | 159. | <p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <p>b) be kept at the registered office of the Company, and</p> <p>c) be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</p> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>d) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of ₹ 10/- (Ten Rupees only) for each page or part thereof.</p> |
| <b>Register of charges:</b>                              | 160. | <p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <p style="padding-left: 40px;">a. by any member or creditor without any payment of fees; or</p> <p style="padding-left: 40px;">b. by any other person on payment of such fees as may be prescribed,</p>   |

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|                   |      | Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.  |
| <b>Audit</b>      | 161. | <ul style="list-style-type: none"> <li>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</li> <li>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</li> <li>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</li> <li>d) The Board of Director may fill any casual vacancy</li> <li>e) in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</li> </ul>              |
| <b>Winding up</b> | 162. | <p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <ul style="list-style-type: none"> <li>i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</li> <li>ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</li> <li>iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.</li> </ul> |
| <b>Indemnity</b>  | 163. | Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—  |
| <b>Secrecy</b>    | 164. | <ul style="list-style-type: none"> <li>a. Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</li> <li>b. No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the</li> </ul>  |

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|  |  | Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose. |
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## **SECTION X – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 213, G.I.D.C., Panoli, Ankleshwar, Gujarat - 394 116 from date of filing the Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### **Material Contracts**

1. Memorandum of understanding dated October 25, 2016 between our Company and the Lead Manager.
2. Memorandum of Understanding dated November 3, 2016 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated October 25, 2016 between our Company, the Lead Manager, and Underwriter.
4. Market Making Agreement dated October 25, 2016 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated November 16, 2016.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated October 25, 2016.
7. Banker's to the Issue Agreement dated December 16, 2016 between our Company, the Lead Manager, Escrow Collection Bank and the Registrar to the Issue.

#### **Material Documents**

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Board resolution dated July 23, 2016 and special resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 at the EGM by the shareholders of our Company held on August 16, 2016.
3. Statement of Tax Benefits dated October 26, 2016 issued by our Statutory Auditors, Mistry & Shah, Chartered Accountants.
4. Copy of Restated Audit report from the peer review certified auditor, Mistry & Shah, Chartered Accountants dated October 24, 2016 included in the Prospectus.
5. Copy of Certificate from the Rushil Soni & Co., Chartered Accountants dated October 27, 2016, regarding the source and deployment of funds as on October 25, 2016.
6. Copies of Annual reports of the Company for Period ended on June 30, 2016 and the years ended March 31, 2016, 2015, 2014, 2013, and 2012.
7. Consents of Directors, Compliance Officer, Statutory Auditors, Legal Advisor to the Issue, Bankers to our Company, Banker to the Issuer, the Lead Manager, Registrar to the Issue, Underwriter, Market Maker and Chief Financial Officer to include their names in the Prospectus to act in their respective capacities.
8. Due Diligence Certificate dated December 19, 2016 from the Lead Manager.
9. Copy of resolution dated December 1, 2015 for appointment and fixing remuneration of Mr. Manindersingh Jolly, Managing Director.

10. Copy of Approval dated December 16, 2016 from the SME Platform of NSE.

Any of the contracts or documents mentioned in the 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, with the consent of the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## SECTION XI

### DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

Signed by all the Directors, Chief Financial Officer and Company Secretary and Compliance Officer of our Company.

| Name                            | Designation          | Signature |
|---------------------------------|----------------------|-----------|
| Manindersingh Satnamsingh Jolly | Managing Director    |           |
| Anureetkaur Manindersingh Jolly | Director             |           |
| Nareshbhai Vanmalidas Thakkar   | Independent Director |           |
| Nikunj Dineshkumar Soni         | Independent Director |           |

#### Signed by

| Name            | Designation             | Signature |
|-----------------|-------------------------|-----------|
| Darshna Maniyar | Company Secretary       |           |
| Jayvik M. Soni  | Chief Financial Officer |           |

Place: Ankleshwar

Date: December 20, 2016

**“Annexure A”**

**STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY SWASTIKA INVESTMART LIMITED:**

| Sr. no. | Issue name | Issue Size (Rs in Cr.) | Issue Price (₹) | Listing Date | Opening Price on Listing date | +/- % change in closing price, [+/- % change in closing Benchmark]- 30 <sup>th</sup> calendar day from listing | +/- % change in closing price, [+/- % change in closing Benchmark]- 90 <sup>th</sup> calendar day from listing | +/- % change in closing price, [+/- % change in closing Benchmark]- 180 <sup>th</sup> calendar day from listing |
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| -       | -          | -                      | -               | -            | -                             | -  | -  | -   |

**SUMMARY STATEMENT OF DISCLOSURE**

| Financial year    | Total no. of IPOs | Total funds Raised (₹ In. Cr) | No. of IPOs trading at discount – 30th calendar days from listing |                  |                  | No. of IPOs trading at premium – 30th calendar days from listing |                  |                  | No. of IPOs trading at discount - 180th calendar day from listing |                  |                  | No. of IPOs trading at premium - 180th calendar day from listing |                  |                  |
|-------------------|-------------------|-------------------------------|---|------------------|------------------|--|------------------|------------------|---|------------------|------------------|--|------------------|------------------|
|                   |                   |                               | Over 50 %   | Betwe en 25- 50% | Les s Th an 25 % | Over 50 %  | Betwe en 25- 50% | Les s Th an 25 % | Over 50 %   | Betwe en 25- 50% | Les s Th an 25 % | Over 50 %  | Betwe en 25- 50% | Les s Th an 25 % |
| 2015-16 till date | -                 | -                             | -   | -                | -                | -  | -                | -                | -   | -                | -                | -  | -                | -                |
| 2014-15           | -                 | -                             | -   | -                | -                | -  | -                | -                | -   | -                | -                | -  | -                | -                |
| 2013-14           | -                 | -                             | -   | -                | -                | -  | -                | -                | -   | -                | -                | -  | -                | -                |