



## CAPTAIN POLYPLAST LIMITED

Our Company was incorporated on March 27, 1997, as “Captain Polyplast Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli and received the certificate of Commencement of Business on April 02, 1997. The Corporate Identification Number of our Company is U25209GJ1997PLC031985. For details of the Changes in our name and Registered Office, please see section titled “History and Certain Corporate Matters” on page 116 of this Prospectus.

**Registered Office:** Upper Level - 25, Royal Complex, Dhebar Road, Bhutkhana Chowk, Rajkot- 360002, Gujarat, India.  
**Tel No:** +91- 281-2226361, **Fax No:** +91 -2827-252056

**Head Office & Factory:** Survey No. 267, Plot No. 10-A & 11, N.H. 8-B, Shapar – Veraval, Rajkot – 360024, Gujarat, India.  
**Tel No:** +91- 2827-253006, **Fax No:** +91 -2827-252056

**Website:** www.captainpolyplast.com **E-mail:** compliance@captainpolyplast.in

**CONTACT PERSON: MR. SUMIT MUTHA (COMPANY SECRETARY & COMPLIANCE OFFICER)**

**PROMOTERS OF OUR COMPANY: MR. RAMESH D. KHICHADIA, MR. GOPAL D. KHICHADIA,  
 MR. KANTILAL GEDIA & MR. ASHOK PATEL**

### THE ISSUE

**PUBLIC ISSUE OF 19,80,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH OF CAPTAIN POLYPLAST LIMITED (“CPL” OR “OUR COMPANY” OR “THE ISSUER”) FOR CASH AT A PRICE OF RS. 30/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 20/- PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO RS. 594.00/- LAKHS (THE “ISSUE”), OF WHICH 1,04,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH AGGREGATING TO RS. 31.20/- LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 18,76,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- AT AN ISSUE PRICE OF RS. 30 EACH AGGREGATING TO RS. 562.80/- LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.53% AND 25.14%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE SEE “TERMS OF THE ISSUE” ON PAGE 231 OF THIS PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE IS RS. 30/- . THE ISSUE PRICE IS 3 TIMES OF THE FACE VALUE.**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS 2009, AS AMENDED. FOR FURTHER DETAILS SEE “ISSUE RELATED INFORMATION” BEGINNING ON PAGE OF 231 THIS PROSPECTUS.**

Retail Individual Investors may participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”). **However, investors other than Retail Individual Investors shall compulsorily participate through the ASBA process only providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”).** For details in this regard, specific attention is invited to “Issue Procedure” on page 238 of this Prospectus. In case of delay, in refund if any, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is Rs. 10/- per equity share and the Issue Price is 3 times of the face value of the Equity Shares of our Company. The Issue Price (as determined and justified by our Company in consultation with the Lead Manager and as stated under the paragraph ‘Basis for Issue Price’ on page 69 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the “risk factors” carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. *Specific attention of the investors is invited to the section titled ‘Risk Factors’ beginning on page no. 9 of this Prospectus.*

### ISSUER’S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of BSE Limited. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended, we are not required to obtain an in-principle listing approval for the shares being offered in this issue. However, our Company has received an approval letter dated November 07, 2013 from BSE for using its name in this Prospectus for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

#### LEAD MANAGER TO THE ISSUE

#### REGISTRAR TO THE ISSUE



**HEM SECURITIES LIMITED**  
 14/15, 1<sup>st</sup> Floor, Khatau Building, 40, Bank Street, Fort, Mumbai - 400 001  
**Tel. No.:** 91-22- 2267 1543 / 44,  
**Fax No.:** 91-22 – 2262 5991  
**Website:** www.hemonline.com  
**Email:** ib@hemonline.com  
**Investor Grievance Email:** redressal@hemonline.com  
**Contact Person:** Mr. Harish Patel / Mr. Rajat Baid  
**SEBI Regn. No.** INM000010981

**SHAREPRO SERVICES (INDIA) PRIVATE LIMITED**  
 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri - Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072,  
**Tel. No.:** 022 – 61915400/ 5402 **Fax No.:** 022 – 61915444  
**Website:** www.shareproservices.com  
**Email:** sme.ipo@shareproservices.com  
**Investor Grievance Email:** lobo@shareproservices.com  
**Contact Person:** Mr. Subhash Dhingreja  
**SEBI Regn. No.** INR000001476

### ISSUE PROGRAMME

**ISSUE OPENS ON : Tuesday, November 26, 2013**

**ISSUE CLOSES ON : Thursday, November 28, 2013**

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**SECTION I – GENERAL DEFINITIONS**

Term	Description
“Captain Polyplast Limited”, “Captain”, “CPL”, “We” or “us” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Captain Polyplast Limited, a Company incorporated under the Companies Act, 1956 vide a certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.
“you”, “your” or “yours”	Prospective investors in this Issue.

**CONVENTIONAL / GENERAL TERMS**

Terms	Description
AOA / Articles / Articles of Association	Articles of Association of Captain Polyplast Limited, as amended from time to time.
Auditors/ Statutory Auditors	The Auditors of Captain Polyplast Limited: M/s. P. Ghanshyam & Co., Chartered Accountants.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Clause 52 of the SME Listing Agreement to be entered into with the BSE.
Board of Directors / the Board / our Board	The Board of Directors of Captain Polyplast Limited, including all duly constituted Committees thereof.
CIN	Corporate Identification Number.
Companies Act / Act	The Companies Act, 1956 and amendments thereto. The Companies Act, 2013, to the extent of such of the provisions as have come into force vide Ministry of Corporate Affairs’ Notification dated September 12, 2013.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Directors Identification Number.
Director(s) / our Directors	Director(s) of Captain Polyplast Limited, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Whole time Directors of our Company.
GIR Number	General Index Registry Number.
Group Companies	The companies, firms and ventures disclosed in “ <b>Our Promoter Group and Group Companies / Entities</b> ” on page 134 promoted by the Promoters, irrespective of whether such entities are covered under section 370(1) (B) of the Companies Act, 1956.
HUF	Hindu Undivided Family.
ISIN	International Securities Identification Number. In this case being INE536P01013.
Indian GAAP	Generally Accepted Accounting Principles in India.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Captain Polyplast Limited. as amended from time to time
Non Residents	A person resident outside India, as defined under FEMA Regulations.
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case: M/s SVK & Associates, Chartered Accountants.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoters	Mr. Ramesh D. Khichadia/ Mr. Rameshbhai D. Khichadia, Mr. Gopal D. Khichadia/ Mr. Gopalbhai D. Khichadia, Mr. Kantilal Gedia & Mr. Ashok Patel.
Promoter Group	The persons and entities constituting the promoter group pursuant to regulation 2(1)(zb) of the ICDR Regulations and disclosed in “ <b>Our Promoter Group and</b>

Terms	Description
	<b>Group Companies / Entities</b> ” on page 134.
Registered Office	Upper Level - 25, Royal Complex, Dhebar Road, Bhutkhana Chowk, Rajkot, Gujarat – 360002, India.
RoC	Registrar of Companies, Gujarat, Dadra & Nagar Haveli.
SEBI	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	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stock Exchange	BSE Limited (SME Platform).

#### ISSUE RELATED TERMS

Terms	Description
Allotment/Allot/Allotted	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.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company.
Application Supported by Block Amount (ASBA)	Means an application for subscribing to an issue containing an authorization to block the application money in a bank account.
ASBA Account	Account maintained by an ASBA Applicant with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant.
ASBA Applicant	Any Applicant who intends to apply through ASBA.
ASBA Application Form	The form, whether physical or electronic, used by an ASBA Applicant to make an application, which will be considered as the application for Allotment for purposes of the Prospectus.
Bankers to the Company	State Bank of India, Commercial Branch, Kalawad Road, Rajkot – Gujarat 360 001 & Bank of Baroda, Kailashnagar, Kalawad Road, Rajkot- Gujarat 360 001.
Bankers to the Issue / Escrow Collection Bank(s)	HDFC Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 244 of the Prospectus
BSE	Bombay Stock Exchange Limited.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Application Form used by ASBA Applicant and a list of which is available on <a href="http://www.sebi.gov.in/">http://www.sebi.gov.in/</a> .
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account or the Refund Account, as appropriate, and the amounts blocked by the SCSBs are transferred from the bank accounts of the ASBA Applicant to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to the Allottees.
Designated Stock Exchange	BSE Limited.
DP ID	Depository Participant’s Identity.
Draft Prospectus	The Draft Prospectus dated October 22, 2013 filed with the BSE.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this

Terms	Description
	Prospectus will constitute an invitation to subscribe for the Equity Shares.
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favor the Applicant (excluding the ASBA Applicant) will issue cheque or Demand Drafts in respect of the Application Amount when submitting an Application.
Escrow Agreement	Agreement dated November 12, 2013 entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof.
Escrow Collection Bank(s)	The Banks which are clearing members and registered with SEBI as Bankers to the Issue wherein the Escrow Account(s) of the Company will be opened. In this case being HDFC Bank Limited.
HSL	Hem Securities Limited.
IPO	Initial Public Offering.
Issue Closing Date	Tuesday, November 26, 2013
Issue Opening Date	Thursday, November 28, 2013
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 30/-
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case, Hem Securities Limited (Registration No. SMEMM0024801022013) is the sole Market Maker
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 18,76,000 Equity Shares of Rs.10/- each at Rs 30/- (including share premium of Rs. 20/-) per Equity Share aggregating to Rs. 562.80 Lacs/- (Rupees Five Hundred and Sixty Two Lacs and Eighty Thousand Only) by Captain Polyplast Limited.
Non-Institutional Investors / Applicant	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than Rs. 200,000.
OCB / Overseas Corporate Body	A Company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCB are not allowed to invest in this Issue.
Prospectus	The Prospectus, filed with the ROC containing, inter alia, the issue price, the size of the issue and other information.
Public Issue / Issue / Issue Size	Public Issue of 19,80,000 Equity Shares of Rs. 10/- each for cash at a Price of Rs. 30/- per Equity & Share premium of Rs. 20/- per Equity Share aggregating to Rs. 594.00 Lacs.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account(s) and from the SCBS from the bank account of the ASBA Applicant, on the Designated Date.
Qualified Institutional Buyers / QIBs	Public Financial Institutions as specified in Section 4A of the Companies Act 1956/ 2(72) of the Companies Act, 2013, Scheduled Commercial Banks, Mutual Funds, Foreign Institutional Investors registered with SEBI, Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds and AIFs registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority (IRDA), Provident Funds with a minimum corpus of Rs.25 Crores and Pension Funds with a minimum corpus of Rs. 25 Crores, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, Insurance funds set up and managed by 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 with an Escrow Collection Bank from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made.
Refund Banker	HDFC Bank Limited.
Refunds through electronic	Refunds through electronic transfer of funds means refunds through ECS, Direct

Terms	Description
transfer of funds	Credit or RTGS or NEFT or the ASBA process, as applicable.
Registrar/ Registrar to the Issue	Registrar to the Issue being Sharepro Services (India) Private Limited.
Regulations	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
Self Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>
Underwriters	The LM and The Market Maker who have underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated October 21, 2013 entered between the Underwriters and our Company.
Working Day	All days other than a Sunday or a public holiday (except during the Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in India are open for business.

## COMPANY AND INDUSTRY RELATED TERMS

### Technical and Industry Related Terms

Terms	Description
ASTM	American Society for Testing & Materials
BIS Standards	Bureau of Indian
CI	Casting Iron
CPVC	Chlorinated Polyvinyl Chloride
C&F	Carry & Forward
DG	Diesel Generator
DIC	District Industries Centre
GFI	Gross Fixed Investment
GIS	German Industrial Standard
GI	Galvanised Iron
HDPE	High Density Polyethylene
Kgf/cm <sup>2</sup>	Kilograms of force per square centimeter
KVA	Kilo Volt Ampere
LLDPE	Linear Low Density Polyethylene
mm	milli meters
MS	Mild Steel
PE	Polyethylene
PLB	Permanently Lubricated
Potable	Fit to drink
PP	Poly Propylene
PVC	Poly Vinyl Chloride
RPVC	Rigid Poly Vinyl Chloride
SSI	Small Scale Industries
SWR	Soil Waste and Rain Water
UPVC	Unplasticised Poly Vinyl Chloride
HDP	High density polyethylene
NCPAH	National Committee on Plasticulture Applications in Horticulture
HDPE	High Density Poly Ethylene
UIP	Ultimate Irrigation Potential
CGWB	Central Ground Water Board
IBWT	Implementation of Inter Basin Water Transfer
NCIWRDP	National Commission on Integrated Water Resources Development Plan
MMI	Major and Medium irrigation projects

MI	Minor Irrigation Project
NWA	National Water Academy

**ABBREVIATIONS**

<b>Abbreviation</b>	<b>Full Form</b>
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AIF	Alternative Investment funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
BG/LC	Bank Guarantee / Letter of Credit
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS. & CO	Company Secretary & Compliance Officer
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
ECS	Electronic Clearing System
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
Gol/Government	Government of India
GDP	Gross Domestic Product
HUF	Hindu Undivided Family
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
M. E	Master of Engineering
M. Tech	Masters of Technology

<b>Abbreviation</b>	<b>Full Form</b>
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
NA	Not Applicable
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
INR	Rupees, the official currency of the Republic of India
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
STT	Securities Transaction Tax
Sec.	Section
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.



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**CERTAIN CONVENTIONS, USE OF MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION**

**CURRENCY OF FINANCIAL PRESENTATION**

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Captain Polyplast Limited”, “CPL”, and “Captain”, unless the context otherwise indicates or implies, refers to Captain Polyplast Limited. In this Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Unless stated otherwise, throughout this Prospectus, all figures have been expressed in Lacs. Unless stated otherwise, the financial data in the Prospectus is derived from our financial statements prepared and restated for the financial year ended 2009, 2010, 2011 2012, 2013 and 6 months ended September 2013 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included under Section titled “**Financial Information of the Company**” beginning on page 146 of this Prospectus. Our Company has no subsidiaries. Accordingly, financial information relating to us is presented on a Standalone basis. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For additional definitions used in this Prospectus, see the section **Definitions and Abbreviations** on page 1 & 5 of this Prospectus. In the section titled “**Main Provisions of Articles of Association**”, defined terms have the meaning given to such terms in the Articles of Association of our Company.

**USE OF MARKET DATA**

Unless stated otherwise, market data used throughout this Prospectus was obtained from internal Company reports, data, websites, industry publications Report. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe market data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

### **FORWARD LOOKING STATEMENTS**

We have included statements in the Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”.

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:

1. Disruption in our manufacturing facilities
2. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
3. Changes in laws and regulations relating to the industries in which we operate;
4. Disruption in supply of Raw Materials
5. Increased in prices of Fuel and Power
6. Increase in Prices of Raw Material
7. Realisation of Contingent Liabilities
8. Occurrence of Environmental Problems & Uninsured Losses
9. Increased competition in industries/sector in which we operate;
10. Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
11. Our ability to meet our capital expenditure requirements;
12. Fluctuations in operating costs;
13. Our ability to attract and retain qualified personnel;
14. Changes in technology;
15. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
16. The performance of the financial markets in India and globally; and
17. Any adverse outcome in the legal proceedings in which we are involved.

For further discussion of factors that could cause our actual results to differ, see the Section titled "**Risk Factors**" beginning on page 9 of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

## RISK FACTORS

An investment in Equity involves a high degree of risk. Investors should carefully consider all the information in this Prospectus, 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 Prospectus 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 Prospectus 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.

### Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

### Note:

The risk factors 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**" on page 9 and "**Management Discussion and Analysis of Financial Condition and Results of Operations**" on page 191 of this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "**Audited Financial Statements, as restated**" prepared in accordance with the Indian Accounting Standards.

### INTERNAL RISK FACTORS

#### **1. There are outstanding legal proceedings involving Our Company.**

There are outstanding legal proceedings involving our Company. These proceedings are pending at different levels before various courts, tribunals, affiliate tribunals, enquiry officers, etc. Brief details of such outstanding litigations as of the date of this Prospectus are as follows:

<b>Litigation Involving Our Company</b>		
<b>Nature Of Cases</b>	<b>Nos. Of Outstanding Cases</b>	<b>Amount Involved (Rs. in Lacs)#</b>
<b>Civil</b>		
<i>Income Tax Case</i>	5	66.59
<i>Excise Case</i>	1	18.40
<b>Criminal</b>	Nil	-
<b>Notices</b>	Nil	-
<b>Total</b>	<b>6</b>	<b>85.00</b>

# This amount is the balance amount payable under the Notices of Demand after considering the amounts paid by the Company under protest in order to file appeals. For further details, see Section titled "**Outstanding Litigations and Material Developments**" on page no. 200 of this Prospectus. In addition, further liability may arise as penalties in respect of the Income Tax Proceedings.

#### **2. Our Company being a public limited company the provisions of Sections 198 & 309 of the Companies Act, 1956 are applicable and the remuneration paid to our Directors up to March 31, 2012 since last 4 FY was in excess of the limits prescribed under the provisions of said sections, which are subject to regularization by the relevant authorities in accordance with the relevant provisions of the Companies Act. The said non-compliance of above provisions needs to be regularized by the Company in accordance with Section 198 & 309 of the said Act.**

Our Company being public limited company the provisions of Sections 198 & 309 of the Companies Act, 1956 are applicable and the remuneration paid to our Directors up to March 31, 2012 since last 4 FY was in excess of the limits prescribed under the provisions of said sections, except in the current year in which remuneration is being paid in accordance with Section 198 read with Schedule XIII of the Companies Act.

**3. We do not own Registered Office from which we currently operate.**

We do not own our registered office premise situated at Upper Level - 25, Royal Complex, Dhebar Road, Bhutkhana Chowk, Rajkot, Gujarat – 360002, India. We have obtained this premise from our Promoter, Mr. Ramesh Khichadia vide Leave and License agreement dated April 02, 2013 on leave and license basis for a period of 12 months starting from April 01, 2013 at NIL consideration and which can be renewed on the basis of mutual consent. However, we cannot give an assurance that our leave and license agreement for the said premises would be renewed on commercially acceptable terms or at all.

**4. Our Company has not been making the required filings with the Registrar of Companies in a timely manner.**

Our Company is required, under the Companies Act, to make filings with the RoC, which has not been done within the stipulated time period. Due to these delays in filing, our Company had on several occasions paid the requisite late fees, which are as follows:

S. No	Particulars	Required Filings
1	Increase in borrowing Limits u/s 293 (1)(d) of Companies Act 1956 which was approved by shareholders in EGM as Special resolution held on 31-3-2000 for increase in borrowing limited to Rs. 2500. 00 lacs	Form 23
2	Allotment of Equity Share u/s 81 & 81 (1A) of Companies Act 1956 which was approved by shareholders in EGM as Special resolution held on 31/03/2009,14/11/2009 & 23/11/2010	Form 23

Our Company has recently appointed Mr. Sumit Mutha as Company Secretary and Compliance Officer and he is in the process of stream lining the system to ensure that requisite filings are done within the stipulated time in future with the requisite authorities.

**5. We have not entered into any long term supply agreement for the major raw materials required for manufacturing of our products. Also volatility in the prices and non availability of these raw materials may have an adverse impact in our business.**

We depend highly on HDPE & LLDPE granules, which are the prime raw material for our products and constitute 79.87 %, 74.47 % & 82.55 % of our total operating cost for FY 2013, FY 2012 and FY 2011 respectively. We generally procure these raw materials from indigenous suppliers as and when required. Moreover all these raw materials are by-products of petroleum; any fluctuation in the international price of crude oil affects the price and supply of these raw materials. Therefore, any significant increase in the prices of these raw materials due to any reason, and our inability to pass on increased costs of raw material to our customers or reduction in demand from our customers, may adversely affect our sales and profitability. In the absence of any long-term arrangement with suppliers and event of any disruption in the supply of raw materials supply in terms of requisite quantities and qualities, our production schedule may also be adversely affected.

**6. There are certain audit qualifications in the auditor’s report of our previous financial years/periods. The details of the audit qualifications are reproduced as follows**

Financial Year	Qualifications
March , 2012	The Company does not have an internal audit system
March , 2011	The Company does not have an internal audit system
March , 2010	The Company does not have an internal audit system
March , 2009	The Company does not have an internal audit system

The above qualification was rectified for FY 2013.

**7. We have high working capital requirements. Our inability to meet our working capital requirements may have a material adverse effect on our business, financial condition and results of operations.**

Our business requires a significant amount of working capital, which varies depending upon the time of subsidy payment by the State & Central government agencies. For instance, as at FY 2013, FY 2012 and FY 2011, our working capital was Rs. 524.10 Lacs, Rs. 403.77 Lacs and Rs.329.07 Lacs respectively. On an average the subsidy payments are realized between 4-6 months. Our inability to meet our working capital requirements can adversely impact our business.

**8. We have installed 2 windmills with of capacity 250kW and 750kW on September 27, 2010 and May 16, 2013 at Navadra, Kalyanpur Dist, Jamnagar, Gujarat and Nanimatli, Jamnagar, Gujarat respectively for wheeling the energy generated at wind farm for captive consumption. However these activities prior to September 11, 2013 were not covered under the object clause of our Memorandum of Association.**

In order to meet our power requirements, we have installed 2 windmills with of capacity 250kW and 750kW on September 27, 2010 and May 16, 2013 at Navadra, Kalyanpur Dist, Jamnagar, Gujarat and Nanimatli, Jamnagar, Gujarat respectively. But due to lack of professional guidance, we did not amend our object clause in Memorandum of Association suitably for insertion of the said business activities. However in our Annual General Meeting held on September 11, 2013 with the consent of members, we have now suitably modified our object clause to cover power generation activity and made requisite filings with ROC. However we cannot assure that no penal action will be taken against us by any statutory authority.

**9. We do not have any formal agreement with our Franchisee viz. M/s. Hindustan Pipe and Fitting Store, Jaipur, M/s. Kartikeya Enterprise, Indore and M/s. Automat Industries (P) Limited, Punjab**

As on date, we have 3 franchisee viz. M/s. Hindustan Pipe and Fitting Store, Jaipur, M/s. Kartikeya Enterprise, Indore and M/s. Automat Industries (P) Limited, Punjab who assist us in marketing and selling of our products in state of Rajasthan, Madhya Pradesh & Punjab, respectively. We have not entered into any formal agreement on stamp papers of requisite value with any of them. However we do have a written arrangement on our letterheads with M/s. Hindustan Pipe and Fitting Store, Jaipur, M/s. Kartikeya Enterprise, Indore but no such understanding with M/s. Automat Industries (P) Limited, Punjab. In the absence of any formal Agreement these franchisee may terminate our arrangement any time which may adversely affect our ability to market our products thereby affecting our revenues.

**10. We require several statutory and regulatory permits, licenses and approvals to operate in the manufacturing business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect Our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all.**

Our Company requires certain statutory and regulatory registrations, licenses, permits and approvals for our business. The brief details are mentioned here under:

S. No.	Approvals	Places	Status
1	Registration under Bombay Shops and Establishment Act, 1948	Branch office in Nasik, Maharashtra	Applied
2	Registration under Bombay Shops and Establishment Act, 1948	Branch office in Baroda, Gujarat	Applied
3	Registration under Bombay Shops and Establishment Act, 1948	Branch office in Dessa, Gujarat	Applied
4	Registration under Bombay Shops and Establishment Act, 1948,	Branch office in Himmat Nagar Gujarat	Applied
5	Registration under Bombay Shops and Establishment Act, 1948	Branch office in Surendra Nagar Gujarat	Applied
6	Registration under the Punjab Shops and Commercial Establishments Act, 1958	Branch office in Bhiwani, Haryana	Applied
7	Application no. SAN 00306737 dated October 18, 2013 for registration under the	Employees' State Insurance Act, 1948 from the Assistant Regional Director, Rajkot	Applied

	Employees' State Insurance Act, 1948 from the Assistant Regional Director in respect of our manufacturing unit at Shapar, Rajkot.		
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We may be prohibited from carrying on our business at the offices for which we have not obtained such licenses in addition to being penalized for non compliance of the above laws.

Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please see chapters titled **“Key Industry Regulations and Policies in India”** and **“Government and Other Approvals”** at pages 108 and 210 respectively of this Prospectus.

**11. The Micro Irrigation Industry is highly dependent on subsidy policy by the central & state government under various mega MIS projects. Withdrawal of Government Subsidies could adversely affect our operations.**

The Micro Irrigation Industry is highly dependent on government subsidies. Our customers are mainly farmers who are looking for irrigation solutions. We sell our products in project as well as open market. As per the current policies under open market where we have arrangement with nodal agency wherein they pay us back subsidy (50% to 70%) over a period of 4- 6 months. Any adverse change or withdrawal of Government Subsidy policies could adversely affect our business.

**12. We are highly dependent on our Top 10 suppliers for uninterrupted supply of raw-materials. Any disruption in supply of raw materials from these suppliers will adversely affect our operations.**

We are highly dependent on HDPE/LLDPE granules, which are the prime raw material for our products. We procure our supply of raw materials from various suppliers depending upon the price and quality of raw materials. However our Top 10 supplier contributes significantly to supply of raw materials. Any disruption of supply of raw materials from these suppliers will adversely affect our operations. The contributions of our top 10 suppliers are as follows:

Particulars	For 6 months ended September 30, 2013	Year ended March - 13	Year ended March - 12	Year ended March - 11
Top Supplier	26.44%	17.51%	24.29%	19.49%
Top 10 Supplier	82.21%	71.88%	68.25%	69.36%

**13. Our ineligibility or non fulfillment of prescribed parameters for obtaining subsidy could adversely affect our revenues.**

Our eligibility to receive subsidies from nodal agency is subject to fulfillment of prescribed parameters by our company. Such conditions includes the quality of the products, the nature of the after sales service, warranties etc. While we are in compliance with all such eligibility parameters as on date, we are unable to assure you that we shall continue to comply with such conditions in the future. In case we are unable to meet any or all of such eligibility parameters, we shall be unable to market our products under the subsidy scheme, which shall materially increase the cost of our products from the farmers’ perspective and consequently may adversely affect our revenues.

**14. All of our branch offices, from where we operate, are either taken on leave and license or are leased. Discontinuation of lease agreements may require us to vacate such premises which may have an adverse impact on our business continuity and profitability. Further the lease deeds/agreements entered into by our Company are not adequately stamped and registered.**

All of our branch offices, from where we operate, are either taken on lease and license or are leased. If any such agreement under which we occupy the premises is not renewed on terms and conditions that are favourable to us, or at all, we may suffer a disruption in our operations which could have a material adverse effect on our business, financial condition and results of operations.

Further, the lease deeds/agreements entered into by our Company for its branch offices are not adequately stamped and/or registered. The potential consequence of this could be that the said agreements may not be admissible as evidence in a court of law, until the relevant stamp duties are paid and the relevant registration, if required, is done. Any claim or adverse order/ finding in connection with these properties could adversely affect the operations of our Company. For further information please refer section titled "**Our Business - Property**" beginning on page 105 of this Prospectus

**15. We rely significantly on our Dealers/Distributors and Agents network in open market for sale of our products.**

We sell our products in open market through our network of dealers. At present, we have 169 dealers. Furthermore, our business growth in open markets depends on our ability to attract additional dealerships to our distribution network. While we believe that we have good relations with our dealers but there is no assurance that our current dealers will continue to do business with us or that we can continue to attract additional dealers to our network. If we do not succeed in maintaining the stability of our dealership network, our market share may decline, materially affecting our results of operations and financial condition.

**16. Our indebtedness, including various conditions and restrictions imposed on us under our financing agreements, could adversely affect our ability to grow our business or react to changes in our business environment.**

Our total Debts as per our restated summary statements was Rs.4595.87 Lacs as of 6 months ended September 30, 2013 and our Debt Equity ratio was 3.80 as of such date. As of March 31, 2013, the total secured Debt and unsecured Debt as per our restated summary statements was Rs. 4001.39 Lacs and our Debt Equity ratio was 3.65 as of such date. For further details, please see **Financial Indebtness of our Company** beginning on page 187 of this Prospectus.


Our indebtedness could:

- require us to dedicate a substantial portion of our cash flow from operations to payments in respect of our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate expenditures;
- increase our vulnerability to adverse general economic or industry conditions;
- limit our flexibility in planning for, or reacting to, competition and/or changes in our business or our industry;
- limit our ability to borrow additional funds;
- restrict us from making strategic acquisitions, introducing new services or exploiting business opportunities; and
- Place us at a competitive disadvantage relative to competitors that have less debt or greater financial resources.

There can be no assurance that we will be able to generate enough cash flow from operations or that we will be able to obtain enough capital to service our debt or fund our planned capital expenditures. In addition, we may need to refinance some or all of our indebtedness on or before maturity.

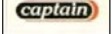
**17. Our lenders have charge over our movable and immovable properties in respect of finance availed by us.**


We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs. 1437.49 Lacs as on 30th September, 2013. In addition to the outstanding unsecured loans were 268.71 Lacs as on 30th September, 2013 and out of these unsecured loans Rs. 183.77 Lacs are repayable by us on the notice of three months. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders. For further information on the financing and loan agreements along with the total amounts outstanding and the details of the repayment schedule please refer **to Annexure- H1** of section titled "**Financial Information**" on page 168 of this Prospectus.


18. **Some of our label/logo  &  has not been registered. The same has been objected. Consequently we may not be able to effectively protect our intellectual property.**


We had filed an application for registration of our Company label which has been objected by the Trade Marks Registry under Section 11 of the Trade Mark Act, 1999. Accordingly, there is no assurance that the application will be approved by the Trade Mark Registry. Furthermore, our application for the registration of the trade mark has been opposed by third parties and we may have to incur significant cost and spend time in litigations in relation to these oppositions. In the event we are not able to obtain the trademark registration of our Company, we may not be able to avail the legal protection and legal remedies (in case of infringement) available as a proprietor of registered trademarks. Non-registration may adversely affect our Company's ability to protect its trademark against infringements which may materially and adversely affect our goodwill and business. If our Company fails to successfully protect or enforce its intellectual property rights, it may be required to change its logo. Any such change could require our Company to incur additional costs and may impact its brand recognition among customers. For details on the trademark applications, kindly refer to "Government and Other Approvals" on page 210 of this Prospectus.


19. **Our Company has not registered its corporate name and logo, which may result in substantial loss to our Company if any third party uses such name and logo.**

Our Company had applied for the registration of the trademark of its logo  by an application dated July 30, 2013 under classes 7, 9 and 17 under the Trade Marks Act, 1999. Our corporate name and logo has not been registered as a result of the same the use of the words "CAPTAIN" in the corporate and trading names by any third parties may lead consumers to confuse them with our Company and if they experience any negative publicity, it could have an adverse effect on our business, results of operations and financial condition. This confusion might also lead to our Company losing business to such competitors and might adversely affect our goodwill. Maintaining the reputation of our brands, corporate name, logo and the goodwill associated with these trademarks is critical to our success. Substantial erosion in the value of our brand names could have a material adverse effect on our business, financial condition, results of operations and prospects.

20. **Our logo  is being used by one of our group company, Captain Pipes Pvt Limited.**

Our Corporate logo  is under the process of registration with Registrar of Trade Marks Authority. We are waiting for the registration certificate. Meanwhile one of our group company viz. **Captain Pipes Pvt Limited** is using our company logo. We have not entered into a formal agreement with our viz. Captain Pipes Pvt Limited for usage of the logo.

21. **We have not received registration certificate for our corporate logo  but we are using it as registered trademark in our communications viz . Letterheads, Banner and other material.**

Our Corporate logo  is under the process of registration with Registrar of Trade Marks Authority. We are waiting for the registration certificate. The Advertisement period has expired and we have not received any objection for the same. As per the Trademark Act, 1999 our logo is deemed registered. However, we are waiting for the registration certificate for same. In the meanwhile, we have shown our logo as a Registered Trade Mark for which we may face penal action from Registrar of Trade Marks.

22. **We have not made provision for Debtors worth Rs. 34.80 Lacs for which have been carried in our books for more than 3 years. We may suffer loss in case these debtors will do not be realised.**

The success of our business is dependent on Government Subsidies and we provide an average credit period of 4-6 months to debtors but there are some Debtors which are more than 3 years old. However, our management is confident that we will be able to realise these debtors. In case we are unable to realise these debtors we may suffer losses.

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

We do not have any permanent arrangement of labour and recruitments are made on daily basis as per requirements except for those who are on permanent pay rolls. 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 result of operations.

**24. *Strikes, Work stoppages or increased wage demands by our employees or any other kind of disputes with our employees could adversely affect our business and results of operations.***

Our Company is exposed to strikes and other industrial actions. As on the date, our Company has 144 full-time employees including workers at our manufacturing units. We expect a substantial increase in number of employees in the future. At present, we enjoy a good relationship with our employees. However, there can be no assurance that we may not experience disruptions in our operations due to disputes or other problems with our work force such as strikes, work stoppages or increased wage demands that may adversely affect our business and results of operations.

**25. *Our Promoters / Directors / Key Management Persons have given personal guarantees and have secured their personal properties in relation to debt facilities provided to us.***

Our Promoters and Key Management Persons of our Company namely Mr. Ramesh Khichadia, Mr. Gopal Khichadia, Mr. Kantilal Gedia & Mr. Ashok Patel have provided personal guarantee in relation to our secured debt facilities availed from State Bank of India. In an event our Promoters/ Directors withdraw or terminates his/their guarantee/s or security of personal properties, the lender for such facilities may ask for alternate guarantee/s or securities or for repayment of amounts outstanding under such facilities or even terminate such facilities. We may not be successful in procuring guarantee/s or collateral securities satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information please see the chapter titled **"Financial Indebtedness"** beginning on page 187 of this Prospectus. Credit facility availed by us from Banks may be recalled or revoked at any time.

Pursuant to certain loan facilities availed by us, the bank reserves the right to recall and /or revoke the facilities in full or in parts without notice or giving any reason. We cannot assure you that we will have adequate funds at all times to repay credit facility and may also be subject to the payment of higher penal interest. Moreover, our ability to borrow and the terms of our borrowings depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment. We may not be successful in obtaining these additional funds in a timely manner, or on favourable terms or at all, which could adversely affect our results of operations. For further details, see **"Financial Indebtedness"** on page 187 of this Prospectus.

**26. *We cannot assure you that we will be able to secure adequate financing in future on acceptable terms, in time or at all.***

We may require additional funds in connection with future business expansion and development initiatives. In addition to the our existing available funds , we may need additional sources of funding to meet these requirements, which may include entering into new debt facilities with lending institutions or raising additional debt in the capital markets. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of any of our business development plans and this may affect our business and future results of operations.

**27. *Our Promoters, Directors & Key Management Persons (KMPs) may have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoters, Directors & KMPs may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their directorship in our Company. Our Promoters are interested in the certain transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapters titled **"Business Overview"** and **"Our Promoter"**, beginning on page 90 and 131 respectively and the Annexure – P titled **"Related Party Transactions"** on page 176 under chapter titled **"Financial statements"** beginning on page 146 of this Prospectus.

**28. We are dependent on our Promoters, our senior management, directors and key personnel of our Company for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.**

Our Promoters, Directors, senior management and key managerial personnel collectively have many years of experience in the industry and are difficult to replace. They provide expertise, which enables us to make well informed decisions in relation to our business and our future prospects. For further details of our Directors and key managerial personnel, please refer to Section **“Our Management”** on page 119 of this Prospectus. We do not maintain any key man life insurance for any of the senior members of our management team or other key personnel. Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently.

Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

**29. 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 Rs.50, 000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of Clause 52 of SME Listing Agreement. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**30. Our business is substantially dependent on certain key clients from whom we derive a significant portion of our revenues. The loss of any significant clients may have a material and adverse effect on our business and results of operations.**

While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods, or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers. Also we are highly dependent on one customer who significantly contributes to our revenues. The percentage of sales derived from top customers in recent periods is given below:

Particulars	For 6 months ended September 30, 2013	Year ended March - 13	Year ended March - 12	Year ended March - 11
Sales to Top Customer (Gujarat Green Revolution Co. Ltd)	86.06	83.97	77.47	52.06
Sales to Top 10 Customers	92.86	94.90	87.81	71.41

**31. We are dependent on our directors and senior management and our inability to retain them and attract new key personnel may have an adverse impact on the functioning of our business.**

Our success is substantially dependent on the expertise and services of our Directors, Mr. Ramesh Khichadia, Mr. Gopal Khichadia & Mr. Ashok Patel and other members of our senior management team. We cannot assure you that we will be able to retain any or all of the key members of our management. In the event we lose the services of any of the key members of our management, our business may be materially and adversely affected. For further details of our directors and management, please see the section **“Our Management”** beginning on page 119 of this Prospectus.

**32. Any increase in or occurrence of our contingent liabilities may adversely affect our financial condition.**

As of September 30, 2013 our contingent liabilities as indicated in our restated summary statements were as follows:

Particulars	Amt (Rs in Lacs)
	30-Sep-13
Income Tax and Central Excise Matters under dispute & under adjudication	85.00
Guarantees given by bank on behalf of the company	768.42
Letter of Credits issued by bank	684.53
<b>Total</b>	<b>1537.95</b>

Any increase in our contingent liabilities or occurrence of these liabilities may materially and adversely affect our financial position, results of operations and cash flows.

**33. 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 may continue to do so in future. For absolute value of all transactions entered into with our related party entities please refer to **Annexure P "Statement of Related Party Transactions"** under section **"Financial Statements"**, beginning on 178 of this Prospectus. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

**34. Some of our Group Companies are engaged in the line of business similar to our Company. There are no non- compete agreements between our Company and such other Group Companies. We cannot assure that our Promoters will not favour the interests of the said Group Companies over our interest or that the said companies will not expand which may increase our competition, which may adversely affect business operations and financial condition of our Company.**

Our Group Companies viz. Captain Plastics Pvt Limited, Captain Pipes Pvt Limited, Jeel Polyplast Pvt Limited, Capital Polyplast (Guj) Pvt Ltd is engaged in the kind of activities similar to our Company. Further, we have not entered into any non-compete agreement with any of our said group companies. We cannot assure you that our Promoters who have common interest in such other group companies would not favour the interest of the said companies or such companies would not expand, which may adversely affect our profitability and results of operations. For further details, please refer to paragraph **"Common Pursuits"** on 145 of this Prospectus

**35. Some of our Promoter Group Companies have incurred losses in the last three fiscal years.**

The following Group Companies had incurred losses in the last three fiscal years as set forth below:

Particulars	(Rs in Lacs)		
	March 31, 2013	March 31, 2012	March 31, 2011
Captain Pipes Pvt. Ltd.	(7.75)	(135.57)	(30.23)
Captain Technocast Pvt. Ltd.	(38.82)	Nil	Nil
Captain Plastic Pvt. Ltd	(0.22)	(0.22)	Nil
Sanathra Pharmaceuticals Private Limited	(1.43)	0.06	(1.06)
Jeel Polyplast Private Limited	(0.17)	-	-
Capital Polyplast (Guj) Private Limited	(15.06)	Nil	-

**36. Any inability on our part to maintain quality standards could adversely impact our business, results of operations and financial condition.**

Success of our business depends upon quality of business. We are supplying our products to agriculture, horticulture, and irrigation and each sector has different product specifications. Any rapid change in our customers' expectation on account of changes in technology or introduction of new product or any other reason and failure on our part to meet their quality expectation could adversely affect our business, results of operations and financial condition.

**37. We have planned capital expenditure, which may not yield the benefits intended.**

We are embarking upon an expansion to meet the growing demand of domestic buyers in the Irrigation sector and introduction of new product line. We are incurring capital expenditure of Rs. 703.72 Lacs for expansion, as detailed in the section titled **"Objects of the Issue"** beginning on page no. 58 of this Prospectus. In the past, we have not undertaken capital expenditure of such size and our inability to manage capital expenditure may adversely affect our operations. We cannot assure that we will be able to get the benefits of the generally growing demand in this sector and accordingly the benefits accruing to us from the planned expansion may be less than what is anticipated.

**38. We are yet to place orders for certain plant and machinery, equipment's etc. as stated on section titled "Objects of the Issue" on page no. 58 of this Prospectus**

The net proceeds of the Issue are proposed to fund the expansion of production capacity and installation of new machineries amounting to Rs. 703.72 Lacs. We are yet to place orders for procuring plant and machinery to the tune of Rs. 594.51 lacs, which forms 46.80% of the total cost. Any delay in placing the orders or procurement of plant and machinery may delay implementation schedule of the proposed project. Such delays may also lead to increase in prices of these equipments further affecting our cost and profit estimates.

**39. We do not have long-term contracts with our clients.**

Our majority of clients are small farmers who requires are products to fulfill the irrigation requirements of for their farms. We sell them our products as and when they require so there is no continuous order from them and thus we are unable to build long-term relationships. However we have entered into agreements with Gujarat state government and empanelled with other state governments to supply products to farmers in project market.

**40. Our business depends on our manufacturing facility and the 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.

**41. Our existing manufacturing facility are geographically located in Rajkot, Gujarat and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster could have material adverse effect on our business and financial condition.**

Our existing and proposed manufacturing facilities are based in Rajkot, Gujarat. As a result, any localized social unrest, natural disaster or breakdown of services and utilities in and around Rajkot, Gujarat could have material adverse effect on our business, financial position and results of operations.

**42. Our business is adversely affected during the period between July to September due to southwest monsoons.**

Our business is dependent on agriculture & horticulture activities. Our production activities are generally affected due to southwest monsoon which affects agriculture activities in country thereby affecting demand of our products. Further projects relating to laying of pipes in irrigation and agriculture sector are also affected by heavy monsoon / extreme weather, which adversely affect our business. We may be subject to and this may have a material adverse effect on our business.

**43. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to and this may have a material adverse effect on our business.**

Our insurance policies currently consists of comprehensive coverage for plant & machinery, building, stocks for risks relating to fire, natural calamities, burglary, machinery breakdown for total insured amount of Rs. 1439.00 Lacs, details of which are disclosed on page no. 106 of this Prospectus. While we believe that the insurance coverage that we maintain is adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies preferred by us will be honored fully, in part or on time. Accordingly, to the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flows may be affected.

**44. Our Group Company, Captain Plastic Pvt. Limited has not begun any commercial operations till date. Any continued delay in the commencement of commercial operations may adversely affect yield on our investment in them.**

Our Group Company, Captain Plastic Pvt. Limited, was incorporated on June 03, 2010. However till date it has not commenced any commercial operation and hence there is no cash generation by it. Further, our investment in them by way of subscription to their equity share capital has not earned any returns by way of dividend, or any capital appreciation. Any continued delay in the commencement of commercial operations may adversely affect the yield on our investment in them.

**45. Our Promoter and the members of our Promoter Group will continue to retain significant control in the Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval. Our Promoter and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.**

As of September 30, 2013, our Promoter and the members of our Promoter Group hold 100 % of the issued equity share capital of the Company. After completion of the Issue, our Promoter and the members of our Promoter Group will hold 73.47 % of the equity shares capital of the Company and continue to retain a significant control of the Company. As a result, our Promoter and our Promoter Group will have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as our Promoter and the members of our Promoter Group continue to exercise significant control over the Company they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. Our Promoter and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

**46. Our Company has taken an unsecured loan from of our Promoter -Mr. Ramesh Khichadia, Mr. Gopal Khichadia, Mr. Ashok Patel & Mr. Kantilal Gedia .The total outstanding amount of which as on September 30, 2013 is Rs. 58.77 Lacs. The MoU as entered between our Company and the Lender provides for a notice of 3 months for its re-payment. However, incase our Promoter recalls the said loan at a shorter notice, it may have an adverse affect on our cash flow and financial condition.**

Our Promoter Mr. Ramesh Khichadia, Mr. Gopal Khichadia, Mr. Ashok Patel & Mr. Kantilal Gedia had given an unsecured loan to our Company @ 12 % pa. The total outstanding amount of which as at September 30, 2013 is Rs. 58.77 Lacs. The MoU as entered between our Company and the Lender provides for a notice of 3 months for its re-payment. Although our Company presently has sufficient provisions to pay back the loan, if the loan is recalled on a short notice, our Company may have to, on an urgent basis arrange for equivalent funds to fulfill the necessary requirements. Inability of our Company to do so may require creating a security for the said loan. The occurrence of these events may have an adverse effect on our cash flow and financial conditions. For more details regarding the loan, please refer the chapter titled "**Financial Statements**" beginning on page 146 of this Prospectus.

**47. *The new Companies Act, 2013 is in the process of being implemented and any developments in the near future may be material with respect to the disclosures to be made in this Prospectus as well as other rules and formalities for completing the Issue.***

The Companies Act, 2013 has been published on August 29, 2013 and Section 1 of the said Act was notified on August 30, 2013 while 98 more sections were notified as on September 12, 2013. Though we have incorporated the relevant details pertaining to the new Companies Act, 2013 (to the extent notified) in this Prospectus, any further notifications by the MCA after our filing of this Prospectus may be material with respect to the disclosures to be made in this Prospectus as well as other rules and formalities for completing the Issue. The Companies Act, 2013 is expected to replace the existing Companies Act, 1956. The Companies Act, 2013 provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, and the requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act, 2013 is expected to be complemented by a set of rules that shall set out the procedure for compliance with the substantive provisions of the Companies Act, 2013. In the absence of such rules, it is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the Companies Act, 2013 on the Issue, and on the business, prospects and results of operations of the Company

**EXTERNAL RISK FACTORS**

**48. *A slowdown in economic growth in India could cause our business to suffer.***

Our results of operations and financial condition are dependent on, and have been adversely affected by, conditions in financial markets in the global economy and, particularly in India. The Indian economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, business corruption, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, inflation, commodity and energy prices and various other factor Any slowdown in the Indian economy may adversely affect our business, financial condition, results of operations and the price of our Equity Shares.

**49. *Regulatory changes with regard to Direct/Indirect taxes may adversely affect our performance or financial conditions.***

Regulatory changes relating to business segments in which we operate in India can have a bearing on our business. Each State in India has different local taxes and levies which may include value added tax, sales tax and Octroi. Changes in these local taxes and levies may impact our profits and profitability. Any negative changes in the regulatory conditions in India or our other geographic markets could adversely affect our business operations or financial conditions.

**50. *Instability of economic policies and the political situation in India or elsewhere could adversely affect the fortunes of the industry.***

There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies governing the private sector over the past several years.

Unstable internal and international political environment could impact the economic performance in both the short term and the long term. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business, and the market price and liquidity of the Equity Shares, may be affected by changes in interest rates, changes in the Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

**51. *Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.***

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist

attacks in India, such as the attacks in Mumbai in November 2008 and in July 2011, may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

**52. *The occurrence of natural disasters may adversely affect our business, financial condition and results of operations.***

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires and pandemic disease may adversely affect our financial condition or results of operations. The potential impact of a natural disaster on our results of operations and financial position is speculative, and would depend on numerous factors. The extent and severity of these natural disasters determines their effect on the Indian economy. Although the long term effect of diseases such as the H5N1 “avian flu” virus, or H1N1, the swine flu virus, cannot currently be predicted, previous occurrences of avian flu and swine flu had an adverse effect on the economies of those countries in which they were most prevalent. An outbreak of a communicable disease in India would adversely affect our business and financial conditions and results of operations. We cannot assure you that such events will not occur in the future or that our business, financial condition and results of operations will not be adversely affected.

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

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

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

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (“IFRS Convergence Note”). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFR. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in the shareholders’ equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period.

**55. *We have not independently verified certain data in this Prospectus.***

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

These facts and other statistics include the facts and statistics included in “*Summary of Industry*” and “*Industry Overview*” on pages 24 and 79 respectively. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**Prominent Notes:**

1. Public Issue Of 19,80,000 Equity Shares of Face Value of Rs. 10/- each of Captain Polyplast Limited (“CPL” or “Our Company” or “The Issuer”) For Cash At a Price of Rs. 30/- Per Equity Share (Including a Share Premium of Rs. 20/- per Equity Share) (“Issue Price”) aggregating to Rs.594.00 Lacs, of which 1,04,000 Equity Shares of Face Value of Rs. 10/- each aggregating To Rs. 31.20 Lacs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”). The Issue Less the Market Maker Reservation Portion i.e. Issue of 18,76,000 Equity Shares of Face Value of Rs. 10/- each aggregating to Rs.562.80 Lacs is hereinafter referred to as the “Net Issue”. The Issue and the Net Issue will constitute 26.53% and 25.14%, respectively of the Post Issue paid up Equity Share Capital of Our Company.
2. This Issue is being made for at least 25% of the post- issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue ‘the allocation’ is the net issue to the public category shall be made as follows:
  - a) Minimum fifty percent to retail individual investors; and
  - b) Remaining to Individual applicants other than retail individual investors; and 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 retail individual investor category is entitled to more than fifty per cent. on proportionate basis, Accordingly the retail individual investors shall be allocated that higher percentage.

3. The Net worth of our Company as on September 30, 2013 and March 31, 2013 was Rs. 1208.34 Lacs and Rs. 1097.64 Lacs respectively. For more information, see the section titled “**Financial Statements**” beginning on page 146 of this Prospectus.
4. The NAV / Book Value per Equity Share, based on Standalone Restated Financials of our Company as September 30, 2013 and March 31, 2013 was Rs. 22.04 per share and Rs. 50.04 Lacs respectively. For more information, see the section titled “**Financial Statements**” beginning on page 146 of this Prospectus.
5. The average cost of acquisition of Equity Shares by our Promoters is set out below:

Name of our Promoters	Number of Equity Shares Held	Average Cost of Acquisitions (Rs)
Mr. Ramesh Khichadia	13,68,550	2.70
Mr. Gopal Khichadia	11,45,050	2.45
Mr. Ashok Patel	2,550	0.04
Mr. Kantilal Gedia	2,36,350	2.11

*As certified by our Statutory Auditor vide their certificate dated October 19, 2013. For Further details, please refer to “Capital Structure” on page 42 of this Prospectus.*

6. We have entered into various related party transactions with related parties including various Promoter group companies/entities for the period ended September 30, 2013. For nature of transactions and other details as regard to related party transactions section titled “**Financial Statements - Annexure P - Statement of Related Parties Transactions, as Restated**” on page 176 of this Prospectus.
7. No Group companies have any business or other interest in our Company, except as stated in section titled “**Financial Statements - Annexure P - Statement of Related Parties Transactions, as Restated**” on page 176 and “**Our Promoters and Group Entities**” on page 134, and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.



8. Our Company was incorporated on March 27, 1997, as “Captain Polyplast Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli and received the certificate of Commencement of Business on April 02, 1997. The Corporate Identification Number of our Company is U25209GJ1997PLC031985. For details of change in our name, please refer to Section titled “**History and Certain Corporate Matters**” on page 116 of this Prospectus.
9. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Prospectus.
10. Our Company, Promoters, Directors, Promoter Group, Group companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
11. Investors are advised to see the paragraph titled “**Basis for Issue Price**” beginning on page 69 of this Prospectus.
12. The Lead Manager and our Company shall update this Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
13. Investors are free to contact the Lead Manager i.e. Hem Securities Limited for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
14. In the event of over-subscription, allotment shall be made as set out in paragraph titled “**Basis of Allotment**” beginning on page 244 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
15. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapter titled “**Our Management**” on page 119 of this Prospectus.
16. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see “**Financial Information**” beginning on page 146 of this Prospectus.

**SUMMARY OF OUR INDUSTRY**

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Prospectus, including the information contained in the chapter titled “Risk Factors” and “Financial Statements of the Company” and related notes beginning on page 9 and 146 of this Prospectus before deciding to invest in our Equity Shares.

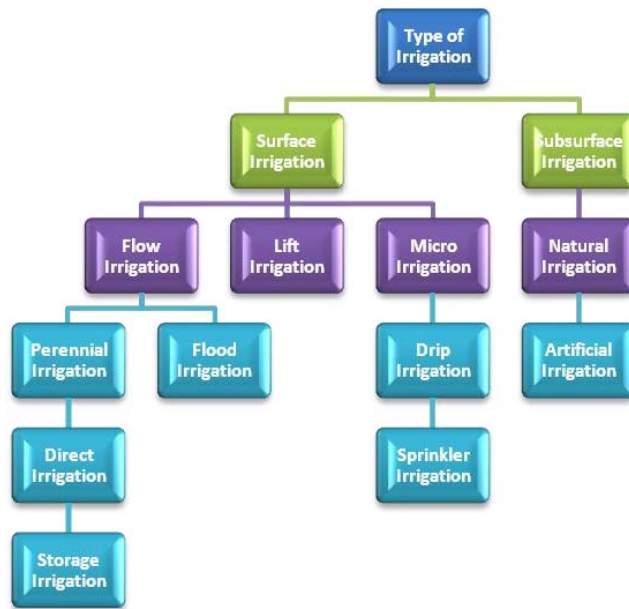
**Industry Overview**

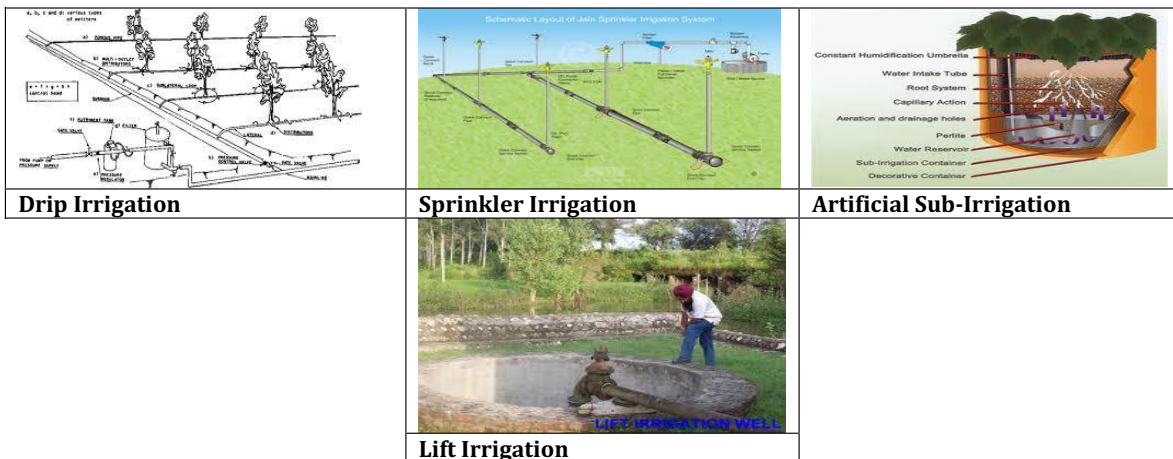
**The Report of the Task Force on Irrigation Planning Commission Government of India May 2009**

**Water Resources Potential of the Country**

Water resources potential of the country has been assessed from time to time by different agencies. As per the latest assessment annual average available water resource of the country is 1869 BCM. Within the limitations of physiographic conditions, socio political environment, constraints and the technology available at hand, the utilizable water resources of the country has been assessed as 1123 BCM, of which 690 BCM is from surface water and 433 BCM from ground water sources. Harnessing of 690 BCM of utilizable surface water is possible only if matching storages are built to the required extent.

**Types of Irrigation**





**Surface Irrigation:** In this kind of irrigation water wets the soil surface. It further classified as flows:

1. **Flow Irrigation:** In this water is supply from higher level to lower level through gravity. E.g. irrigation from canal water or river water. It can be further classified as:
  - a. **Perennial Irrigation:** In this irrigation system, the water requirement for irrigation is supplied in accordance with crop requirements. Water is supplied through the storage canal or through canal distribution system. It is further sub-divided as:
    - i. **Direct Irrigation:** Irrigation is done from direct run off of a river, or by diverting the river run off water into some canal by constructing a diversion weir or barrage across the river.
    - ii. **Storage Irrigation:** A dam is constructed across a river to store water during the monsoon and it is supplied in the off taking channels during periods of low flow
  - b. **Flood irrigation:** In this soil is kept submerged and flooded with water, so as to cause thorough saturation of the land
2. **Lift Irrigation:** Water is lifted up by any manual or mechanical means such as Persian wheel, pumps, etc. and then supplied for irrigation
3. **Micro Irrigation:** It is being implemented through drip or sprinkler irrigation systems depending upon the crop and agro climatic conditions
  - a. **Drip Irrigation:** Drip Irrigation involves technology for irrigating plants at the root zone through emitters fitted on a network of pipes (mains, sub-mains and laterals)
  - b. **Sprinkler Irrigation:** Under this water is sprinkled under pressure into the air and plant foliage through a set of nozzles attached to network of aluminum or High Density Poly Ethylene (HDPE) pipes in the form of rainfall
4. **Subsurface Irrigation:** In this method of irrigation the supplied water comes directly in touch with root zone of the crops. It further classified as:
  - a. **Natural Sub-irrigation:** When underground irrigation achieved simply by natural processes without any extra efforts it is called natural sub-Irrigation for e.g. leakage water from channel, etc.
  - b. **Artificial Sub-irrigation:** The open jointed system of drain is artificially laid below the soil so as to supply the water to the crop by tube

### Ultimate Irrigation Potential of the Country

The Second Irrigation Commission (1972) assessed the ultimate irrigation potential (UIP) of the country as 113.47 Mha comprising of 58.47 Mha from major & medium irrigation schemes and 55 Mha from minor schemes. In 1995, Central Ground Water Board (CGWB) brought out a publication entitled "Ground Water Resources of India" where potential from ground water has been reassessed as 64.05 Mha. The UIP from minor surface water schemes were also revised from 15 Mha to 17.38 Mha as per reassessment made by the Working Groups set up in each State in this context. Later on, the Ministry of Water Resources constituted a Committee in May, 1997 under the Chairmanship of Chairman, Central Water Commission to firm up the figures of ultimate irrigation potential from minor irrigation both surface and ground water. The Committee in its report of December, 1998 made the following observations:

- a. The figure of ultimate irrigation potential needs periodic review in accordance with revision in the scope of harnessing additional water resources and technological advancement taking place in the field of irrigation and agriculture. So, the revised figures of irrigation potential from ground water in minor irrigation sector as assessed at present as 64.05 Mha may be accepted till further review is made in future when additional data/information becomes available
- b. In respect of irrigation potential due to surface water, it is observed that the figure has undergone marginal upward revision primarily due to change in the criteria for classifying schemes as minor scheme from cost basis to area basis (now the schemes with command area less than 2000 ha. are classified as minor irrigation schemes). The Committee was of the view that the irrigation potential of 17.38 Mha from minor surface irrigation as reported by the States appeared reasonable and could be accepted

Consequent upon acceptance of the above recommendation, the UIP of the country at present stands revised from 113.5 Mha to 139.9 Mha as detailed in below Table

**Table: Ultimate Irrigation Potential (UIP)**

Sector	(Million Hectares)	
	1972 (Second Irrigation Commission)	Existing
i) Major & Medium Irrigation	58.47	58.47
ii) Minor Irrigation	55.00	81.43
iii) Surface water	15.00	17.38
iv) Ground water	40.00	64.05
<b>Total:</b>	<b>113.47</b>	<b>139.90</b>

(Source: The Report of the Task Force on Irrigation Planning Commission Government of India May 2009)

Although the UIP of the country has undergone upward revision, the potential due to major and medium irrigation sector has remained unaltered since 1972. It has been noted in case of some States that potential created is more than the ultimate potential envisaged, whereas in some states the ultimate potential could not be achieved. So, a review of the ultimate potential on account of major and medium irrigation sector has also become necessary which should be taken up by the States in order to provide a more realistic base for formulation of future plans.

As per National Perspective Plan (NPP), the Implementation of Inter Basin Water Transfer (IBWT) proposals shall create additional irrigation potential of 35 Mha (13 Mha through peninsular and 22 Mha through Himalayan components). With the inter-basin transfer of water in future, the ultimate potential in the country may go up to 175 Mha.

## **SUMMARY OF OUR BUSINESS**

The following information should be read together with the information contained in the sections titled “**Risk Factors**”, “**Industry Overview**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and “**Financial Information**” on pages 9, 79, 191 and 146 respectively, of this Prospectus.

We are an ISO 9001:2008 certified company and are into business of manufacture and sale of quality Micro Irrigation Systems and allied products. We are in business for more than a decade and half and have in-depth knowledge of our products and industry in which we operate. Apart from manufacturing and selling of our products, we also undertake supply and installation of micro irrigation systems and provision of agronomical services to farmers.

Our Promoter and Founder, Mr. Ramesh Khichadia has more than two decades of experience in the field of marketing and manufacturing pipes and other irrigation related products and has been awarded Udyog Patra for self made industrialist in the year 2008 by Institute of Trade and Industrial Development and Indira Gandhi Priyadarshini Award in the year 2008 by All India National Unity Conference-New Delhi.

Our Product Range includes wide variety of products, covering Pipes Fittings and Irrigation Equipments including Drip Irrigation Systems, Sprinkler Irrigation Systems, Disc Filters, Screen Filters, Hydro-Cyclone Filters, Sand (Gravel) Filters, Compression Fittings, Valves (Electric & Mechanical), Fertilizer Tanks, Digital Controllers, Pressure Gauges, HDPE Pipes etc.

We manufacture our products at our factory located at Shapar, Rajkot-Gujarat with existing capacity of 6750 MT per year .Our products comply with Indian as well as International standards and has been certified to confirm to the “**Quality Management Systems Standard ISO 9001:2008**” by International Certification Services. All our products are ISI marked.

We have been awarded Special Recognition Award for Manufacturing of Quality Plastic Extruded Products in 2008 by Ministry of Micro, Small & Medium Enterprise, and Government of India.

We have entered into formal arrangements with 169 dealers and informal arrangements with a number of other dealers to market and sell our products in 6 states viz. Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab, and Maharashtra.

For the year ended March 31, 2013, our Company’s Total Income and Restated Profit After Tax was Rs. 6310.72 Lacs and Rs. 266.24 Lacs respectively, compared to our Company’s Total Income and Restated Profit After Tax of Rs. 5160.89 Lacs and Rs. 128.40 Lacs, representing an increase of 22.28 % in Income and 107.35% Profit After Tax respectively over previous year. For the 6 months ended as on September 30, 2013, our Company’s Total Income and Restated Profit after Tax was Rs. 3820.47 Lacs and Rs. 110.70 Lacs, respectively.

### **Our Competitive Strengths:**

1. **Diversified Product Portfolio:** Our Company has a varied product base to cater to the requirements of our customers. Our Product Portfolio includes diversified variety of Pipes and Micro Irrigation Systems which are used in various industries. Our products includes Pipes Fittings and Irrigation Equipments including Drip Irrigation Systems, Sprinkler Irrigation Systems, Disc Filters, Screen Filters, Hydro-Cyclone Filters, Sand (Gravel) Filters, Compression Fittings, Valves (Electric & Mechanical), Fertilizer Tanks, Digital Controllers, Pressure Gauges, HDPE Pipes etc. are widely used in Agriculture , Horticulture, Housing and Infrastructure Sector. Our range of products allows our existing customers to source most of their product requirements from a single vendor and also enables us to expand our business from existing customers, as well as address a larger base of potential new customers.
2. **Experienced Management Team:** Our qualified and experienced management team has substantially contributed to the growth of our business operations. Our Company is managed by a team of experienced and professional personnel with exposure in various aspects of Pipes & Irrigation industry. Our Promoter and Founder, Mr. Ramesh Khichadia, who is an Agricultural Engineer by training, has more than two decades of experience in the field of marketing and manufacturing pipes and irrigation related products and has been awarded Udyog Patra for self made industrialist in the year 2008 by Institute of Trade and Industrial Development and Indira Gandhi Priyadarshini Award in year 2008 by All India National Unity Conference-New Delhi.

3. **Robust and Scalable Business Model:** Our Micro Irrigation Business is dependent on Government Subsidy. We operate in both Open Market as well as the Project Market. In Open Market, we sell our products to channel partners or dealer who pays us upfront or with minimum credit period. Our Dealers turn sell it farmers and after completion of installation and verification, receive subsidy payment from government agencies. In Project Market, we directly get work orders from nodal agencies of various states after loan tie ups/Contribution by farmers and determination of subsidy eligibility by the nodal agencies. MIS is installed only after receipt of the work order from the nodal agencies which enables us to secure release of payments under the project market. At present we operate on project market basis in states of Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab, and Maharashtra.
4. **Strong Marketing and Distribution network:** Our success depend upon our strong Marketing and distribution network in Project Market where we directly approach to farmers for installation of MIS after analyzing and studying their requirements. In the Open Market, we access direct and indirect sales channels for marketing of our products. Presently, we have 169 dealers, distributors and agents covering 6 states viz. Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab, and Maharashtra.

**Our Business Strategy:** We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

1. **Expansion of Existing Capacities:** Our Company started its operation in the year 1997 with initial capacity of 250 MT and subsequently increased to current capacity. As on date we have and capacity of 6750 MT and considering the future demand potential, we intend to increase our existing capacity to 8200 MT.
2. **Introduction of New Product Line:** Currently we are manufacturing products which are covered under Drip Line Irrigation and Cylindrical Dripper category. With our expansion plans and installation of new machineries, we will be able manufacture products which are covered Flat Drip Line Irrigation Category which has advantages over our existing product line. Following are advantages of Flat Dripper Line Irrigation:
  - a. Flat Dripper Line products can be used for all sizes (12mm, 16mm & 20mm)
  - b. With Flat Dripper Line products wall thickness of 0.2mm, 0.3mm & 0.4mm
3. **Increasing Geographical Presences:** Currently we are operation in 6 states viz. Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab and Maharashtra. Through our dealer/distributor /agents network in future, we intend to enter and capture new markets in the states of Chattisgarh, Himachal Pradesh, Karnataka & Andhra Pradesh and increase our geographical presence and thereby increase our customer base.
4. **Providing Value Added Services:** We believe that growth of business will further depend upon the value added services to our customers who are basically farmers. Currently we do provide after sale services and agronomy services. Moving forward, we intend to provide other value added services and train and educate our customers regarding benefits and advantages of MIS and thereby adding value.
5. **Research and Development:** We have a well qualified team with wide experience in pipes and irrigation industry who are constantly focusing on innovations. Our products confirm to various test requirements conducted independent bodies to meet industry standards. Our Research and Development team constantly studies different industry verticals to identify product inefficiencies and innovative strategies in areas in which we could add value.
6. **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 raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

**SUMMARY OF OUR FINANCIALS**

**ANNEXURE - I**

**SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)**

(Amt. in Rs.)

Particulars	As at					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Non-current assets</b>						
<b>Fixed Assets:</b>						
Tangible assets	115,064,371	57,362,152	58,641,299	45,886,990	27,422,267	15,365,184
Less: Revaluation Reserve	0	0	0	0	0	0
Net Block after adjustment of Revaluation Reserve	115,064,371	57,362,152	58,641,299	45,886,990	27,422,267	15,365,184
Intangible assets	0	0	0	0	0	0
Capital work-in-progress	3,741,844	38,936,817	0	0	0	149,110
Intangible assets under development	0	0	0	0	0	0
Non-current investments	5,724,493	5,723,206	81,331	0	0	0
Deferred tax assets (net)	0	0	0	0	0	0
Long-term loans & advances	5,356,295	5,758,350	3,798,590	3,994,401	3,505,945	706,481
Other non-current assets	0	0	0	0	0	0
<b>Total non-current assets (A)</b>	<b>129,887,003</b>	<b>107,780,525</b>	<b>62,521,220</b>	<b>49,881,391</b>	<b>30,928,212</b>	<b>16,220,775</b>
<b>Current Assets</b>						
Current Investments	0	0	0	0	0	0
Inventories	82,530,998	54,358,607	50,925,157	78,155,556	52,083,422	37,610,999
Trade Receivables	309,271,755	292,274,183	173,775,534	108,887,572	78,317,008	81,243,520
Cash & Bank Balances	45,217,908	37,303,228	25,736,627	25,187,058	23,279,080	18,354,501
Short Term Loans & Advances	12,236,939	14,621,387	9,829,082	5,635,248	7,180,971	3,229,592
Other Current Assets	9,780,733	8,892,447	4,392,697	5,189,107	4,221,701	5,078,663
<b>Total Current Assets (B)</b>	<b>459,038,333</b>	<b>407,449,851</b>	<b>264,659,097</b>	<b>223,054,541</b>	<b>165,082,182</b>	<b>145,517,275</b>
<b>Total Assets (C=A+B)</b>	<b>588,925,336</b>	<b>515,230,376</b>	<b>327,180,317</b>	<b>272,935,932</b>	<b>196,010,394</b>	<b>161,738,050</b>
<b>Non Current Liabilities</b>						
Long-term borrowings	54,873,897	45,099,860	24,155,993	17,754,170	9,510,149	9,004,322
Deferred tax liabilities (net)	7,095,886	4,027,709	3,960,028	3,373,395	1,124,437	648,088
Other long-term liabilities	0	0	0	0	0	0
Long-term provisions	1,408,397	1,299,159	1,142,717	861,649	631,823	536,482
<b>Total Non Current Liabilities (D)</b>	<b>63,378,181</b>	<b>50,426,728</b>	<b>29,258,739</b>	<b>21,989,214</b>	<b>11,266,409</b>	<b>10,188,892</b>
<b>Current liabilities</b>						
Short-term borrowings	98,045,410	107,617,832	67,611,533	61,882,247	68,950,259	56,748,479
Trade payables	229,997,691	189,775,920	125,608,289	111,761,542	52,865,326	42,004,723
Other current liabilities	68,970,112	41,824,638	25,935,978	13,683,854	13,420,725	16,921,049

Short-term provisions	7,699,948	15,821,307	5,126,417	2,820,220	4,146,404	4,188,298
<b>Total Current Liabilities (E)</b>	<b>404,713,161</b>	<b>355,039,696</b>	<b>224,282,216</b>	<b>190,147,864</b>	<b>139,382,714</b>	<b>119,862,549</b>
Share Application Money Pending Allotment (F)	0	0	0	0	0	0
<b>Total Liabilities (G = D + E + F)</b>	<b>468,091,341</b>	<b>405,466,425</b>	<b>253,540,955</b>	<b>212,137,078</b>	<b>150,649,123</b>	<b>130,051,441</b>
<b>Net Worth (H = C - G)</b>	<b>120,833,996</b>	<b>109,763,952</b>	<b>73,639,362</b>	<b>60,798,855</b>	<b>45,361,271</b>	<b>31,686,609</b>
<b>Net Worth represented by:</b>						
Share Capital	54,835,250	21,934,100	19,559,100	19,559,100	9,275,800	8,575,800
Reserves & Surplus						
Securities Premium	0	30,396,700	23,271,700	23,271,700	22,380,000	16,080,000
General Reserve	421,308	421,308	421,308	421,308	421,308	421,308
Capital Reserve - Cash Subsidy	1,763,866	1,763,866	1,763,866	1,763,866	1,763,866	1,763,866
Surplus	63,813,572	55,247,978	28,623,388	15,782,881	11,520,297	4,845,635
Less: Revaluation Reserve	0	0	0	0	0	0
Less: Miscellaneous Expenses not w/off	0	0	0	0	0	0
<b>Net Worth (I)</b>	<b>120,833,996</b>	<b>109,763,952</b>	<b>73,639,362</b>	<b>60,798,855</b>	<b>45,361,271</b>	<b>31,686,609</b>

Note: The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures II, III and IV.



## ANNEXURE - II

## STATEMENT OF PROFIT AND LOSS (AS RESTATED)

(Amt. in Rs.)

Particulars	6 months period ended	For the Year ended				
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Revenue from operations:</b>						
-Revenue from Sale of Products	373,687,358	621,171,794	507,617,975	362,545,498	372,309,190	230,721,339
-Revenue from Sale of Services	4,941,611	5,305,383	4,778,798	3,577,441	1,793,700	1,914,483
-Other Operating Income	2,367,445	1,649,287	1,391,289	508,177	0	0
<b>Net Revenue from operations</b>	<b>380,996,414</b>	<b>628,126,464</b>	<b>513,788,062</b>	<b>366,631,116</b>	<b>374,102,890</b>	<b>232,635,822</b>
Other income	1,050,852	2,946,038	2,301,145	2,019,152	1,639,871	966,898
<b>Total Revenue (A)</b>	<b>382,047,266</b>	<b>631,072,502</b>	<b>516,089,207</b>	<b>368,650,268</b>	<b>375,742,761</b>	<b>233,602,720</b>
<b>Expenses:</b>						
Cost of Materials & Stores Consumed	280,117,728	443,835,196	348,586,672	284,019,684	286,328,603	185,388,608
Changes in inventories of finished goods, WIP and Stock-in-Trade	(13,847,652)	(3,232,697)	16,884,204	(16,671,923)	(5,464,534)	(10,564,013)
Employee benefits expense	15,310,422	24,306,470	17,868,843	13,728,695	11,391,406	7,558,446
Finance costs	21,610,442	35,544,532	31,054,756	17,407,527	10,912,059	10,749,516
Depreciation & Amortization Expense	7,179,954	9,216,052	8,609,806	5,695,778	3,532,403	2,199,490
Preliminary Exp. written off	0	0	0	0	0	0
Other expenses	52,328,684	81,513,832	76,084,224	57,256,849	58,173,803	32,591,730
<b>Total Expenses (B)</b>	<b>362,699,578</b>	<b>591,183,385</b>	<b>499,088,505</b>	<b>361,436,610</b>	<b>364,873,740</b>	<b>227,923,777</b>
<b>Profit before exceptional, extra ordinary item and tax (C = A-B)</b>	<b>19,347,688</b>	<b>39,889,117</b>	<b>17,000,702</b>	<b>7,213,658</b>	<b>10,869,021</b>	<b>5,678,943</b>
Exceptional item (D)	0	0	0	0	0	0
<b>Profit before extra ordinary item and tax (E = C - D)</b>	<b>19,347,688</b>	<b>39,889,117</b>	<b>17,000,702</b>	<b>7,213,658</b>	<b>10,869,021</b>	<b>5,678,943</b>
Extraordinary item (F)	0	0	0	0	0	0
<b>Profit before tax (G = E-F)</b>	<b>19,347,688</b>	<b>39,889,117</b>	<b>17,000,702</b>	<b>7,213,658</b>	<b>10,869,021</b>	<b>5,678,943</b>
<b>Provision for Tax</b>						
-Current Tax	4,484,751	13,476,588	3,565,265	1,338,496	2,956,635	1,941,427
-Fringe Benefit Tax	0	0	0	0	0	200,000
-Tax adjustment of prior years	724,716	(279,741)	8,297	666,612	761,375	(493,717)
-Deferred Tax Liability/ (Asset)	3,068,177	67,681	586,633	2,248,958	476,349	68,739
-MAT Credit Entitlement	0	0	0	(1,302,993)	0	0
<b>Tax Expense For The Year (H)</b>	<b>8,277,644</b>	<b>13,264,528</b>	<b>4,160,195</b>	<b>2,951,073</b>	<b>4,194,359</b>	<b>1,716,449</b>

<b>Restated profit after tax from continuing operations (I = G - H)</b>	<b>11,070,044</b>	<b>26,624,590</b>	<b>12,840,507</b>	<b>4,262,584</b>	<b>6,674,662</b>	<b>3,962,495</b>
<b>Discontinuing operation</b>	0	0	0	0	0	0
<b>Restated profit for the year</b>	<b>11,070,044</b>	<b>26,624,590</b>	<b>12,840,507</b>	<b>4,262,584</b>	<b>6,674,662</b>	<b>3,962,495</b>
Balance brought forward from previous year	55,247,978	28,623,388	15,782,881	11,520,297	4,845,635	3,229,208
<b>Accumulated Profit/(Loss) carried to Balance Sheet</b>	<b>66,318,022</b>	<b>55,247,978</b>	<b>28,623,388</b>	<b>15,782,881</b>	<b>11,520,297</b>	<b>7,191,703</b>
<b>Dividend</b>	0	0	0	0	0	1,645,160
<b>Tax on Dividend</b>	0	0	0	0	0	279,600
<b>Transfer to General Reserve</b>	0	0	0	0	0	421,308
<b>Bonus Shares Issued</b>	2,504,450	0	0	0	0	0
<b>Balance Carried to Balance Sheet</b>	<b>63,813,572</b>	<b>55,247,978</b>	<b>28,623,388</b>	<b>15,782,881</b>	<b>11,520,297</b>	<b>4,845,635</b>

**Note:** The above statement should be read with the significant accounting policies and notes to restated summary statement of assets and liabilities, and cash flows statement as appearing in Annexures I, III and IV.

**CASH FLOW STATEMENT (AS RESTATED)**

(Amt. in Rs.)

Particulars	6 months period ended	For the Year ended				
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>1. Cash Flow From Operating Activities:</b>						
Net Profit before tax and extraordinary item	19,347,688	39,889,117	17,000,702	7,213,658	10,869,021	5,678,943
<i>Adjustments for:</i>						
Depreciation & Amortization Expenses	7,179,954	9,216,052	8,609,806	5,695,778	3,532,403	2,199,490
Interest Paid	29,846,861	29,846,861	26,858,258	17,407,527	10,912,059	10,749,516
Interest Received/ Other Non Operative Receipts	(1,050,852)	(2,946,038)	(2,301,145)	(2,019,152)	(1,639,871)	(966,898)
<b>Operating Profit before Working Capital Changes</b>	<b>55,323,651</b>	<b>76,005,992</b>	<b>50,167,621</b>	<b>28,297,811</b>	<b>23,673,612</b>	<b>17,661,051</b>
<i>Adjustments for:</i>						
Inventories	(28,172,391)	(3,433,450)	27,230,399	(26,072,133)	(14,472,423)	(18,140,282)
Trade Receivables	(16,997,572)	(118,498,649)	(64,887,962)	(30,570,564)	2,926,512	(859,726)
Short Term Loans & Advances	(2,558,036)	(213,962)	(453,407)	2,464,917	(3,427,587)	376,666
Other Current Assets	(888,286)	(4,499,750)	796,410	(967,406)	856,962	(3,436,467)
Trade Payables	40,221,771	64,167,631	13,846,747	58,896,216	10,860,603	(11,606,914)
Other Current Liabilities	27,145,474	15,888,660	12,252,123	263,129	(3,500,324)	13,456,724
Short term Provision	870,478	783,567	79,428	1,594,948	(1,057,102)	1,023,541
<b>Cash Generated from Operation</b>	<b>74,945,088</b>	<b>30,200,040</b>	<b>39,031,359</b>	<b>33,906,917</b>	<b>15,860,254</b>	<b>(1,525,407)</b>
Taxes Paid	9,258,820	7,863,867	5,087,220	4,542,441	3,226,594	2,475,192
<b>Net Cash from Operating Activities</b>	<b>65,686,269</b>	<b>22,336,173</b>	<b>33,944,138</b>	<b>29,364,476</b>	<b>12,633,660</b>	<b>(4,000,599)</b>
<b>2. Cash Flow From Investing Activities:</b>						
Fixed Assets Purchased (Net)	(29,687,200)	(46,873,722)	(21,364,115)	(24,160,501)	(15,440,376)	(5,266,048)
Interest Received/ Other Non Operative Receipts	1,050,852	2,946,038	2,301,145	2,019,152	1,639,871	966,898
<i>Adjustments for:</i>						
Long Term Loans & Advances	402,055	(1,959,760)	195,811	(488,456)	(2,799,464)	327,821
Non Current Investments	(1,287)	(5,641,875)	(81,331)	0	0	0
Long term Provision	109,238	156,442	281,068	229,826	95,341	536,482
Long Term Liabilities	0	0	0	0	0	0
<b>Net Cash from Investing Activities</b>	<b>(28,126,342)</b>	<b>(51,372,877)</b>	<b>(18,667,422)</b>	<b>(22,399,979)</b>	<b>(16,504,628)</b>	<b>(3,434,847)</b>

<b>3. Cash Flow From Financing Activities:</b>						
Proceeds from issue of shares	0	9,500,000	0	11,175,000	7,000,000	7,000,000
Proceeds from Short term borrowings	(9,572,422)	40,006,299	5,729,286	(7,068,012)	12,201,779	23,251,374
Proceeds from Long term borrowings	9,774,037	20,943,867	6,401,824	8,244,021	505,827	(459,115)
Payment of Interim Dividend and tax on it	0	0	0	0	0	(921,430)
Interest paid	(29,846,861)	(29,846,861)	(26,858,258)	(17,407,527)	(10,912,059)	(10,749,516)
<b>Net Cash from Financing Activities</b>	<b>(29,645,246)</b>	<b>40,603,305</b>	<b>(14,727,148)</b>	<b>(5,056,518)</b>	<b>8,795,547</b>	<b>18,121,313</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>7,914,681</b>	<b>11,566,601</b>	<b>549,568</b>	<b>1,907,979</b>	<b>4,924,580</b>	<b>10,685,867</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>37,303,228</b>	<b>25,736,627</b>	<b>25,187,059</b>	<b>23,279,080</b>	<b>18,354,500</b>	<b>7,668,633</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>45,217,909</b>	<b>37,303,228</b>	<b>25,736,627</b>	<b>25,187,059</b>	<b>23,279,080</b>	<b>18,354,500</b>

**Notes:-**

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements as recommended by Companies Accounting Standard Rules, 2006.
2. Figures in Brackets represents outflow.
3. The above statement should be read with the significant accounting policies and notes to restated summary statement of assets and liabilities and statement of profit and loss as appearing in Annexures I, II and IV.

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS PROSPECTUS</b>	
<b>Equity Shares Offered:</b> Public Issue of Equity Shares by our Company	19,80,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. 30/- per share aggregating to Rs. 594.00 Lacs
<b>Issue Reserved for the Market Makers</b>	1,04,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. 30/- per share aggregating Rs. 31.20 Lacs
<b>Net Issue to the Public*</b>	18,76,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. 30/- per share aggregating Rs. 562.80 Lacs
	<b>of which</b>
	9,38,000 Equity Shares of Rs. 10/- each at a premium of Rs.20/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2.00 Lacs
	9,38,000 Equity Shares of Rs. 10/- each at a premium of Rs. 20/- per Equity Share will be available for allocation for allotment to Other Investors of above Rs. 2.00 Lacs
<b>Equity Shares outstanding prior to the Issue</b>	54,83,525 Equity Shares of face value of Rs.10 each
<b>Equity Shares outstanding after the Issue</b>	74, 63,525 Equity Shares of face value of Rs.10 each
<b>Objects of the Issue</b>	Please see the chapter titled " <b>Objects of the Issue</b> " on page 58 of this Prospectus

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to "**Issue Structure**" on page 236 of this Prospectus.

\*As per 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 investors; 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 retail individual investor category is entitled to more than fifty per cent on proportionate basis, Accordingly the retail individual investors shall be allocated that higher percentage.*

### GENERAL INFORMATION

Our Company was originally incorporated on March 27, 1997, as “**Captain Polyplast Limited**” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli and received the certificate of Commencement of Business on April 02, 1997. The Corporate Identification Number of our Company is U25209GJ1997PLC031985. For details of the changes in our name and Registered Office, please see section titled “**History and Certain Corporate Matters**” on page 116 of this Prospectus.

#### **Brief Company and Issue Information:**

<b>Registered Office</b>	Upper Level - 25, Royal Complex, Dhebar Road, Bhutkhana Chowk, Rajkot - 360002, Gujarat, India. Tel No: +91- 2821-2226361, Fax No: +91 -2827-252056
<b>Head Office &amp; Factory</b>	Survey No. 267, Plot No. 10-A & 11, N.H. 8-B, Shapar - Veraval, Rajkot - 360024, Gujarat, India, Tel No: +91- 2827-253006, Fax No: +91 -2827-252056
<b>Date of Incorporation</b>	March 27, 1997
<b>Corporate Identification No.</b>	U25209GJ1997PLC031985
<b>Address of Registrar of Companies</b>	Registrar of Companies, Gujarat, Dadra & Nagar Haveli. RoC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad - 380 013, Gujarat, India.
<b>Name of the Stock Exchange</b>	SME Platform of BSE Limited
<b>Issue Programme</b>	Issue Opens on : Tuesday, November 26, 2013 Issue Closes on : Thursday, November 28, 2013
<b>Company Secretary &amp; Compliance Officer</b>	Mr. Sumit Mutha, Survey No. 267, Plot No. 10-A & 11, N.H. 8-B, Behind Jain Manufacture, Shapar - Veraval. Dist: Rajkot - 360002, Gujarat, India Tel No: +91- 2827-253006, Fax No: +91 -2827-252056 Website: <a href="http://www.captainpolyplast.com/">http://www.captainpolyplast.com/</a> E-mail: <a href="mailto:compliance@captainpolyplast.in">compliance@captainpolyplast.in</a>

**Note:** Investors can contact the Compliance Officer or the Lead Manager or the Registrar to the Issue in case of any Pre Issue or Post Issue related problems such as non-receipt of letter of allotment, credit of allotted securities in depository's beneficiary account or dispatch of refund orders etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant.

**Board of Directors of Our Company:** Our Board of Directors of our Company consists of:

<b>Name</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
Mr. Ramesh D. Khichadia	Chairman & Managing Director	A-13, Aalap Avenue, Uni. Road, Rajkot.-360 005, Gujarat, India	00087859
Mr. Gopal D. Khichadia	Whole Time Director	Abhishek Bungalows, Nr. Indralok Residency, Satyasai Hospital, Rajkot - 360 005, Gujarat, India	00127947
Mr. Ashok Patel	Whole Time Director	Prince Palace, 700-A, Nr. S.N.K. School, Uni. Road, Rajkot.-360 005, Gujarat, India	00127951
Mr. Arvind B. Ranparia	Non Executive Independent Director	B-68, Alap Century, Kalwad Road, Rajkot-360 001, Gujarat, India	00385251
Mr. Harshadray L. Patel	Non Executive Independent Director	17, Niranjani Society, Near Raameshwar Chowk, Rajkot - 360 007, Gujarat, India	06678731
Mr. Dhanji R. Padmani	Non Executive Independent Director	Swatik Govind Ratan Park, Street No. 1, 150 ft Road, Mavdi Plot, Nr Balaji Hall, Rajkot-360 003, Gujarat, India	06693942

For further details of the Directors of Our Company, please refer to the chapter titled “Our Management” on page 119 of this Prospectus.

**Details of Key Intermediaries pertaining to this Issue and Our Company:**

<b>Lead Manager of the Issue</b>	<b>Bankers to the Issue (Escrow Collection &amp; Refund Bank)</b>
<p><b>HEM SECURITIES LIMITED</b>                      14/15, 1<sup>st</sup> Floor, Khatau Building,                      40, Bank Street, Fort, Mumbai- 400 001                      Tel. No.:91-22-22671543/44                      Fax No.:91-22-2262 5991                      Website: <a href="http://www.hemonline.com">www.hemonline.com</a>                      Email: <a href="mailto:ib@hemonline.com">ib@hemonline.com</a>                      Investor Grievance Email: <a href="mailto:redressal@hemonline.com">redressal@hemonline.com</a>                      Contact Person: Mr. Harish Patel/Mr. Rajat Baid                      SEBI Regn. No. INM000010981</p>	<p><b>HDFC BANK LIMITED</b>                      GIG-OPS Department, Lodha-I, Think Techno Campus                      0-3 Level, Next to Kanjur Marg Railway Station,                      Kanjur Marg (East), Mumbai - 400 042                      Tel: +91-22-30752928                      Fax: +91-22-25799801                      Email: <a href="mailto:uday.dixit@hdfcbank.com">uday.dixit@hdfcbank.com</a>                      Website: <a href="http://www.hdfcbank.com">www.hdfcbank.com</a>                      Contact Person: Mr. Uday Dixit                      SEBI Regn: INBI00000063</p>
<b>Registrar to the Issue</b>	<b>Legal Advisor to the Issue</b>
<p><b>SHAREPRO SERVICES (INDIA) PRIVATE LIMITED</b>                      13 AB, Samhita Warehousing Complex, 2nd Floor,                      Sakinaka Telephone Exchange Lane, Off Andheri - Kurla                      Road, Sakinaka, Andheri (East), Mumbai – 400 072,                      Tel. No.: 022 – 61915400 / 5402                      Fax No.: 022 – 61915444                      Website: <a href="http://www.shareproservices.com">www.shareproservices.com</a>                      Email: <a href="mailto:sme.ipo@shareproservices.com">sme.ipo@shareproservices.com</a>                      Investor Grievance Email: <a href="mailto:lobo@shareproservices.com">lobo@shareproservices.com</a>                      Contact Person: Mr. Subhash Dhingreja                      SEBI Regn. No. INR000001476</p>	<p><b>JOBY MATHEW &amp; ASSOCIATES, ADVOCATES</b>                      110, 1<sup>st</sup> Floor, Rex Chambers,                      Walchand Hirachand Marg,                      Ballard Estate, Mumbai – 400 001,                      Maharashtra, India                      Tel: +91 22 4002 1553                      Fax: +91 22 4002 1553                      Email: <a href="mailto:office@advocatejoby.com">office@advocatejoby.com</a>                      Contact Person: Mr. Joby Mathew</p>
<b>Statutory Auditors of the Company</b>	<b>Peer Review Auditors</b>
<p><b>M/S. P. GHANSHYAM &amp; CO,</b>                      Chartered Accountants                      Shilp Tower, 605, Tagore Road,                      Rajkot, - 360002, Gujarat, India                      Tel No: +91- 281- 2482965                      Email: <a href="mailto:pghanshyam.co@gmail.com">pghanshyam.co@gmail.com</a>                      Contact Person: CA. Ghanshyam. L. Kathrotia</p>	<p><b>M/S. SVK &amp; ASSOCIATES,</b>                      Chartered Accountants                      C-701/702, Titanium Square, Near BMW Show Room,                      Thaltej Cross Roads, S. G. Road, Ahmedabad- 380054                      Gujarat, India Tel No:+91- 79-40320800                      Branch: 406, Metro Plaza, Nr. Eagle Travels, Jansata                      Chowk Rajkot – 360 001 Tel No:+91- 281-3091500                      Email: <a href="mailto:svk@casvk.com">svk@casvk.com</a>/<a href="mailto:npunit@casvk.com">npunit@casvk.com</a>                      Contact Person: CA. Shilpang Karia/CA. Punit Nathwani</p>
<b>Bankers to the Company</b>	
<p><b>STATE BANK OF INDIA</b>                      Commercial Branch, Kalawad Road,                      Rajkot - 360 001,Gujarat, India                      Tel No: +91-281-2476836/2474365                      Fax No: +91-281-2477590                      Email: <a href="mailto:sbi.04085@sbi.co.in">sbi.04085@sbi.co.in</a>                      Contact Person: Mr. Mirtunjay Kumar</p>	<p><b>BANK OF BARODA</b>                      Kailashnagar, Kalawad Road, Rajkot - 360 001                      Gujarat, India                      Tel No: +91-281-2476836/24743650                      Fax No: +91-281-2459310                      Email: <a href="mailto:kalawa@bankofbaroda.com">kalawa@bankofbaroda.com</a>                      Contact Person : Mr. S. K. Parmar</p>

**Statement of Inter se allocation of responsibilities**

Since Hem Securities Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager’s is not required.

**Self Certified Syndicate Banks (“SCSBs”)**

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on [www.sebi.gov.in/pmd/scsb.pdf](http://www.sebi.gov.in/pmd/scsb.pdf). For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

### Credit Rating

This being an Issue of Equity Shares, credit rating is not required. However for our Loan facilities with Banks/Financial Institutions, we have done our credit rating through CARE vide its report dated February 1, 2013 which has reaffirmed rating of BB- for our long term bank facilities and A4+ for our short term bank facilities

### 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.

### Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

### Monitoring Agency

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50000.00 Lacs.

However, as per the Clause 52 of the SME Listing Agreement to be entered into with the Stock Exchange upon listing of the Equity Shares and the Corporate Governance Requirements, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### Expert

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received consent a) from the Statutory Auditors of the Company to include their name as an expert under Section 58 of the Companies Act, 1956 in this Prospectus / Prospectus in relation to the 'Statement of Tax Benefits' dated October 19, 2013 b) from the Peer reviewed Auditors in relation to the Re-stated Auditors report dated October 21, 2013 to be included in this Prospectus / Prospectus and such consent has not been withdrawn as of the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

### Appraising Entity

No appraising entity has been appointed in respect of any objects of this Issue.

### Underwriting

The Company and the Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The Issue is 100% underwritten by the Lead Manager – Hem Securities Limited in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated October 21, 2013 entered into by us with Underwriter – Hem Securities Limited, the obligations of the Underwriter are subject to certain conditions specified therein. In the opinion of our Board of Directors the resources of the above mentioned Underwriters are sufficient to enable them to discharge their underwriting obligation in full. The Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act or registered as brokers with the BSE. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (Rs. in Lacs)	% of the Total Issue Underwritten	Size
<b>Hem Securities Limited</b> 203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan Tel: 0141-2378608, 2363278; 0141 - 5101757 Web: <a href="http://www.hemonline.com">www.hemonline.com</a> Email: <a href="mailto:underwriter@hemonline.com">underwriter@hemonline.com</a> Contact Person: Mr. Anil Bhargava SEBI Regn. No. INM000010981	19,80,000*Equity Shares of Rs. 10/-	594.00	100%	



*\*Includes 1,04,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker (Hem Securities Limited) in its OWN account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.*

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

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

Our Company has entered into Market Making Agreement dated October 21, 2013 with the following Market Maker to fulfill the obligations of Market Making for this issue:

<b>Name</b>	Hem Securities Ltd.
<b>Correspondence Address:</b>	203, Jaipur Tower, M.I. Road, Jaipur – 302 001, Rajasthan, India
<b>Tel No.:</b>	+ 91 - 141 - 2378608, 2363278
<b>Fax No.:</b>	+ 91 - 141 - 5101757
<b>E-mail:</b>	<a href="mailto:mm@hemonline.com">mm@hemonline.com</a>
<b>Website:</b>	<a href="http://www.hemonline.com">www.hemonline.com</a>
<b>Contact Person:</b>	Mr. Anil Bhargava
<b>SEBI Registration No.:</b>	INB011069953
<b>BSE Market Maker Registration No.:</b>	SMEMM0024801022013

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1, 00,000. However, the investors with holdings of value less than Rs. 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
4. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
5. 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.
6. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
7. 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.

8. 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 Lead Manager, 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.

9. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins, which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
10. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 Crores, the applicable price bands for the first day shall be:

- 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 BSE SME Exchange/ Platform.

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

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

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

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

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to Rs. 20 Crore	25%	24%
Rs. 20 to Rs. 50 Crore	20%	19%
Rs. 50 to Rs. 80 Crore	15%	14%
Above Rs. 80 Crore	12%	11%

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.

- 13. All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.**

### CAPITAL STRUCTURE

The Share Capital of our Company as on the date of this Prospectus is set forth below:

(Rs. in Lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 80,00,000 Equity Shares having Face Value of Rs. 10/- each	800.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 54,83,525 Equity Shares having Face Value of Rs. 10/- each	548.35	-
C	<b>Present Issue in terms of this Prospectus*</b> 19,80,000 Equity Shares having Face Value of Rs. 10/- each at a Premium of Rs. 20/- per share	198.00	594.00
	<b>Which Comprises</b>		
I.	<b>Reservation for Market Maker portion</b> 1,04,000 Equity Shares of Rs. 10/- each at a premium of Rs. 20/- per Equity Share	10.40	31.20
II.	<b>Net Issue to the Public</b> 18,76,000 Equity Shares of Rs.10/- each at a premium of Rs. 20/- per Equity Share	187.60	562.80
	<b>of which</b>		
	9,38,000 Equity Shares of Rs. 10/- each at a premium of Rs. 20/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2.00 Lacs	93.80	281.40
	9,38,000 Equity Shares of Rs. 10/- each at a premium of Rs. 20/- per Equity Share will be available for allocation for allotment to Other Investors of above Rs. 2.00 Lacs	93.80	281.40
D	<b>Paid up Equity capital after the Issue</b> 74, 63,525 Equity Shares having Face Value of Rs. 10/- each	746.35	2239.05
E	<b>Securities Premium Account</b> Before the Issue After the Issue		Nil 396.00

*\*The present Issue of 19, 80,000 Equity Shares in terms of this Prospectus has been authorized pursuant to a resolution of our Board of Directors dated September 09, 2013 and by special resolution passed under Section 81 & 81(1A) of the Companies Act, 1956 at the Annual General Meeting of the members held on September 11, 2013.*

#### Classes of Shares

Our Company has only one class of share capital i.e. Equity Shares of Rs. 10/- each only.

#### Notes to Capital Structure

##### 1. Details of Increase/Changes in Authorized Share Capital of our Company:

Date of Meeting	Changes in Authorized Share Capital
Incorporation	Authorised Capital with Rs. 20, 00,000 divided into in 2, 00,000 Equity Shares of Rs.10/- each.
18-Sep-98	Increase in the authorized share capital of the Company from Rs. 20,00,000 divided into 2,00,000 Equity Shares of Rs. 10/- each to Rs. 25,00,000 divided into 2,50,000 Equity Shares of Rs. 10/- each.
5-Feb-00	Increase in the authorized share capital of the Company from Rs. 25,00,000 divided into 2,50,000 Equity Shares of Rs. 10/- each to Rs. 50,00,000 divided into 5,00,000 Equity Shares of Rs. 10/- each.
18-Aug-07	Increase in the authorized share capital of the Company from Rs. 50, 00,000 divided into 5, 00,000 Equity Shares of Rs. 10/- each to Rs. 75, 00,000 divided into 7, 50,000 Equity Shares of Rs. 10/- each.
1-Nov-07	Increase in the authorized share capital of the Company from Rs. 75,00,000 divided into 7,50,000 Equity Shares of Rs. 10/- each to Rs. 85,00,000 divided into 8,50,000 Equity Shares

Date of Meeting	Changes in Authorized Share Capital
	of Rs. 10/- each.
2-Feb-09	Increase in the authorized share capital of the Company from Rs. 85,00,000 divided into 8,50,000 Equity Shares of Rs. 10/- each to Rs. 1,00,00,000 divided into 10,00,000 Equity Shares of Rs. 10/- each.
25-Mar-09	Increase in the authorized share capital of the Company from Rs. 1,00,00,000 divided into 10,00,000 Equity Shares of Rs. 10/- each to Rs. 1,01,00,000 divided into 10,10,000 Equity Shares of Rs. 10/- each.
27-Aug-10	Increase in the authorized share capital of the Company from Rs. 1,01,00,000 divided into 10,10,000 Equity Shares of Rs. 10/- each to Rs. 2,00,00,000 divided into 20,00,000 Equity Shares of Rs. 10/- each.
7-Sep-12	Increase in the authorized share capital of the Company from Rs. 2,00,00,000 divided into 20,00,000 Equity Shares of Rs. 10/- each to Rs. 3,00,00,000 divided into 30,00,000 Equity Shares of Rs. 10/- each.
11-Sep-13	Increase in the authorized share capital of the Company from Rs. 3,00,00,000 divided into 30,00,000 Equity Shares of Rs. 10/- each to Rs. 8,00,00,000 divided into 80,00,000 Equity Shares of Rs. 10/- each.

## 2. Equity Share Capital History of our Company:

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Cumulative Securities Premium Account (Rs.)	Cumulative Paid-up Capital (Rs.)	Consideration	Nature of Issue and Category of Allottees
Upon Incorporation	80	80	10	10	0	800	Cash	Subscription to MOA
20-May-97	10	90	10	10	0	900	Cash	Further Allotment <sup>(1)</sup>
30-Jun-97	1,17,800	1,17,890	10	10	0	11,78,900	Cash	Further Allotment <sup>(2)</sup>
1-Jun-98	46,680	1,64,570	10	10	0	16,45,700	Cash	Further Allotment <sup>(3)</sup>
21-Sep-98	35,430	2,00,000	10	10	0	20,00,000	Cash	Further Allotment <sup>(4)</sup>
31-Mar-00	2,11,950	4,11,950	10	10	0	41,19,500	Cash	Further Allotment <sup>(5)</sup>
31-Aug-00	78,630	4,90,580	10	10	0	49,05,800	Cash	Further Allotment <sup>(6)</sup>
15-Oct-07	1,50,000	6,40,580	10	50	60,00,000	64,05,800	Cash	Further Allotment <sup>(7)</sup>
16-Oct-07	1,05,000	7,45,580	10	10	60,00,000	74,55,800	Cash	Further Allotment <sup>(8)</sup>
31-Mar-08	42,000	7,87,580	10	100	97,80,000	78,75,800	Cash	Further Allotment <sup>(9)</sup>
31-Mar-09	70,000	8,57,580	10	100	1,60,80,000	85,75,800	Cash	Further Allotment <sup>(10)</sup>
14-Nov-09	70,000	9,27,580	10	100	2,23,80,000	92,75,800	Cash	Further Allotment <sup>(11)</sup>
15-Sep-10	9,27,580	18,55,160	10	-	1,31,04,200	1,85,51,600	Bonus Issue in the ratio of 1 share for every 1 Share held	Bonus Issue <sup>(12)</sup>

23-Nov-10	89,750	19,44,910	10	100	2,11,81,700	1,94,49,100	Cash	Further Allotment <sup>(13)</sup>
31-Mar-11	11,000	19,55,910	10	200	2,32,71,700	1,95,59,100	Cash	Further Allotment <sup>(14)</sup>
7- Sep -12	1,12,500	20,68,410	10	40	2,66,46,700	2,06,84,100	Cash	Further Allotment <sup>(15)</sup>
23-Mar-13	1,25,000	21,93,410	10	40	3,03,96,700	2,19,34,100	Cash	Further Allotment <sup>(16)</sup>
11-Sep-13*	32,90,115	54,83,525	10	-	Nil	5,48,35,250	Bonus Issue in the ratio of 3 shares for every 2 Shares held	Bonus Issue <sup>(17)</sup>

\* Bonus issue of 32,90,115 shares in ratio of (3:2) dated September 11,2013 has been issued by capitalization of Share Premium & Profit & Loss Account

**Notes:**

**1. The Subscribers to the Memorandum of Association of Our Company were.**

Name	No. of Equity Shares
<b>Subscriber to MOA</b>	
Mr. Ramesh Devraj Khichadia	10
Mr. Gopal Devraj Khichadia	10
Mr. Lalaji Gordhan Vekaria	10
Mr. Magan Gordhan Gajera	10
Mr. Kishor Gordhan Gajera	10
Mr. Kantilal Manilal Gedia	10
Mrs. Manjulaben Natvarlal Makadia	10
Mr. Ashok Kanji Patel	10
<b>Allotment made on 20-May-97</b>	
Mr. Bharat Meghji Vachhani	10

**2. Further allotment of 1,17,800 Equity Shares to**

Name	No. of Equity Shares
Mr. Ramesh Devraj Khichadia	5,000
Mr. Gopal Devraj Khichadia	5,500
Mr. Lalji Gordhan Vekaria	2,500
Mr. Magan Gordhan Gajera	3,000
Mr. Kishor Gordhan Gajera	5,000
Mr. Kantilal Manilal Gedia	2,500
Mrs. Manjulaben Natvarlal Makadia	10,000
Mr. Dilip Devraj Vaghasia	5,000
Mrs. Kanchaben Dilip Vaghasia	10,000
Mrs. Sangitaben Ramesh Kichadia	14,300
Mr. Devraj Pancha Kichadia	500
Mr. Tansukh Devraj Kichadia	1,000
Mr. Girdhar Devraj Kichadia	1,000
Mrs. Nitaben Lalji Vekaria	9,500
Mr. Jaman Gordhan Vekaria	4,000
Mrs. Ramilaben Magan Gajera	10,000
Mr. Gordhan Dharamshi Gajera	1,000
Mr. Balu Dharmshi Gajera	1,000
Mrs. Lilavantiben Kantilal Gedia	15,000

Mrs. JayMrben Bharat Vachhani	6,000
Kum. Hitalben Natvarlal Makadia	6,000
<b>TOTAL</b>	<b>1,17,800</b>

**3. Further allotment of 46,680 Equity Shares to**

<b>Name</b>	<b>No. of Equity Shares</b>
Mrs. Parvatiben Kantilal Gedia	1,990
Mr. Kanji Mohan Pansuria	11,990
Mr. Gaurang Ashok Patel	3,000
Mr. Ramesh Devraj Khichadia	5,000
Mrs. Sangita Ramesh Khichadia	10,700
Mrs. Neetaben Lalji Vekaria	10,000
Mrs. Lilavanti Kantilal Gedia	4,000
<b>TOTAL</b>	<b>46,680</b>

**4. Further allotment of 35,430 Equity Shares to**

<b>Name</b>	<b>No. of Equity Shares</b>
Mr. Dilip Devraj Vaghasia	5,000
Mr. Gordhan Karshan Vekaria	6,000
Mr. Gordhan Dharamshi Gajera	6,000
Mr Lalji Gordhan Vekaria	6,000
Mrs. Ramilaben Magan Gajera	12,430
<b>TOTAL</b>	<b>35,430</b>

**5. Further allotment of 2,11,950 Equity Shares to**

<b>Name</b>	<b>No. of Equity Shares</b>
Mr. Devraj Pancha Khichadia	4,800
Mrs.. Radiyaben Devraj Khichadia	4,350
Mr. Kanji Mohan Pansuria	46,950
Mr. Jayanti Mohan Pansuria	4,800
Mr. Mohan Keshav Pansuria	19,000
Mr. Ratilal Mohan Pansuria	4,900
Mr. Magan Gordhan Gajera	12,050
Mr. Bhavesh Kantilal Gedia	2,530
Mr. Kantilal Manilal Gedia	4,200
Gordhan Karshan Vekaria HUF	4,900
Jaman Gordhan Vekaria HUF	4,900
Mr. Bhikhalal Hari Vekaria	1,500
Mrs.. Radhaben Jaman Vekaria	1,000
Mr. Ashok Ranchhod Vekaria	1,000
Mr. Dinesh Ranchhod Vekaria	1,500
Mr. Mohan Samji Vekaria	1,500
Mr Keshav Ranchhod Vekaria	1,500
Mr. Vinod Ranchhod Vekaria	1,500
Mr. Samji Premji Vekaria	1,500
Mrs. Jayaben Hari Radadia	1,500
Mr. Harilal Keshav Radadia	1,500
Mrs. Nitaben Lalji Vekaria	2,500
Mr. Lalji Gordhan Vekaria	8,500
Mr. Jitendra Kantilal Gedia	2,500
Mr. Samir Kantilal Gedia	2,500
Mrs. Parvatiben Kantilal Gedia	3,000
Mr. Jaman Bhikha Bambharolia	2,000
Mr. Chandu Bhikha Bambharolia	2,000
Mr. Dhiru Bhikha Bambharolia	2,000

Mrs. Godavariben Bhikha Bambharolia	2,000
Mr. Bhikha Khoda Dobaria	2,000
Mr. Kirit Khoda Dobaria	2,000
Mr. Chandu Khoda Dobaria	1,500
Mrs. Shardaben Kirit Dobaria	1,500
Mr. Dinesh Gangadhar Ranparia	2,000
Mr. Mansukh Hansraj Bambharolia	2,000
Mr. Babu Daya Thumar	2,000
Mr. Kalpesh Babu Thumar	2,000
Mr. Bhikha Narshi Bambharolia	2,000
Mrs. Rashmitaben Gopal Khichadia	9,500
Mrs. Sangitaben Ramesh Khichadia	11,700
Mr. Babu Meghjihai Kachhadia	2,000
Mr. Babu Vallabh Gajera	2,000
Mr. Jayanti Devji Kachhadia	2,000
Mr. Dhiru Meghji Kachhadia	2,000
Mr. Meghji Keshav Kachhadia	2,000
Mr. Parsotam Devji Kachhadia	2,000
Mr. Kalu Devji Kachhadia	2,000
Mr. Babu Dharamshi Gajera	2,000
Mr. Kanti Meghji Gedia	3,000
Mr. Ramilaben Magan Gajera	370
<b>TOTAL</b>	<b>2,11,950</b>

**6. Further allotment of 78,630 Equity Shares to**

Name	No. of Equity Shares
Mr. Girdhar Devraj Khichadia	100
Mrs. Sangeetaben Ramesh Khichadia	2,500
Mr. Devraj Pancha Kichadia	50
Mr. Gordhan Karshan Vekaria	600
Mrs. Nitaben Lalji Vekaria	1,950
Mr. Gordhan Dharamshi Gajera	700
Mr. Ramilaben Magan Gajera	2,240
Mr. Bhavesh Kantilal Gedia	4,000
Mr. Kantilal Manilal Gedia	2,060
Mrs. Lilavantiben Kantilal Gedia	5,900
Mrs. Parvatiben Kantilal Gedia	800
Mr. Ketan Kanti Gedia	4,000
Mr. Babu Mani Gedia	4,000
Mrs. Muktaben Babu Gedia	4,000
Mr. Gaurang Ashok Patel	300
Mr. Dilip Devraj Vaghasia	1,000
Mrs. Kanchanben Dilip Vaghasia	1,000
Mr. Devraj Ranchhod Vaghasia	15,000
Mr. Mansukh Devraj Vaghasia	3,500
Mrs. Vilashben Jagdish Gondalia	2,500
Mr. Jagdish Rana Gondalia	2,500
Mrs. Manjulaben Vitthal Gondalia	2,500
Mr. Vallabh Rana Gondalia	2,500
Mr. Vipul Meghji Kachhadia	2,500
Mrs. Kashiben Meghji Kachhadia	2,500
Mr. Vitthal Ram Kacchadia	1,930
Mr. Magan Manji Kachhadia	2,000
Mr. Babu Manji Kachhadia	2,000
Mr. Rashiklal Manji Kachhadia	2,000
Mrs. Nathiben Gordhan Gajera	2,000
<b>TOTAL</b>	<b>78,630</b>



**7. Further allotment of 1,50,000 Equity Shares to**

Name	No. of Equity Shares
M/s. Bhumidev Credit Corporation Limited	20,000
M/s. Jai Durga Tradelink Private Limited	20,000
M/s. Jai Adhyashakti Marketing Pvt Limited	20,000
M/s. Netvision Web Technologies Limited	90,000
<b>TOTAL</b>	<b>1,50,000</b>

**8. Further allotment of 1,05,000 Equity Shares to**

Name	No. of Equity Shares
Mr. Gopal Devraj Khichadia	50,000
Mr. Ramesh Devraj Khichadia	55,000
<b>TOTAL</b>	<b>1,05,000</b>

**9. Further allotment of 42,000 Equity Shares to**

Name	No. of Equity Shares
M/s. Net Vision Web Technologies Limited	10,000
M/s. Jai Durga Trade Link Private Limited	12,000
M/s. Bhumidev Credit Corporation Limited	20,000
<b>TOTAL</b>	<b>42,000</b>

**10. Further allotment of 70,000 Equity Shares to**

Name	No. of Equity Shares
M/s. Jai Durga Trade Link Private Limited	20,000
M/s. Ideal Fertilizers Private Limited	20,000
M/s. Bhumidev Credit Corporation Limited	20,000
M/s. Jai Adhyashakti Marketing Pvt Limited	10,000
<b>TOTAL</b>	<b>70,000</b>

**11. Further allotment of 70,000 Equity Shares to**

Name	No. of Equity Shares
M/s. Shatnam Stock Trading Private Limited	20,000
M/s. Chandraprabhu Commodities Private Limited	40,000
M/s. Brahma Buildcare Private Limited	10,000
<b>TOTAL</b>	<b>70,000</b>

**12. Bonus issue of 9,27,580 Equity shares in ratio of 1:1 ( 1 Bonus shares for every 1shares held) to**

Name	No. of Equity Shares
Mr. Ramesh Devraj Khichadia	2,73,710
Mr. Gopal Devraj Khichadia	2,22,560
Mrs. Sangitaben Ramesh Khichadia	89,200
Mr. Tansukh Devraj Khichadia	1,000
Mr. Girdhar Devraj Khichadia	1,100
Mrs. Radiyaben Devraj Khichadia	4,350
Mrs. Rashmitaben Gopal Khichadia	9,500
Gopal Devraj Khichadia HUF	10,500
Ramesh Devraj Khichadia HUF	35,000
Mr. Kantilal Manilal Gedia	47,270
Mrs. Lilavantiben Kantilal Gedia	14,900
Mr. Bhavesh Kantilal Gedia	6,530
Mr. Ketan Kanti Gedia	4,000

Mr. Ashok Kanji Patel	30,010
Mr. Gaurang Ashok Patel	3,300
Mr. Kanji Mohan Pansuria	74,950
Mr. Ratilal Mohan Pansuria	5,900
Mr. Mohan Keshav Pansuria	19,000
Mr. Jayanti Mohan Pansuria	4,800
M/s. Captain Pipes Private Limited	70,000
<b>TOTAL</b>	<b>9,27,580</b>

**13. Further allotment of 89,750 Equity Shares to Captain Plastic Private Limited**

**14. Further allotment of 11,000 Equity Shares to Captain Plastic Private Limited**

**15. Further allotment of 112,500 Equity Shares to Mr. Ritesh Ramesh Khichadia**

**16. Further allotment of 125,000 Equity Shares to Captain Pipes Private Limited**

**17. Bonus issue of 32,90,115 Equity shares in ratio of 3:2 ( 3 Bonus shares for every 2 shares held) to**

Names	No. of Equity Shares
Mr. Ramesh Khichadia	8,21,130
Mr. Gopal Khichadia	6,87,030
Mr. Kantilal M Gedia	1,41,810
Mr. Ashok Patel	1,530
Mrs. Sangitaben Khichadia	2,67,600
Mrs. Rashmitaben Khichadia	28,500
Ramesh Khichadia HUF	1,05,000
Gopal Khichadia HUF	31,500
Mr. Kanji Pansuria	224,850
Mr. Ratilal Pansuria	46,200
Mr. Jauanti Pansuria	42,900
Mr. Ritesh Khichadia	1,78,650
Mrs. Lilavantinben Gedia	44,700
Mr. Bhavesh K Gedia	31,590
M/s Captain Pipes Pvt. Ltd.	4,86,000
M/s Captain Plastic Pvt. Ltd.	1,51,125
<b>TOTAL</b>	<b>32,90,115</b>

**3. Details of Equity Shares issued for consideration other than cash:**

As on date, our Company has not issued any Equity Shares for consideration other than cash except for Bonus Shares issued as mentioned above in sub point no. 12 & 17 of note no. 2 above.

Date	Nos of shares allotted	Face Value (Rs)	Issue Price (Rs)	Reasons	Benefit Accrued
11-Sept-13	32,90,115	10	Nil	Bonus (3:2)	Expansion of Capital
15-Sept-10	9,27,580	10	Nil	Bonus (1:1)	Expansion of Capital

**4. Capital Build Up in respect of shareholding of Our Promoters:**

Date of Allotment of Fully Paid-up Shares	Consideration	Nature of Issue	No of Equity Shares*	Face Value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-Issue paid up capital	% Post issue paid up capital
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<b>Mr. Ramesh Khichadia</b>								
Upon Incorporation	Cash	Subscriber to the MOA	10	10	10	10	0.00	0.00
30-Jun-97	Cash	Allotment	5,000	10	10	5,010	0.09	0.07
1-Jun-98	Cash	Allotment	5,000	10	10	10,010	0.09	0.07
16-Oct-07	Cash	Allotment	55,000	10	10	65,010	1.00	0.74
31-Mar-08	Cash	Transfer	1,58,700	10	16	223,710	2.89	2.13
14-Feb-09	Cash	Transfer	10,000	10	10	233,710	0.18	0.13
25-Sep-09	Cash	Transfer	40,000	10	10	273,710	0.73	0.54
15-Sep-10	-	Bonus (1:1)	2,73,710	10	-	547,420	4.99	3.67
11-Sep-13	-	Bonus (3:2)	8,21,130	10	-	1,368,550	14.97	11.00
<b>Total (A)</b>			<b>13,68,550</b>	<b>10</b>			<b>24.96</b>	<b>18.34</b>

<b>Mr. Gopal Khichadia</b>								
Upon Incorporation	Cash	Subscriber to the MOA	10	10	10	10	0.00	0.00
30-Jun-97	Cash	Allotment	5,500	10	10	5,510	0.10	0.07
16-Oct-07	Cash	Allotment	50,000	10	10	55,510	0.91	0.67
31-Mar-08	Cash	Transfer	69,700	10	16	125,210	1.27	0.93
14-Feb-09	Cash	Transfer	62,000	10	10	187,210	1.13	0.83
25-Sep-09	Cash	Transfer	30,000	10	10	217,210	0.55	0.40
10-Feb-10	-	Inheritance upon Demise of father	5,350	10	-	222,560	0.10	0.07
15-Sep-10	-	Bonus (1:1)	222,560	10	-	445,120	4.06	2.98
23-Aug-13	-	Transfer as gift	8,700	10	-	453,820	0.16	0.12
23-Aug-13	Cash	Transfer	4,200	10	50	458,020	0.08	0.06
11-Sep-13	-	Bonus (3:2)	687,030	10	-	1,145,050	12.53	9.21
<b>Total (B)</b>			<b>1,145,050</b>	<b>10</b>			<b>20.88</b>	<b>15.34</b>

<b>Mr. Ashok Patel</b>								
Upon Incorporation	Cash	Subscriber to the MOA	10	10	10	10	0.00	0.00
14-Feb-09	Cash	Transfer	30,000	10	10	30,010	0.55	0.40
15-Sep-10	-	Bonus (1:1)	30,010	10	-	60,020	0.55	0.40
22-Feb-13	Cash	Transfer	(59,000)	10	40	1,020	-1.08	-0.79
11-Sep-13	-	Bonus (3:2)	1,530	10	-	2,550	0.03	0.02
<b>Total (C)</b>			<b>2,550</b>	<b>10</b>			<b>0.05</b>	<b>0.03</b>

Mr. Kantilal Gedia								
Upon Incorporation	Cash	Subscriber to the MOA	10	10	10	10	0.00	0.00
30-Jun-97	Cash	Allotment	2,500	10	10	2,510	0.05	0.03
31-Mar-00	Cash	Allotment	4,200	10	10	6,710	0.08	0.06
31-Aug-00	Cash	Allotment	2,060	10	10	8,770	0.04	0.03
1-Sep-04	Cash	Transfer	4,000	10	10	12,770	0.07	0.05
31-Mar-08	Cash	Transfer	4,500	10	16	17,270	0.08	0.06
14-Feb-09	Cash	Transfer	30,000	10	10	47,270	0.55	0.40
15-Sep-10	-	Bonus (1:1)	47,270	10	-	94,540	0.86	0.63
11-Sep-13	-	Bonus (3:2)	141,810	10	-	236,350	2.59	1.90
<b>Total (D)</b>			<b>236,350</b>	<b>10</b>			<b>4.31</b>	<b>3.17</b>
<b>TOTAL (A+B+C+D)</b>			<b>2,752,500</b>				<b>50.20</b>	<b>36.88</b>

\*None of the shares has been pledged by our Promoters

**5. Details of the Pre and Post Issue Shareholding of our Promoters and Promoter Group is as below:**

S.No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
<b>Promoters</b>					
1	Mr. Ramesh Khichadia	13,68,550	24.96	1,368,550	18.34
2	Mr. Gopal Khichadia	11,45,050	20.88	1,145,050	15.34
3	Mr. Kantilal M Gedia	2,36,350	4.31	2,36,350	3.17
4	Mr. Ashok Patel	2,550	0.05	2,550	0.03
<b>TOTAL (A)</b>		<b>27,52,500</b>	<b>50.20</b>	<b>27,52,500</b>	<b>36.88</b>
<b>Promoter Group</b>					
5	Mrs. Sangitaben Khichadia	4,46,000	8.13	4,46,000	5.98
6	Mrs. Rashmitaben Khichadia	47,500	0.87	47,500	0.64
7	Ramesh Khichadia HUF	1,75,000	3.19	1,75,000	2.34
8	Gopal Khichadia HUF	52,500	0.96	52,500	0.70
9	Mr Kanji Pansuria	3,74,750	6.83	3,74,750	5.02
10	Mr Ratilal Pansuria	77,000	1.40	77,000	1.03
11	Mr Jauanti Pansuria	71,500	1.30	71,500	0.96
12	MrRitesh Khichadia	2,97,750	5.43	2,97,750	3.99
13	Mrs. Lilavantinben Gedia	74,500	1.36	74,500	1.00
14	Mr Bhavesh K Gedia	52,650	0.96	52,650	0.71
15	Captain Pipes Pvt Ltd.	8,10,000	14.77	8,10,000	10.85
16	Captain Plastic Pvt Ltd.	2,51,875	4.59	2,51,875	3.37
<b>TOTAL (B)</b>		<b>27,31,025</b>	<b>49.80</b>	<b>27,31,025</b>	<b>36.59</b>
<b>GRAND TOTAL (A+B)</b>		<b>54,83,525</b>	<b>100.00</b>	<b>54,83,525</b>	<b>73.47</b>

**6. Promoter's Contribution and Lock-in:**

The following shares held by Promoters are locked-in as Promoter's Contribution:

Date of Allotment of Fully Paid-up Shares	Consideration	Nature of Issue	No of Equity Shares	Face Value	Issue Price/Acquisition Price/ Transfer Prices	% Pre-Issue paid up capital	% Post issue paid up capital
<b>Mr. Ramesh Khichadia</b>							
25-Sep-09	Cash	Transfer	40,000	10	10	0.73	0.54
15-Sep-10	-	Bonus (1:1)	273,710	10	-	4.99	3.67

11-Sep-13	-	Bonus (2:1)	821,130	10	-	14.97	11.00
<b>TOTAL (A)</b>			<b>11,34,840</b>			<b>20.70</b>	<b>15.21</b>
<b>Mr. Gopal Khichadia</b>							
15-Sep-10	-	Bonus (1:1)	222,560	10	-	4.06	2.98
<b>TOTAL (B)</b>			<b>2,22,560</b>			<b>4.06</b>	<b>2.98</b>
<b>Mr. Kantilal Gedia</b>							
11-Sep-13	-	Bonus (3:2)	141,810	10	-	2.59	1.90
<b>TOTAL (C)</b>			<b>1,41,810</b>			<b>2.59</b>	<b>1.90</b>
<b>TOTAL (A+B+C)</b>			<b>14,99,210</b>			<b>27.34</b>	<b>20.09</b>

All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 36(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issuer.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalisation of intangible assets, involved in such transactions.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoters, Mr. Ramesh Khichadia, Mr. Gopal Khichadia & Mr. Kantilal Gedia have, by a written undertaking, consented to have 11,34,840, 2, 22,560 & 1,41,810 Equity Shares held by them respectively to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoters during the period starting from the date of filing the Prospectus with SME Platform of BSE till the date of commencement of lock-in period as stated in the Prospectus. The Equity Shares under the Promoters contribution will constitute 20.09% of our post-issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 32 of the SEBI ICDR Regulations will not be less than 20% of the post issue paid up capital of our Company.

**Eligibility of Share for “Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009**

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
33(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction	Eligible
33 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilisation of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	Eligible
33 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	Eligible
33 (1) (c)	Specified securities allotted to promoters during the preceding one year at a price less 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, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified	Eligible

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	
33 (1) (d)	Specified securities pledged with any creditor.	Eligible

#### Details of Share Capital Locked In For One Year

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 39, 84, 315 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### Other requirements in respect of lock-in:

- In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
- Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

#### 7. Our Shareholding Pattern

The table below presents the current shareholding pattern of our Company as per clause 37 of the SME Equity Listing Agreement.

Category code	Category of shareholder	No. of shareholders	Total no. of shares	% of Total	Number of shares held in dematerialized form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
						As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Shareholding
(A)	<b>Promoter and Promoter Group</b>								
(1)	Indian								

Category code	Category of shareholder	No. of shareholders	Total no. of shares	% of Total	Number of shares held in dematerialized form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
						As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Shareholding
(a)	Individuals/ Hindu Undivided Family	14	44,21,650	80.64	44,21,650	80.63	80.63	Nil	Nil
(b)	Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corporate	2	10,61,875	19.36	10,61,875	19.37	19.37	Nil	Nil
(d)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (A)(1)</b>	<b>16</b>	<b>54,83,525</b>	<b>100.00</b>	<b>54,83,525</b>	<b>100.00</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>
(2)	Foreign								
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (A)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Shareholding of Promoters and Promoter group (A)= A(1)+(A)(2)</b>	<b>16</b>	<b>54,83,525</b>	<b>100.00</b>	<b>54,83,525</b>	<b>100.00</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>
(B)	<b>Public shareholding</b>								
(1)	Institutions								
(a)	Mutual Funds/UTI		Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category code	Category of shareholder	No. of shareholders	Total no. of shares	% of Total	Number of shares held in dematerialized form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
						As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Shareholding
(e)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f)	Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h)	Nominated investors (as defined in Chapter XB of SEBI (ICDR) Regulations )	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i)	Market Makers	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (B) (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
(2)	Non- institutions								
(a)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Individuals - Individual shareholders holding Nominal share capital up to Rs. 1 lakh.  Individual shareholders holding Nominal share capital in excess of Rs. 1 lakh.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (B) (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>TOTAL (A) + (B)</b>	<b>16</b>	<b>54,83,525</b>	<b>100.00</b>	<b>54,83,525</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued								



Category code	Category of shareholder	No. of shareholders	Total no. of shares	% of Total	Number of shares held in dematerialized form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
						As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of Shareholding
(a)	Promoters and Promoter Group	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>16</b>	<b>54,83,525</b>	<b>100.00</b>	<b>54,83,525</b>	<b>100.00</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>

We have received an approval letter from NSDL & CDSL. We have received the ISIN. - INE536P01013.As on date the entire shareholding of our promoters and promoter group is in Demat form

**8. The Top Ten Shareholders of our Company and their Shareholding is set forth below:-**

As on the date of the Prospectus, our Company has 16 (Sixteen) shareholders.

- a) Our top ten shareholders as on the date of filing of this Prospectus and 10 days prior filing of this Prospectus are as follows:

S. No.	Names	Shares Held	% shares held
1	Mr .Ramesh Khichadia	13,68,550	24.96
2	Mr .Gopal Khichadia	11,45,050	20.88
3	Captain Pipes Pvt. Ltd.	8,10,000	14.77
4	Mrs. Sangitaben Khichadia	4,46,000	8.13
5	Mr. Kanji Pansuria	3,74,750	6.83
6	Mr. Ritesh Khichadia	2,97,750	5.43
7	Captain Plastic Pvt. Ltd.	2,51,875	4.59
8	Mr. Kantilal M Gedia	2,36,350	4.31
9	Ramesh D. Khichadia (HUF)	1,75,000	3.19
10	Mr. Ratilal Pansuria	77,000	1.40

- b) Details of top ten shareholders of our Company as on two years prior to the date of filing of this Prospectus are as follows:

S. No.	Names	Shares Held	% shares held
1	Mr. Ramesh D. Khichadia	547,420	27.99
2	Mr. Gopal D. Khichadia	445,120	22.76
3	Mr. Sangitaben R. Khichadia	178,400	9.12
4	Mr. Kanjibhai M. Pansuria	149,900	7.66
5	Captain Pipes Pvt. Ltd.	140,000	7.16
6	Captain Plastic Pvt. Ltd.	100,750	5.15
7	Mr. Kantilal M. Gedia	94,540	4.83
8	Ramesh D. Khichadia (HUF)	70,000	3.58
9	Mr. Ashokbhai K. Patel	60,020	3.07
10	Mr. Mohanbhai Pansuria	38,000	1.94

9. As on the date of this Prospectus, the public shareholders holding more than 1% of the pre-Issue share capital of our Company is NIL.

10. Except as provided below, there has been no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of this Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre-Issue share capital of our Company.

S. No.	Name of Shareholder	Promoter/Promoter Group/Director	Number Equity Shares	Subscribed/ Acquired/ Transferred
1	Captain Pipes Private Limited	Promoter Group Company	89,750	Subscribed
2	Captain Pipes Private Limited	Promoter Group Company	1,1,000	Subscribed
3	Mr. Ritesh Ramesh Khichadia	Promoter Group	1,12,500	Subscribed
4	Captain Pipes Private Limited	Promoter Group Company	1,25,000	Subscribed
5	Captain Pipes Private Limited	Promoter Group Company	59,000	Purchases

11. Except for Bonus issue on September 11, 2013 , there are no Equity Shares purchased/acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within six months immediately preceding the date of filing of this Prospectus are.
12. There are no Equity Shares issued by our Company at a price lower than the Issue price during the preceding one year from the date of this Prospectus.
13. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Prospectus.
14. As on the date of filing of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
15. As on the date of this Prospectus, the Issued Share Capital of our Company is fully paid up.
16. Our Company has not raised any bridge loan against the proceeds of the Issue.
17. Since the entire issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
18. As on the date of this Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
19. Neither, we nor our Promoters, Directors and the LM to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
20. The LM and their associates do not hold any Equity Shares in our Company as on the date of filing of Prospectus.
21. We here by confirm that 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 Prospectus until the Equity Shares offered have been listed or application moneys refunded on account of failure of Issue.
22. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
23. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.

24. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
25. 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 i.e. BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
26. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
27. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
28. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
29. As on the date of this Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
30. We have 16 (Sixteen) Shareholders as on the date of filing of the Prospectus.
31. Till date our Company has not made any allotted of Equity Shares pursuant to any scheme approved under section 391- 394 of the Companies Act, 1956.
32. Our Promoters and Promoter Group will not participate in this Issue.
33. This Issue is being made through Fixed Price method.
34. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
35. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
36. There are no safety net arrangements for this public issue.
37. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering this Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

### OBJECTS OF THE ISSUE

We intend to utilize the proceeds of the Issue to meet the following objects:

1. To Fund our Expansion Plans
2. General Corporate Purpose
3. To Meet the Issue Expenses

In addition, our Company expects to receive the benefits from listing of Equity Shares on the SME Platform of BSE. We believe that listing will enhance our corporate image and brand name of our Company.

Our Company is primarily in the business of manufacturing Micro Irrigation Systems and Allied Products. The main objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

**Total Fund Requirement:** The total estimated funds requirement is given below:

S.no	Particulars	Amt (Rs in Lacs)
<b>I</b>	<b>Expansion Plans</b>	
	Construction of Building and Purchase of Furniture & Fixture	36.50
	Purchase of Plant & Machineries	703.72
	Working Capital Requirement	450.00
<b>II</b>	<b>Issue Expenses</b>	30.00
<b>III</b>	<b>General Corporate Purpose</b>	50.00
	<b>Total</b>	<b>1270.22</b>

The fund requirement and deployment thereof, are based on internal management estimates and our company's current business plan and have not been appraised by any financial institution or bank. In case of variation in actual utilization of funds earmarked for the purpose, as described above, increased fund requirement for a particular purpose may be financed by surplus funds, if any, available from the funds earmarked for the other purposes for which funds are raised from this issue. If surplus funds are not available the funds requirement arising out of variation in utilization will be met through our internal accruals and /or debt.

In view of highly dynamic nature of our industry and also of the fact that our company may pursue new objects we may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates, exchange rate fluctuations and other external factors, which may not be within the control of the management of our Company. This may entail rescheduling or revising the planned expenditure and funds requirement and increasing or decreasing the expenditure for a particular purpose from its current estimate at the discretion of our Company's management.

In addition to this, estimated dates for implementation of capital expenditure and deployment of funds for other objects, as set forth herein above are based on our Management's current expectations and are subject to change due to several factors, including those beyond management's control.

**Means of Finance:** Following are Means of Finance to finance our Fund requirement:

S.no	Particulars	Amt (Rs in Lacs)
I	Term Loan from State Bank of India ("SBI"), Rajkot Branch	525.00
II	IPO proceeds	594.00
III	Internal Accrual	151.22
	<b>Total</b>	<b>1270.22</b>

The Total funds required for our project is Rs. **1270.22** lacs. **75%** of the stated means of finance, excluding funds to be raised through the Issue have been arranged as follows:

**Funding Arrangement:** Our funding arrangement excluding the Issue Proceeds is as follows:

S. No	Particulars	Amt (Rs in Lacs)
1	Total Fund Requirement	1270.22
2	Less: Already Incurred through Internal Accruals	151.22
	<b>Balance</b>	<b>1119.00</b>
3	Less: Issue Proceeds	594.00
4	<b>Balance Fund Required</b>	<b>525.00</b>
<b>Arrangements regarding 75% of the funds required excluding the Issue proceeds</b>		
5	Funded through Loan from SBI	<b>525.00</b>

In view of the above, we confirm that we have complied with the SEBI ICDR Regulations which requires our Company to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals.

The Loan component of the project cost has been tied up by our Company with SBI vide letter dated October 19, 2013, SBI has sanctioned a Term Loan of Rs. 525.00 Lacs and we have accepted the terms and condition of sanction. We are in process of entering into the Loan Agreement and other documentation with SBI.

**Our company has entered into Loan agreement dated November 18, 2013 with SBI for availing the term loan of Rs. 5.25 Crs.**

**Terms of Loan from SBI are as follows:**

<b>Date of Sanction</b>	October 19, 2013
<b>Nature of Loan Facility</b>	Term Loan -IV
<b>Amount Sanctioned</b>	Rs 525.00 lacs
<b>Rate of Interest</b>	3.85% above base rate (BR=9.80%)
<b>Tenure</b>	50 months with 10 months moratorium
<b>Objects for Term Loan</b>	Financing Expansion Plans

**Details of Use of Issue Proceeds:** The details of the proceeds of the Issue are summarized in the table below:

Particulars	Amt (Rs in Lacs)
Gross proceeds of the Issue	594.00
Less: Issue related expenses	30.00
Net Proceeds of the Issue	<b>564.00</b>

#### **Utilization of the Net Proceeds**

The intended use of Net proceeds of the Issue is summarized in the table below:

S.no	Particulars	Amt (Rs in Lacs)
<b>I</b>	<b>Expansion Plans</b>	
	Construction of Building and Purchase of Furniture & Fixture	NIL
	Purchase of Plant & Machineries #	64.00
	Working Capital Requirement	450.00
<b>II</b>	<b>General Corporate Purpose</b>	50.00
	<b>Total</b>	<b>564.00</b>

*#Our Requirement for purchase of Plant & Machineries is Rs. 703.72 Lacs will be financed by Term Loan from SBI to the extent of Rs. 525.00 Lacs and Internal Accrual to the extent of Rs.114.72 and remaining Rs. 64.00 Lacs will be financed out of Issue Proceeds.*

**Expansion of our Existing Capacities:** Our Company intends to expand and increase our capacities at our existing factory. Currently we are manufacturing products which are covered under Drip Line Irrigation and Cylindrical Dripper category. With our expansion plans and installation of new machineries we will be able manufacture products which are under the Flat Dripper Line Irrigation Category which has advantages over our existing product line. Following are advantages of Flat Dripper Line Irrigation:

- a) Flat Dripper Line products can be used for all sizes (12mm, 16mm & 20mm)
- b) With Flat Dripper Line products wall thickness of 0.2mm, 0.3mm & 0.4mm

We have a vacant land that will be utilized for the purpose of expansion. . Our exiting capacities are as follows:

Products	Existing Capacity (MT/pa)	Proposed Capacity(MT/pa)	Future Capacity (MT/pa)
Micro Irrigation System Products	6750	1450	8200

**Building and Furniture & Fixtures:** The total cost for Buildings and Furniture & Fixtures includes costs for construction of Building, Shades, Plant Unit, Furniture & Fixtures etc. amounting to Rs. 36.50 Lacs, which has already been incurred till date. Details of which are given below:

Date	Work Order No/Invoice	Party Name	Description of Activities	Amt (Rs in Lacs)
24-Apr-13	R 123	Shreeji Agency	Furniture Fixture, Painting & Construction Material	0.89
30-Apr-13	R 202	Shreeji Agency	Furniture Fixture, Painting & Construction Material	0.21
30-Apr-13	R 171	Shreeji Agency	Furniture Fixture, Painting & Construction Material	0.01
7-May-13	R 249	Shreeji Agency	Furniture Fixture, Painting & Construction Material	1.06
30-May-13	R 359	Shreeji Agency	Furniture Fixture, Painting & Construction Material	0.31
29-Sep-13	R 783	Shreeji Agency	Furniture Fixture, Painting & Construction Material	0.29
31-Jul-13	R 1159	Shreeji Agency	Furniture Fixture, Painting & Construction Material	0.37
31-Aug-13	R 1900	Shreeji Agency	Furniture Fixture, Painting & Construction Material	1.03
<b>TOTAL</b>				<b>4.17</b>
2-May-13	8	Visheshwar Hardware & Plywood	Hardware Material	0.30
1-Aug-13	15	Visheshwar Hardware & Plywood	Hardware Material	0.11
<b>TOTAL</b>				<b>0.40</b>
6-May-13	TAX / 15	Sahil Plywood	Sumica and Plywood	1.39
8-May-13	TAX / 16	Sahil Plywood	Sumica and Plywood	0.89
22-May-13	TAX / 23	Sahil Plywood	Sumica and Plywood	0.26
6-Aug-13	TAX / 57	Sahil Plywood	Sumica and Plywood	0.43
<b>TOTAL</b>				<b>2.97</b>
11-Mar-13	5106	Dev Lights	Lights and Fixtures	0.27
15-May-13	R-48	Dev Lights	Lights and Fixtures	0.71
29-Jun-13	R-122	Dev Lights	Lights and Fixtures	0.13
31-Jul-13	R-175	Dev Lights	Lights and Fixtures	0.09

<b>TOTAL</b>				<b>1.20</b>
22-May-13	T-6	Cool Point	Air Conditioner & Installation Charges	0.68
22-May-13	T-7	Cool Point	Air Conditioner & Installation Charges	0.80
22-May-13	T-8	Cool Point	Air Conditioner & Installation Charges	1.02
22-May-13	T-9	Cool Point	Air Conditioner & Installation Charges	1.02
<b>TOTAL</b>				<b>3.52</b>
16-May-13	020/2013-14	Wonder Services	Air Conditioner & Installation Charges	0.14
14-May-13	019/2013-14	Wonder Services	Air Conditioner & Installation Charges	0.21
12-May-13	018/2013-14	Wonder Services	Air Conditioner & Installation Charges	0.42
10-May-13	017/2013-14	Wonder Services	Air Conditioner & Installation Charges	0.11
10-May-13	016/2013-14	Wonder Services	Air Conditioner & Installation Charges	0.14
<b>TOTAL</b>				<b>1.02</b>
11-Jun-13	R-00064	Jivarajabhai Sons	Glass	0.27
<b>TOTAL</b>				<b>0.27</b>
13-May-13	436	Radhe Steel & Fabrication	Steel Plates and Angels	0.82
15-Sep-13	459	Radhe Steel & Fabrication	Steel Plates and Angels	0.62
<b>TOTAL</b>				<b>1.44</b>
20-Jun-13	2397	Balaji Electric Service	Electric Equipments & Fixtures	0.30
8-Jul-13	2429	Balaji Electric Service	Electric Equipments & Fixtures	0.02
10-Jul-13	2432	Balaji Electric Service	Electric Equipments & Fixtures	0.01
<b>TOTAL</b>				<b>0.34</b>
12-Sep-13	43	Eco Ply	Plywood	0.76
<b>TOTAL</b>				<b>0.76</b>
16-Jul-13	R 368	Luxurious Lighting	Lights and Fixtures	0.29
31-Jul-13	R 416	Luxurious Lighting	Lights and Fixtures	0.09
12-Aug-13	R 484	Luxurious Lighting	Lights and Fixtures	0.09
<b>TOTAL</b>				<b>0.46</b>
12-Jul-13	2044	Gajra Glass Trader	Glass	0.62
<b>TOTAL</b>				<b>0.62</b>
31-Jul-13	R 645	Hardware Khazana	Hardware Material	0.30
8-Aug-13	R 696	Hardware Khazana	Hardware Material	0.01
13-Aug-13	R 720	Hardware Khazana	Hardware Material	0.03
<b>TOTAL</b>				<b>0.33</b>
9-Aug-13	130	Gujarat Glass Traders	Glass	0.35
<b>TOTAL</b>				<b>0.35</b>

7-Sep-13	R 185	Europa Lights	Lights and Fixtures	0.23
<b>TOTAL</b>				<b>0.23</b>
17-Aug-13	1265	Pioneer Glass Emporium	Glass	0.09
7-Sep-13	1285	Pioneer Glass Emporium	Glass	0.20
<b>TOTAL</b>				<b>0.29</b>
13-Aug-13	R-0112	Bion Creations Pvt Ltd	Interior & Vinyl Print	0.40
<b>TOTAL</b>				<b>0.40</b>
8-Oct-13	86	Shree Ram Krishna Metal	Hi Mac Arclyic Sheets	0.60
<b>TOTAL</b>				<b>0.60</b>
7-Jul-13	770	Ultracab(India) Pvt. Ltd.	Cu. Ind. Flex ( Multistrand) cable (coil)	0.29
<b>TOTAL</b>				<b>0.29</b>
17-Apr-13	6982105271	Ultratech Cement Ltd	Cement for Construction	0.75
17-Apr-13	6982105269	Ultratech Cement Ltd	Cement for Construction	0.75
18-Apr-13	6982105346	Ultratech Cement Ltd	Cement for Construction	0.75
<b>TOTAL</b>				<b>2.24</b>
11-Oct-13	-	Rare Designing	Interior Planing & Designing	1.51
<b>TOTAL</b>				<b>1.51</b>
20-Apr-13	EX-47	Sardar Corrugated Roofing Sheets (Helios Industries)	Roofing Sheets	0.40
3-Aug-13	EX-391	Sardar Corrugated Roofing Sheets (Helios Industries)	Roofing Sheets	3.40
<b>TOTAL</b>				<b>3.80</b>
15-Apr-13	2	Shri Santosh Traders	Building Material & Cement	0.23
29-May-13	4	Shri Santosh Traders	Building Material & Cement	0.69
10-Jun-13	6	Shri Santosh Traders	Building Material & Cement	0.75
11-Jun-13	7	Shri Santosh Traders	Building Material & Cement	0.26
<b>TOTAL</b>				<b>1.92</b>
27-Sep-13	T 118	Hansal Steel Pvt Ltd	Ready Rolling Shutter	1.00
<b>TOTAL</b>				<b>1.00</b>
3-Oct-13	12	Dhamjibhai P. Dholaria-Contractor	Construction & RCC Work	3.78
5-Oct-13	13	Dhamjibhai P. Dholaria-Contractor	Construction & RCC Work	2.23
<b>TOTAL</b>				<b>6.01</b>
16-Apr-13	47	Radhe Fabrication	Building Fabrication	0.05
18-Jun-13	55	Radhe Fabrication	Building Fabrication	0.18
18-Jun-13	56	Radhe Fabrication	Building Fabrication	0.15
<b>TOTAL</b>				<b>0.37</b>
<b>Grand Total</b>				<b>36.50</b>



**Plant & Machinery:** We believe that ownership of suitable plant and machinery adds significantly to our production capabilities and will be a critical factor which will enable us to undertake and execute larger and more complex orders and develop new product line in future. In order to further strengthen our manufacturing abilities, we intent to purchase Plant & Machinery for an amount of Rs. 703.72 Lacs which are as follows:

S · N o ·	Machinery Details	Q t y	Supplier Name	Quo./Per. Inv. No.	Quotati on Amt. (EURO/ USD)	Quotati on Amt. (Rs in Lacs)	Govt Taxes/ Custom Duty	Total Cost
1	Automatic Insertion Machine for Flat Dripper I-1090, Automatic Perforating Machines for Flat Drippers-170, Cooling Machines 191 B, Cold Bridge, Camera Unit, Elevator & Onsite Adjustments	1	Mopline Machshevet Ltd. - Moshav Merhavia, Emek Yizrael-1910500, Israel	525 / 08.04.2013	190910 Euros	166.09	50.33	216.42
2	Automatic Insertion Machine for Flat Dripper I-1090, Automatic Perforating Machines for Flat Drippers-170, Cooling Machines 191 B, Cold Bridge, Camera Unit, Elevator & Onsite Adjustments	1	Mopline Machshevet Ltd. - Moshav Merhavia, Emek Yizrael-1910500, Israel	532 / 27.06.2013	190910 EURO	166.09	50.33	216.42
3	Vacuum Sizing & Cooling Tank (Model No.VST-110/6/SS)	1	Margo Industries,52/1/7,Nr Adarsh Estate, Chakudia Mahadev Rd, Rakhial, Ahmedabad-380 023	52 / 27.06.2013	--	11.25	2.02	13.27
4	HDPE Pipe Extrusion Line, Model : WHD 45 Speed with 90kW, Touch Screen and PLC Controls	1	Windsor Machines Ltd. - 5403 Phase IV GIDC Vatva, Ahemdabd, Gujarat-382445	45 / 29.06.2013	--	26.04	4.68	30.72
5	Drip Irrigation Tubeline for Flat Dripper-REDR-1580/20F	1	Rajoo Engineers Ltd. - Rajoo Avenue, Survey No.267, Plot No. 10A & 11, NH-8B,Veraval,Rajkot	351 / 29.06.2013	--	51	9.17	60.17
6	Drip Irrigation Tubeline for Flat Dripper -REDR-1580/20F	1	Rajoo Engineers Ltd. - Rajoo Avenue, Survey No.267, Plot No. 10A & 11, NH-8B,Veraval,Rajkot	354 / 29.06.2013	--	51	9.17	60.17

7	64 Cavity Flat Dripper (2LPH) Mould with Semi Hot Runner	2	Laiwu Spring Rain Drip Irri. Tech. Co. Ltd. - 249, East Luzhong Street, Laiwu City 2711000, Shandong Province, China	CY130712 / 12.07.2013	36500 USD	24.82	7.45	32.33
8	32 Cavity Round Dripper ( 12mm in diameter & 12mm indiameter, 2LPH) Mould with Semi Hot Runner	3	Laiwu Spring Rain Drip Irri. Tech. Co. Ltd. - 249, East Luzhong Street, Laiwu City 2711000, Shandong Province, China	CY130717 / 17.07.2013	54000 USD	36.72	11.02	47.74
9	Water Cooled Screw Chiller (Model: KWK 180.14) with Star delta Starter	1	Kirloskar Chillers Pvt. Ltd.	PI/13-14/ Captainpolyplast/0078 / 24.09.2013		22.5	4.05	26.55
<b>TOTAL</b>						<b>555.51</b>	<b>148.22</b>	<b>703.72</b>

(Conversion rate: 1 Euro= 87 INR and 1 USD= Rs 68 INR)

### Working Capital Requirement

#### Working Capital Cycle:

The business of our Company being dependent on Government subsidies is a working capital Intensive business. Considering the existing growth rate, the total working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach Rs. 1812.00 Lacs for FY 2014. Our Company intends to meet our working capital requirements to the extent of Rs. 450.00 Lacs from the Net Proceeds of the IPO and the balance will be met from Internal Accruals & Bank Limits at an appropriate time as per the requirement.

We need to keep different grades of Micro Irrigation Products to meet varied needs of our customers. Also the lead time required for procuring raw material which we require is high. Therefore, we have to maintain sufficient quantity of raw material inventory to reduce the delivery time to our customers. Further, we are required to provide sufficient credit period to our customers and for payment of subsidies by government agencies resulting in high receivables.

(Rs in Lacs)

S. No	Particulars	Audited	Audited	Estimate
		31-Mar-12	31-Mar-13	31-Mar-14
I	<b>Current Assets</b>			
	Inventories	514.10	551.19	624.00
	Sundry Debtors	1755.38	2922.54	2667.00
	Cash in Hand & Bank	257.36	373.03	440.00
	Other Current Assets	136.27	268.89	124.00
	<b>Total (A)</b>	<b>2663.11</b>	<b>4115.65</b>	<b>3855.00</b>
II	<b>Current Liabilities (Other Than Bank Borrowings)</b>			
	Sundry Creditors	1269.43	1981.30	1390.00
	Short Term Provision	41.62	145.74	528.00
	Misc. Current Liabilities	247.70	341.70	125.00
	<b>Total (B)</b>	<b>1558.75</b>	<b>2468.74</b>	<b>2043.00</b>
III	<b>TOTAL WORKING CAPITAL GAP (A-B)</b>	<b>1104.36</b>	<b>1646.91</b>	<b>1812.00</b>

IV	Funding Pattern			
	Fund Based Working Capital Limit- Bank Finance	683.95	1086.34	1000.00
	Internal Accruals/Unsecured Loan & LC Limit (Non Fund Based)	420.41	560.57	362.00
	<b>IPO Proceeds</b>			<b>450.00</b>

Presently, our Company have been availing the working capital facilities sanctioned by our banker, State Bank of India Commercial Branch, Kalawad Road, Rajkot-360 001 for Rs. 1000.00 Lacs (Fund Based Limit) which was sanctioned vide letter dated March 23, 2013 & Rs. 900.00 Lacs Letter of Credit Limit ( Non Fund Based Limit) which was sanctioned vide letter dated October 1, 2012 .The Working Capital requirement for the FY 2013-14 (Estimate) is Rs.1812.00 Lacs which will be financed by Fund Based Credit up to Rs. 1000.00 lacs and Rs. 450.00 Lacs are to be financed by Issue Proceeds & balance Rs. 362.00 lacs from Internal Accruals & Letter of Credit-Non Fund Based.

For further details regarding our working facilities kindly refer to the Chapter titled **“Financial Indebtedness”** beginning on page 187 of this Prospectus.

Hence, our Company proposes to utilize Rs. 450.00 Lacs of the Net Proceeds towards working capital requirements for meeting our future business requirements.

**Basis for estimation of Working Capital:**

The working Capital requirements are based on historical data and estimation of the future requirements in FY 2013-14 considering the growth in activities of the company.

Our Company has maintained the Inventory level (Raw Material and Finished Good) of 1.01 months and 0.46 months respectively for FY 2013. We have estimated the requirements of Inventory level (Raw Material and Finished Good) of 1 month and 1 month respectively for FY 2014.

Our Company provides credit of about 5.60 months to our customer/debtors of 5.60 months for FY 2013. We have estimated the credit period of 3.70 month for FY 2014.

Our Company receives credit of about 4.36 months from our supplier /creditors for FY 2013. We have estimated the credit period of 2.00 month for FY 2014

**Justification for “Holding Period” Levels**

<b>Inventory</b>	Inventory Holding Levels of Raw Materials and Finished Goods are expected to be more or less in line with FY 2012 & FY 2013 levels.
<b>Debtors</b>	Level of Debtors are expected to come down as compared from FY 2012 & FY 2013 levels with speedy recovery process
<b>Creditors</b>	Level of Creditors are expected to come down as compared from FY 2012 & FY 2013 levels as our company would have adequate working capital post this issue.

**General Corporate Purposes**

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 deploy the balance Fresh Issue proceeds aggregating Rs. 50.00 lacs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

**Schedule of Implementation:** The details of schedule of implementation are as follows:

S. No	Activity	Estimated time Schedule
1	Building and Furniture & Fixture	Completed
2	Plant & Machineries	To be completed by March 31, 2014
3	Working Capital	To be utilised in FY 13-14
4	General Corporate Purpose	To be utilised in FY 13-14

#### **Public Issue Expenses**

The estimated issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar's fees, depository fees and listing Fees. The total expenses for this Issue are estimated to be approximately Rs. 30.00 Lacs.

All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	(Rs .in Lacs)
Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other out of pocket expenses	23.00
Printing and Stationery and postage expenses	2.00
Advertising and Marketing expenses	2.00
Regulatory fees and expenses	3.00
<b>Total Estimated Issue Expenses</b>	<b>30.00</b>

**Funds Deployed :** As certified by M/s. P. Ghanshyam & Co, Chartered Accountants, the statutory auditor of our Company vide their certificate dated October 21, 2013 our Company has incurred the following expenditure on the project till October 21, 2013 the same have been funded from the Company's internal accruals which was utilized as follows:

Particulars	Amt (Rs in Lacs)
Advances towards Plant & Machinery	109.21
Building & Furniture and Fixtures	36.50
Issue Expenses	5.50
<b>Total</b>	<b>151.22</b>

#### **Appraisal**

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

#### **Bridge Financing Facilities**

As on the date of this Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### **Monitoring Utilization of Funds**

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

### **Interim Use of Proceeds**

Our management, in accordance with the policies established by our Board of Directors, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds of the Issue for the purposes described above, we may invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in working capital loan accounts and other investment grade interest bearing securities as may be approved by the Board of Directors. Such investments would be in accordance with the investment policies approved by our Board of Directors from time to time and at the prevailing commercial rates at the time of investment.

### **Other confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Entities, in relation to the utilisation of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our Directors or key managerial personnel or our Group Entities, except in the normal course of business and in compliance with the applicable laws.

**BASIC TERMS OF ISSUE**

The Equity Shares, now being offered, are subject to the terms and conditions of this Prospectus, Application form, Confirmation of Allocation Note (“CAN”), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchanges, RBI, ROC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

The present issue has been authorized pursuant to a resolution of our Board dated September 9, 2013 and by Special Resolution passed under Section 81 & 81(1A) of the Companies Act, 1956 at the Annual General Meeting of our shareholders held on September 11, 2013.

<b>Face Value</b>	Each Equity Share shall have the face value of Rs. 10/- each.
<b>Issue Price</b>	Each Equity Share is being offered at a price of Rs. 30/- each.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 4000 (Four Thousand) and the multiple of 4,000 subject to a minimum allotment of 4000 Equity Shares to the successful applicants.
<b>Terms of Payment</b>	100% of the issue price of Rs. 30/- shall be payable on Application. For more details please refer to page 236 of this Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company.

**MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten and the details of have been disclosed on page 38 of this Prospectus.

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 39 of the Companies Act, 2013.

Though the issue is 100% Underwritten, if our Company does not receive the minimum subscription of 90% of the Issue Size, including the devolvement of the Underwriters, if any, within 60 days from the date of the closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is any delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 of the Companies Act, 2013.

### BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is Rs. 10/- and Issue Price is Rs.30/- per Equity Shares i.e. 3.00 times the face value.

Investors should read the following summary with the “**Risk Factors**” beginning from page 9 of this Prospectus, section titled “**About the Company**” beginning from page 79 and “**Financial Information**” beginning from page 146 of this Prospectus. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

#### QUALITATIVE FACTORS

1. Diversified Product Portfolio
2. Experienced Management Team
3. Robust & Scalable Business Model
4. Strong Marketing & Distribution Network

For further details refer “**Our Business**” on page no 90 of this Prospectus.

#### QUANTITATIVE FACTORS

Information presented in this section is derived from our Company’s restated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

##### 1. Basic & Diluted Earnings per share (EPS) :

S. No	Particulars	EPS (Rs.)	Weights
1	FY 2010-11	0.82	1
2	FY 2011-12	2.45	2
3	FY 2012-13	5.01	3
	<b>Weighted Average</b>	<b>3.46</b>	
	Six months period ended September 30, 2013*	2.02	

\*Not annualized

Notes:

- i. The figures disclosed above are based on the restated summary statements of the Company.
- ii. The face value of each Equity Share is Rs. 10.
- iii. Earnings Per Share has been calculated in accordance with Accounting Standard 20 - Earnings Per Share issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Summary Statements as appearing in Annexure IV.

##### 2. Price Earning (P/E) Ratio in relation to the Issue Price of Rs.30/-

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS for FY 2012-13	5.99
2	P/E ratio based on the Weighted Average EPS for FY 2012-13	8.67

#### Peer Group P/ E

S. No	Particulars	P/E
1.	Highest (Responsive Industries Limited)	52.00
2.	Lowest (Sintex Industries Limited)	2.00
	<b>Industry Composite (Plastic Products)</b>	<b>12.20</b>

Source: Capital Market dated Oct 14 - 27, 2013; Vole: XXVIII/17 Sector –Plastic Products

**3. Return on Net Worth (RoNW)\***

S. No	Particulars	RoNW (%)	Weights
1	FY 2010-11	7.01	1
2	FY 2011-12	17.44	2
3	FY 2012-13	24.26	3
	<b>Weighted Average</b>	<b>19.11</b>	
	Six months period ended September 30, 2013*	9.16	

\*Restated PAT/Net Worth, as Restated

**4. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS.**

The minimum return on increased net worth required maintain pre-Issue EPS for the financial year 2013:

(a) Based on Basic and Diluted EPS of Rs. 5.01:

- At an Issue Price of Rs. 30 – 20.75% on the restated financial statements.

(b) Based on Weighted Average EPS of Rs. 3.46:

- At an Issue Price of Rs. Rs. 30 – 14.32% on the restated financial statements.

**5. Net Asset Value per Equity Share :**

Sr. No	Particulars	NAV (Rs)
1	FY 2010-11	31.08
2	FY 2011-12	37.65
3	FY 2012-13	50.04
	Six months period ended September 30, 2013*	22.04
	Issue Price	30.00
	NAV after Issue	24.15

**6. Comparison of Accounting Ratios with Industry Peer\***

S. No	Name of Company	Face Value (Rs)	EPS (Rs)	PE	RoNW (%)	NAV per Shares (Rs)
1	EPC Industries Limited	10	1.9	39.7	-	37.1
2	Jain Irrigation Limited	2	0.6	-	1.4	51.4
4	Captain Polyplast Limited	10	5.01	5.99	24.26	50.04

*Source: Capital Market dated Oct 14 - 27, 2013; Vol: XXVIII/17Sector –Plastic Products*

7. The face value of our shares is Rs.10/- per share and the Issue Price is of Rs.30/- per share is 3 times of the face value.

8. Our Company in consultation with the Lead Manager believes that the Issue Price of Rs.30/- per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment.

9. Investors are requested to see the section titled **"Risk Factors"** and **"Financial Statements"** beginning on pages 9 and 146 respectively of the Prospectus, including important profitability and return ratios, as set out in "ANNEXURE R" on page 181 of the Prospectus to have a more informed view.



**STATEMENT OF TAX BENEFITS**

To  
The Board of Directors,  
**Captain Polyplast Ltd.**  
Upper level-25 Royal Complex,  
Debhar Road,  
**Rajkot-360 002**

**Dear Sirs,**

**Sub: Statement of Possible Tax Benefits Available to the Company and its shareholders with regards to Initial Public Offer of Captain Polyplast Limited**

We hereby report that the enclosed statement provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income tax Act, 1961 (provisions of Finance Act, 2013), and Wealth Tax Act, 1957 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax-advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

- (i) Company or its shareholders will continue to obtain these benefits in future; or
- (ii) The conditions prescribed for availing the benefits has been/ would be met with.

The contents of the enclosed statement 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 will concur with the views expressed herein.

**For P. Ghanshyam & Co**  
**Chartered Accountants**  
[Firm registration No. 103153W]

Sd/-

**(G. L. Kathrotia)**  
Proprietor  
M. No. 032424  
Place : Rajkot  
Date : October 19, 2013

The following key tax benefits are available to the Company and the prospective shareholders under the current direct tax laws in India.

**Benefits available under the Income Tax Act, 1961 (The `Income Tax Act`):**

**(i) Special tax benefits**

**1. Special tax benefits available to the company**

There are no special tax benefits available to the Company.

**2. Special tax benefits available to the shareholders of the company**

There are no special tax benefits available to the shareholders of the Company.

**(ii) General tax benefits**

The Income Tax Act, 1961 and Wealth Tax Act, 1957 presently in force in India, make available the following general tax benefits to companies and to their shareholders. Several of these benefits are dependent on the companies or their shareholders fulfilling the conditions prescribed under the relevant provisions of the statute.

**I. Benefits to the company under the income tax act, 1961 ("the act"):**

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

1. As per Section 10(34) of the Act, income earned by the Company by way of dividend income from another domestic company referred to in section 115-O of the act is exempt from tax.
2. As per section 10(35) of the Acts, the following income will be exempt from tax in the hands of the Company:
  - a) Income received in respect of the units of a Mutual Fund specified under section 10(23D) (other than income arising from transfer of such units); or
  - b) Income received in respect of units from the Administrator of the specified undertaking; or
  - c) Income received in respect of units from the specified company:
3. As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the Company. However, income by way of long term capital gain shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the I.T. Act.
4. As per provisions of Section 48 of the Income Tax Act, Long term Capital Gain arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration
5. Under section 32 of the Act, the Company is entitled to claim depreciation subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.
6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

7. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, short term gains as computed above that are not liable to STT would be subject to tax at a rate of 30% (plus applicable surcharge and education cess) in case of a company.
8. In accordance with section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on long-term capital gains is resulting from transfer of listed securities or units or zero coupon bonds, then long term capital gain will be chargeable to tax at the rate lower of the following: -
  - a) 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or
  - b) 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation.
9. The amount of tax paid under section 115JB by the Company for any assessment year beginning on or after 1st April, 2006 will be available as credit to the extent specified in section 115JAA. In accordance with the provisions of Section 115JAA, from assessment year 2010-11 the credit is available for ten years succeeding the assessment year in which MAT credit becomes allowable.
10. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years.
11. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against income from any other source in the subsequent assessment years as per section 32(2) subject to the provisions of section 72(2) and section 73(3) of the Act.
12. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
13. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent eight assessment years.
14. Under Section 35 (1) (ii) an amount equal to one and three fourth times of any sum paid to any research association which has as its object the undertaking of scientific research, or to any approved university, College or other institution to be used for scientific research and under section 35 (1) (iia) an amount equal to one and one fourth times of any sum paid to a company to be used by it for scientific research and under Section 35 (1) (iii) an amount equal to one and one fourth times of any sum paid to any approved and notified research association which has as its objects the undertaking of research in social science or statistic or statistical research university, college or other institution to be used for research in social science or statistical research..
15. Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee 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.
16. As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries.

## II. Benefits to the to members / shareholders

### A. Resident members / shareholders

1. As per section 10(34) of the Act, income earned by the resident member by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.
2. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1,500/- per minor child.
3. As per section 10(38) of the Act, long term capital gains arising to the resident member 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 in the hands of such members. However, incase the shareholder is a Company, income by way of long term capital gain shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the I.T. Act.
4. As per provisions of Section 48 of the Income Tax Act, Long term Capital Gain arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration
5. As per section 111A of the Act, short term capital gains arising to the resident members from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, short term gains as computed above that are not liable to STT would be subject to tax at a rate of 30% (plus applicable surcharge and education cess) in case the shareholder is a company and it would be taxable at their normal tax rates in case the shareholder is other than a company.
6. In accordance with section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on long-term capital gains is resulting from transfer of listed securities or units or zero coupon bonds, then long term capital gain will be chargeable to tax at the rate lower of the following: -
  - a) 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or
  - b) 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation.
7. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
8. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent eight assessment years.
9. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
10. As per the provisions of section 54F of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from 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 residential house, or for construction of a residential house within three years from the date of transfer.

11. Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee 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. The assessee is not entitled to a deduction in respect of the Security Transaction Tax ("STT") paid by him against the income chargeable under the head 'Capital Gains'.
12. No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.

**B. Non-resident Indian members / shareholders or non-resident members / shareholders (other than FIIs and foreign venture capital investors):**

1. As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.
2. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1,500/- per minor child.
3. 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. However, in case the shareholder is a Company, income by way of long term capital gain shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the I.T. Act.
4. As per section 111A of the Act, short term capital gains arising from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, short term gains as computed above that are not liable to STT arising to non resident shareholders would be subject to tax at their normal tax rates (plus applicable surcharge and education cess).
5. In accordance with section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on long-term capital gains is resulting from transfer of listed securities or units or zero coupon bonds, then long term capital gain will be chargeable to tax at the rate lower of the following: -
  - a) 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or
  - b) 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation.
6. As per the first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, will be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost indexation benefit will not be available in such a case.
7. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
8. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent eight assessment years.
9. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset

will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

10. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) and subject to the condition specified therein arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from 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 residential house, or for construction of a residential house within three years from the date of transfer.
11. Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee 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.
12. 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 assessee unless a lower withholding tax certificate is obtained from the tax authorities.
13. 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 nonresident.

**Special provision in respect of income / LTCG from specified foreign exchange assets available to Non-resident Indians (NRI) under Chapter XII-A of the Income Tax Act**

14. In accordance with section 115E, income from investment or income from long- term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus applicable surcharge and education cess). Income by way of long term capital gains in respect of a specified asset (as defined in section 115C (f) of the act), shall be chargeable at 10% (plus applicable surcharge and education cess).
15. In accordance with section 115F, subject to the conditions and to the extent specified therein, long- term capital gain 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 in any saving certificates referred to in clause (4B) of section 10 of the Income-Tax Act.
16. 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 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.
17. In accordance with section 115I, where a Non Resident Indian opts not to be governed by the provision 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 the other provisions of the Income-tax Act.
18. 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.

**C. Foreign institutional investors (FII's)**

1. As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.
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 than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess).
4. As per section 115 AD read with section 111A 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 115AD 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:

Nature of Income	Rate of tax (%)*
a) Long term capital gains	10
b) Short term capital gains (other than referred to in section 111A)	30
<i>*(plus applicable surcharge and education cess)</i>	

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. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

**D. Benefits available to mutual funds**

As per the provisions of section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India, would be exempt from income tax subject to the conditions as the Central Government may notify. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115 R of the act.

**E. Benefits available to venture capital companies/ funds**

As per the provisions of section 10(23FB) of the Act, any income of Venture Capital Companies / Funds (set up to raise funds for investment in a venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified therein. However, the exemption is restricted to the Venture Capital Company and Venture Capital Fund set up to raise funds for investment in a Venture Capital Undertaking, which is engaged in the business as specified under section 10(23FB)(c). However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

**F. Benefits available under the wealth-tax act, 1957**

Shares of the company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence, no wealth tax will be payable on the market value of shares of the company held by the shareholder of the company.

**Notes:**

- i) In the above statement only basic tax rates have been enumerated and the same is subject to surcharge and education cess, wherever applicable.
- ii) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
- iii) All the above benefits are as per the current tax laws (including amendments made by the Finance Act 2012), legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above.
- iv) Several of these benefits are dependent on the company and its shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.
- v) This statement is only extended to provide general information to the investors and is neither designed nor intended to be a substitute for Professional Tax Advice. In view of the individual nature of tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its investments in the shares of the Company.



**SECTION IV - ABOUT THE COMPANY**

**INDUSTRY OVERVIEW**

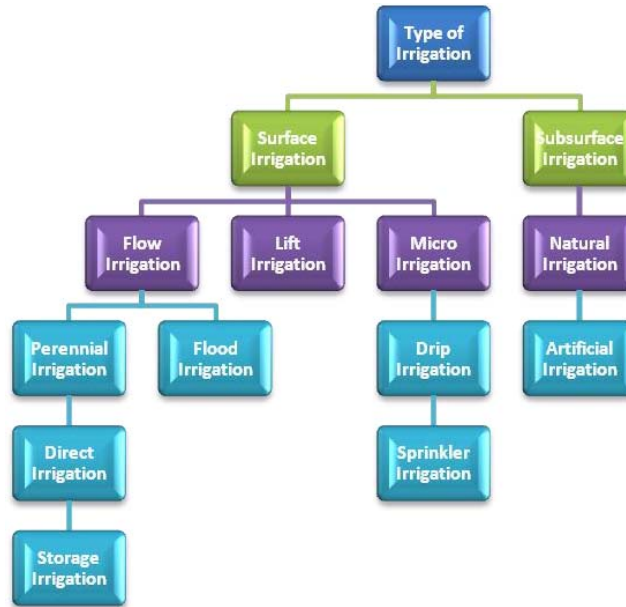
The information presented in this section has been obtained from publicly available documents from various sources, including officially prepared materials from the Government bodies and industry websites/ publications. We may have reclassified such data for the purpose of this section. Industry sources/websites /publications generally state that the information contained therein has been obtained from sources believed to be reliable but the accuracy and completeness of the information are not guaranteed and their reliability cannot be assured. Although we believe industry, market and government data used in the Prospectus is reliable, it has not been independently verified. Similarly, internal Company estimates, while believed by us to be reliable, have not been verified by any independent agency.

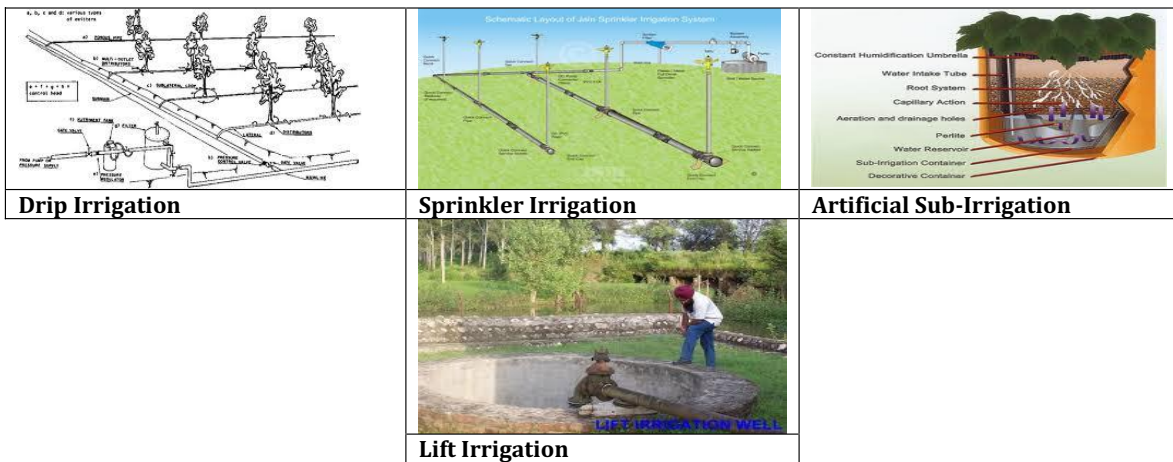
**The Report of the Task Force on Irrigation Planning Commission Government of India May 2009**

**Water Resources Potential of the Country**

Water resources potential of the country has been assessed from time to time by different agencies. As per the latest assessment annual average available water resource of the country is 1869 BCM. Within the limitations of physiographic conditions, socio political environment, constraints and the technology available at hand, the utilizable water resources of the country has been assessed as 1123 BCM, of which 690 BCM is from surface water and 433 BCM from ground water sources. Harnessing of 690 BCM of utilizable surface water is possible only if matching storages are built to the required extent.

**Types of Irrigation**





**Surface Irrigation:** In this kind of irrigation water wets the soil surface. It further classified as flows:

1. **Flow Irrigation:** In this water is supply from higher level to lower level through gravity. E.g. irrigation from canal water or river water. It can be further classified as:
  - c. **Perennial Irrigation:** In this irrigation system, the water requirement for irrigation is supplied in accordance with crop requirements. Water is supplied through the storage canal or through canal distribution system. It is further sub-divided as:
    - i. **Direct Irrigation:** Irrigation is done from direct run off of a river, or by diverting the river run off water into some canal by constructing a diversion weir or barrage across the river.
    - ii. **Storage Irrigation:** A dam is constructed across a river to store water during the monsoon and it is supplied in the off taking channels during periods of low flow
  - d. **Flood irrigation:** In this soil is kept submerged and flooded with water, so as to cause thorough saturation of the land
2. **Lift Irrigation:** Water is lifted up by any manual or mechanical means such as Persian wheel, pumps, etc. and then supplied for irrigation
3. **Micro Irrigation:** It is being implemented through drip or sprinkler irrigation systems depending upon the crop and agro climatic conditions
  - e. **Drip Irrigation:** Drip Irrigation involves technology for irrigating plants at the root zone through emitters fitted on a network of pipes (mains, sub-mains and laterals)
  - f. **Sprinkler Irrigation:** Under this water is sprinkled under pressure into the air and plant foliage through a set of nozzles attached to network of aluminum or High Density Poly Ethylene (HDPE) pipes in the form of rainfall
4. **Subsurface Irrigation:** In this method of irrigation the supplied water comes directly in touch with root zone of the crops. It further classified as:
  - g. **Natural Sub-irrigation:** When underground irrigation achieved simply by natural processes without any extra efforts it is called natural sub-Irrigation for e.g. leakage water from channel, etc.
  - h. **Artificial Sub-irrigation:** The open jointed system of drain is artificially laid below the soil so as to supply the water to the crop by tube

**Ultimate Irrigation Potential of the Country**

The Second Irrigation Commission (1972) assessed the ultimate irrigation potential (UIP) of the country as 113.47 Mha comprising of 58.47 Mha from major & medium irrigation schemes and 55 Mha from minor schemes. In 1995, Central Ground Water Board (CGWB) brought out a publication entitled “Ground Water Resources of India” where potential from ground water has been reassessed as 64.05 Mha. The UIP from minor surface water schemes were also revised from 15 Mha to 17.38 Mha as per reassessment made by the Working Groups set up in each State in this context. Later on, the Ministry of Water Resources constituted a Committee in May, 1997 under the Chairmanship of Chairman, Central Water Commission to firm up the figures of ultimate irrigation potential from minor irrigation both surface and ground water. The Committee in its report of December, 1998 made the following observations

- a. The figure of ultimate irrigation potential needs periodic review in accordance with revision in the scope of harnessing additional water resources and technological advancement taking place in the field of irrigation and agriculture. So, the revised figures of irrigation potential from ground water in minor irrigation sector as assessed at present as 64.05 Mha may be accepted till further review is made in future when additional data/information becomes available
- b. In respect of irrigation potential due to surface water, it is observed that the figure has undergone marginal upward revision primarily due to change in the criteria for classifying schemes as minor scheme from cost basis to area basis (now the schemes with command area less than 2000 ha. are classified as minor irrigation schemes). The Committee was of the view that the irrigation potential of 17.38 Mha from minor surface irrigation as reported by the States appeared reasonable and could be accepted

Consequent upon acceptance of the above recommendation, the UIP of the country at present stands revised from 113.5 Mha to 139.9 Mha as detailed in below Table

**Table: Ultimate Irrigation Potential (UIP)**

<i>(Million Hectares)</i>		
Sector	1972 (Second Irrigation Commission)	Existing
i) Major & Medium Irrigation	58.47	58.47
ii) Minor Irrigation	55.00	81.43
iii) Surface water	15.00	17.38
iv) Ground water	40.00	64.05
<b>Total:</b>	<b>113.47</b>	<b>139.90</b>

*(Source: The Report of the Task Force on Irrigation Planning Commission Government of India May 2009)*

Although the UIP of the country has undergone upward revision, the potential due to major and medium irrigation sector has remained unaltered since 1972. It has been noted in case of some States that potential created is more than the ultimate potential envisaged, whereas in some states the ultimate potential could not be achieved. So, a review of the ultimate potential on account of major and medium irrigation sector has also become necessary which should be taken up by the States in order to provide a more realistic base for formulation of future plans.

As per National Perspective Plan (NPP), the Implementation of Inter Basin Water Transfer (IBWT) proposals shall create additional irrigation potential of 35 Mha (13 Mha through peninsular and 22 Mha through Himalayan components). With the inter-basin transfer of water in future, the ultimate potential in the country may go up to 175 Mha.

**Demand of Water in Irrigation Sector:**

Water requirement for various sectors has been assessed by “Standing Sub- Committee for assessment of availability and requirement of water”, (2000), and by the National Commission on Integrated Water Resources Development Plan (NCIWRDP) for high demand scenario. Water Requirement for Irrigation Sector as assessed by Standing Sub Committee and NCIWRDP is shown in the below Table

**Table: Demand of Water in Irrigation Sector**

(in BCM)			
Year	2010	2025	2050
Standing Sub- Committee of MoWR	688	910	1072
<b>NICWRD</b>	<b>557</b>	<b>611</b>	<b>807</b>

(Source: The Report of the Task Force on Irrigation Planning Commission Government of India May 2009)

Irrigation requirement estimated by NCIWRDP may be on a lower side as compared to that estimated by the Standing Sub-Committee because NCIWRDP assumed that the irrigation efficiency defined as volume of water required for consumptive use by the crop for its growth to the volume of water delivered from the source will increase to 60% from the present level of 35 to 40%.

#### **Surface Water Development:**

The growth in surface water irrigation potential has been modest. The augmentation rate per Plan gradually increased with every plan period crossing 1 Mha from the VIth Plan onwards. The criterion of minor irrigation schemes as those with estimated cost of less than Rs.25 lakhs was changed to culturable command area basis (less than 2000 ha) in 1978. Thereby, some of the earlier conceived medium irrigation schemes consisting of large dams and canal networks came under the scope of minor irrigation which gave an artificial boost to plan-wise irrigation development particularly for surface water MI potential during the VIth Plan. By the end of the Ninth Plan, a potential of 13.60 Mha has been created and 11.44 Mha utilized as against ultimate potential of 17.38 Mha. While the all India figures may appear closer to ultimate, there is still a lot of potential left with eastern and northeastern states with sizable quantity from Madhya Pradesh and Karnataka also. The growth in creation of surface water irrigation potential has been modest all through these plan years. The estimation of ultimate irrigation potential requires detailed scrutiny.

#### **Ground Water Development:**

The ground water development supports irrigation, drinking water and industrial sectors. Ground water meets nearly 55% of irrigation requirements of the country besides meeting more than 85% of water requirement for domestic use in rural areas and over 50% for urban areas. Ground water has contributed immensely to drought proofing of agriculture.

Groundwater schemes have the inherent advantage that they are mostly for an individual or a small group of farmers. Over the last five years, rapid expansion in the use of ground water primarily for irrigation has contributed to agricultural and economic development of India. The progress in groundwater picked up momentum during the IIIrd Plan period (1961-1966) and continued till 1992. The VIIth Plan (1985-90) witnessed an unprecedented achievement of 7.80 Mha of groundwater potential. Ultimately, the cumulative groundwater potential rose to 38.89 Mha in 1992. During the VIIIth and IXth Plans however, there was perceptible drop as progress slackened to 1.91 Mha and 2.50 Mha respectively for the two Plan periods. The potential of ground water created till Xth Plan (up to 2007) was 46.11 Mha (tentative).

The ultimate irrigation potential that can be created from ground water has been assessed as 64.05 Mha. Going by the status of 46.11 Mha at the end of the Xth Plan, there is still large scope for continuing further ground water development to bring additional areas under ground water irrigation. However, the ground water development is not uniform all over the country. It is very high in alluvial areas of Indo-Gangetic plain of Punjab (145% of the state's potential) and Haryana (109%) and as low as 45% and less in many states including Bihar, West Bengal, Orissa, North Eastern States, etc. The ground water development in hard rock terrains of Tamil Nadu, Andhra Pradesh and Karnataka, States is also very high. Ground water development in Rajasthan, which covers part of Thar desert, is 125%. Though, over-development of resources in some parts of the country has created serious problems, a large portion of GW resources are still untapped in eastern and north eastern parts of the country mainly in the States of Assam, Bihar and West Bengal.

The Plan-wise irrigation potential created through Major and Medium irrigation sector and Minor Irrigation Sector is shown in below table:

**Plan-wise Position of Irrigation Potential Created**

<i>(In Mha)</i>						
Plan		Potential Created				Total
		Major & Medium	Minor			
			S.W.	G.W.	Total	
Upto 1951 (Pre-Plan)	Cumulative	9.70	6.40	6.50	12.90	22.60
I (1951-56)	During	2.50	0.03	1.13	1.16	3.66
	Cumulative	12.20	6.43	7.63	14.06	26.26
II (1956-61)	During	2.13	0.02	0.67	0.69	2.82
	Cumulative	14.33	6.45	8.30	14.75	29.08
III (1961-66)	During	2.24	0.03	2.22	2.25	4.49
	Cumulative	16.57	6.48	10.52	17.00	33.57
Annual (1966-1969)	During	1.53	0.02	1.98	2.00	3.53
	Cumulative	18.10	6.50	12.50	19.00	37.10
IV (1969-74)	During	2.60	0.50	4.00	4.50	7.10
	Cumulative	20.70	7.00	16.50	23.50	44.20
V (1974-78)	During	4.02	0.50	3.30	3.80	7.82
	Cumulative	24.72	7.50	19.80	27.30	52.02
Annual (1978-1980)	During	1.89	0.50	2.20	2.70	4.59
	Cumulative	26.61	8.00	22.00	30.00	56.61
VI (1980-85)	During	1.09	1.70	5.82	7.52	8.61
	Cumulative	27.70	9.70	27.82	37.52	65.22
VII (1985-90)	During	2.22	1.29	7.80	9.09	11.31
	Cumulative	29.92	10.90	35.62	46.52	76.44
Annual (1990-92)	During	0.82	0.47	3.27	3.74	4.56
	Cumulative	30.74	11.46	38.89	50.35	81.09
VIII (1992-97)	During	2.21	1.05	1.91	2.96	5.17
	Cumulative	32.95	12.51	40.80	53.31	86.26
IX (1997-2002)	During	4.10	1.09	2.50	3.59	7.69
	Cumulative	37.05	13.60	43.30	56.90	93.95
X (2002-2007)	During	5.30	0.71	2.81	3.52	8.82
	Cumulative	42.35	14.31	46.11	60.42	102.77

*(Source: The Report of the Task Force on Irrigation Planning Commission Government of India May 2009)*

**Potential Creation Targets vs. Achievements:**

The targets set for creation of irrigation potential and achievements made during the VIIth Plan to Xth Plan is given in below Table.

**Target vs. Achievements of Irrigation Potential Creation (IPC)**

(in Mha)

Plan	Target			Achievements		
	MMI	MI	Total	MMI	MI	Total
VII	4.3	8.6	13	2.22	9.09	11.31
VIII	5.087	10.71	15.8	2.21	2.96	5.17
IX	9.81	7.24	17.05	4.1	3.59	7.69
X	9.936	6.807	16.74	5.3	3.52	8.82

(Source: The Report of the Task Force on Irrigation Planning Commission Government of India May 2009)

The details on the irrigation projects proposed to be implemented during the XIth Five Year Plan under Major and Medium irrigation projects (MMI) and Minor irrigation project (MI) as detailed in the Report of the Working Group on Water Resources for XIth Plan and also the XIth Plan document is presented below.

**Projects to be covered under XI<sup>th</sup> Plan:**

Sr. No	Type of Project	Major	Medium	ERM	Total
1.	Ongoing Projects including Spill over	166	222	89	477
2.	New Projects	78	145	86	309
3.	Liability for the completed projects	48	91	39	178
<b>TOTAL</b>		<b>292</b>	<b>458</b>	<b>214</b>	<b>1178</b>

(Source: The Report of the Task Force on Irrigation Planning Commission Government of India May 2009)

The target potential creation under the above 1178 projects during XI<sup>th</sup> Plan period is 9.0 million hectares (Mha). It is reasonable to assume that the remaining potential of 7.0 million hectares will be developed in the XII<sup>th</sup> Plan and also there would be additionality due to measures for improved efficiency thus a target of 9 Mha has been kept for XII<sup>th</sup> Plan.

**Forecast of Potential Creation in the Irrigation (Major & Medium Irrigation)**

(In million ha)

Plan Period	Projected IPC During The Plan Period
XI	9
XII	9

(Source: The Report of the Task Force on Irrigation Planning Commission Government of India May 2009)

**Minor Irrigation Sector:**

The Working Group on Water Resources for the XI<sup>th</sup> Plan has recommended creation of irrigation potential of 7 Mha during the XI<sup>th</sup> Plan.

**Forecast of Potential Creation in the Irrigation (Minor Irrigation)**

(In million ha)

Plan Period	Projected IPC During The Plan Period
XI	7
XII	12

(Source: The Report of the Task Force on Irrigation Planning Commission Government of India May 2009)

### Status of Irrigation Potential:

The status of irrigation potential of the country that remains to be created and its likely phasing overtime is summarized in below Table

### Status of Irrigation Potential and Its Likely Phasing

(In Million Ha.)

Particulars	Major & Medium Irrigation	Minor Irrigation		Inter Basin Water Transfer (IBWT)	Total
		Surface	Ground		
Ultimate	58.47	17.38	64.05	35.1	175.00
Developed Till the End of X <sup>th</sup> Plan	42.35	14.31	46.11	-	102.77
Expected Addition In:					
XI <sup>th</sup> Plan	9.0	2.50	4.50	-	16.0
XII <sup>th</sup> Plan	9.0	0.50	11.50	-	21.0
XIII <sup>th</sup> Plan		0.07	1.94	0.65	2.66
XIV <sup>th</sup> Plan				0.38	
Subsequent Plans				34.1	

(Source: The Report of the Task Force on Irrigation Planning Commission Government of India May 2009)

### Major & Medium irrigation

Major & medium irrigation sector has been at the core of many of the activities envisaged to provide a sustainable solution for food security and agricultural growth. The created irrigation potential in respect of major and medium projects increased from 9.72 mha in preplan period to 46.24 mha (tentative) including 4.60 Mha anticipated to be created in XI Plan. In the corresponding period the potential utilization has increased from 9.70 mha during pre plan period to 35.10 mha (including 1.36 Mha anticipated during XI plan).

Although plan expenditure on irrigation has increased from Rs. 441.8 crore in the Ist Plan to Rs.100,106 crore in the X Plan, the share in total plan expenditure has decreased from 23% in the Ist Plan to 6 % in the X Plan.

Time and cost overruns have been a major cause for worry with MMI projects. Overall, the escalation is influenced strongly by local conditions and cost overruns occur due to time overruns and consequent price escalation over time. This indicates that implementation strategies adopted by the individual project authorities need detailed study and specific solutions for prevention of further escalation in the costs. Provision of financial resources in a timely fashion with adequate capacity to manage them by the implementing departments is the need of the hour.

The Working Group identified total number of projects reported in XII plan is likely to be 583 including 236 Major, 265 Medium and 65 ERM projects and 17 special category projects involving diverse activities like dam safety, special repairs etc. When the list of projects submitted as a result of this exercise was compared with the list of 553 spillover projects provided at the end of X plan, it was found that 202 projects that were proposed to be taken up at the end of X plan find no mention about their progress during the plan. From the present physical and financial status it is, expected that In all, 327 ongoing projects including 154 major, 139 medium and 34 ERM projects will require financial inputs in XII plan for their implementation. It has assessed that 130 Projects have been taken up in XI Plan, while 116 projects including 45 major, 66 medium and 5 ERM projects are reportedly completed during XI Plan and 37 projects (8 major, 28 medium and 1 ERM projects) having liabilities during XII Plan. There are proposals for 28 major, 32 medium and 25 ERM new projects to be taken up in XII plan. The number of projects likely to be spilled over into the XII Plan works out to 337 including 155 major, 147 medium and 35 ERM projects.

### Command Area Development and Water Management (CADWM)

Cumulative Command Area covered in respect of field channels till X Plan is 18.06 Mha. For the XI Plan, an achievement of 0.394 and 0.429 Mha have been made during 2007-08 and 2008-09 respectively. In the case of field drains, the achievement is still poorer at about one-tenth of field channels. This could be a reason for aggravating water logging problems. Reclamation of Water logged Areas under the Centrally Sponsored Command Area Development Programme, 579 schemes of 9 states, have been approved for reclamation of 78.81 th. ha. water logged area. Out of this, an area of 52.11 th.ha. has been reported to be reclaimed.

Ministry of Water Resources brought out a model act to be adopted by the State Legislatures for enacting new Acts/ amending the existing irrigation Acts for facilitating the Participatory Irrigation Management (PIM). Despite repeated emphasis by Government of India so far, only 15 States have enacted PIM Acts/ amended the existing irrigation Acts. The participation of farmers in the management of irrigation would include transfer responsibility for operation & maintenance and also collection of water charges to the Water Users' Association in their respective jurisdiction. So far 63167 Water Users' Associations have been formed in various States covering an area of 14.623 M.ha. under various commands of irrigation projects.

A number of irrigation projects in the country have been operating much below their potential due to shortage of funds for O&M related activities. The scope of the CADWM Programme has, therefore, been expanded to take care of such deficiencies occurring above the outlet (on canal system of capacity up to 4.2 cusec) through proper rehabilitation under Correction of System Deficiencies. This would eventually improve the output of the activities below the outlet as well. A cost norm of Rs. 6000/- per ha. has been kept for this activity.

*(Source: The Report of the Working Group On Major & Medium Irrigation and Command Area Development For the XII Five Year Plan (2012-2017))*

### **Micro Irrigation**

Surface / gravity irrigation needs more water in compared to micro irrigation and leads to water accumulation of excess water in absence of proper drainage arrangement. Yields of crop are better in micro irrigation in addition to the saving of water. Water saving in various crops from sprinkler irrigation ranges from 16% to 69% over the traditional method and increase in crop yield from 3% to 57% whereas in drip water saving range is 5% to 68% and yield increase in crop is 10% to 50% ( Report of Sub-Group II on "Efficient Utilization of Existing Irrigation Facilities", MOWR, December, 2008). Although, it involves more O&M cost for energy charges as compared to surface irrigation, micro irrigation is more efficient system to increase water use efficiency. Irrigation efficiency in drip irrigation is about 90% as compared to about 65% in the case of sprinkler irrigation and about 35-50% in case of lined distribution of conventional method of irrigation as per the CWC studies, 1991. In addition to water saving, micro irrigation results in enhanced growth & yield, saving labour & energy, flexibility in operation etc.

Micro Irrigation is being implemented through drip or sprinkler irrigation systems depending upon the crop and agro climatic conditions. In Sprinkler Irrigation, water is discharged under pressure in the air through a set of nozzles attached to a network of high density polyethylene (HDP) pipes, simulating rainfall. These systems are suitable for irrigating crops where the plant density is very high. Sprinkler Irrigation Systems may be portable, semi-permanent and large volume sprinkler.

Drip Irrigation involves technology for irrigating plants at the root zone through emitters fitted on a network of pipes (mains, sub-mains and laterals). The emitting devices could be drippers, micro sprinklers, mini-sprinklers, micro-jets, misters, fan jets, micro-sprayers, foggers etc. which are designed to discharge water at prescribed rates. At present, central assistance is being provided under CADWM Programme for development of infrastructure to facilitate use of sprinkler/drip irrigation systems as an alternative to construction of field channels. The assistance under this item will be limited to construction of stilling tank, pump house and laying of conveyance pipes up to farmers' fields. The cost norms as applicable for OFD works will also be applicable for such works.

To address the judicious and improved methods/technologies for harnessing maximum benefits from available water resources to enhance productivity without affecting soil health, a scheme on Micro Irrigation was launched during the year 2005-06 and has been up scaled to be implemented as National Mission on Micro Irrigation (NMMI) during XI Plan. NMMI is being implemented by the Ministry of Agriculture and Micro Irrigation Technologies are being promoted for agriculture/horticulture development. As per recommendation of the Task Force constituted by Ministry of Agriculture, there is a potential of 69 Mha. (27 Mha under drip and 42 Mha under sprinkler) to be achieved under Micro Irrigation. During XI plan, an area of 22.77 lakh hectare has been covered during XI plan till March, 2011 under this scheme and an amount of B 2756.43 crore has been released to the States. An area of about 12.40 lakh hectare (46.45%) and 13.96 lakh hectare (53.55%) have been covered under drip and sprinkler irrigation during the period from 2005 to 2011.

Micro-irrigation needs to be included in CADWM programme as a basic component so as to put all measures related with ensuring water use efficiencies in irrigation projects together.

*(Source: The Report of the Working Group on Major & Medium Irrigation and Command Area Development For the XII Five Year Plan {2012-2017})*



## **POLICY INITIATIVE**

### **Micro Irrigation**

To bring more area under irrigation, it has become necessary to introduce new irrigation techniques viz Micro & Sprinkler Irrigation for economizing the use of water and increase productivity per unit of water. This technology also arrests water logging and secondary salinization problems of the canal command areas and check the receding water table and deteriorating water quality in the well command areas. The estimated potential of Micro/ Sprinkler Irrigation Technology in the country is 27 & 42.5 Million hectares respectively. It is proposed to implement a Centrally Sponsored Scheme, on Micro Irrigation during the Tenth Five Year Plan covering an area of 1.5 million hectares under drip irrigation and 0.5 million hectares under sprinkler irrigation.

The objective of the scheme is to increase the coverage of area under micro irrigation in the country for improving crop productivity with efficient use of water resources. Micro irrigation is to be viewed as a total plant support system starting with planting material to post harvest management and marketing. Therefore, micro irrigation need be promoted in a holistic manner involving appropriate cultivars, good agronomic practices, post harvest handling, processing and marketing leading to an end-to-end approach. Water source development and recharge of wells through Watershed Management would also form a part of the package. The scheme will be available to all the farming community in the country and the focus will be for efficient utilization of various inputs as water, fertilizer etc & increase in productivity & quality of produce.

Keeping in view the available potential and urgent need to promote efficient use of water resources, it is proposed to cover 2 Million hectare under micro/sprinkler irrigation during the Tenth Plan (1.5 Million hectare area under drip irrigation and 0.5 Million hectare area under sprinkler irrigation). Initially, the focus will be on horticultural crops; with emphasis on potential belts/regions in the States suiting to the agro-climatic conditions. Various extension activities viz. Training and awareness programmes for state officials, farmers, NGOs, entrepreneurs, scientists, service providers; direct mail campaigns, trouble shooting for operational problems in various agro-climatic zones would be carried out in all states / UTs through the National Committee on Plasticulture Applications in Horticulture (NCPAH).

It is proposed to provide financial assistance @ 50% of the unit cost for various spaced crops. The financial assistance of 50% would be jointly shared between the centre and state governments in the ratio of 80:20. In other words, 80% share (40% of unit cost) will be met by the centre, and the balance 20% (10% of unit cost) will be met by the respective states. The beneficiaries may contribute the balance 50% of the unit cost, either through his/her own resources, or through soft loan(s) from any financial institutions.

The outlay proposed for covering 2 Million hectare under micro/ sprinkler irrigation during the Tenth Plan Period will be Rs. 7600 crores (which includes 50% farmer's contribution and Rs.100 crore for HRD, promotion and other administrative costs). This outlay also includes Rs 984 crore for the current fiscal. The central and state government's contribution of the total outlay would be Rs 3100 and Rs 750 crores respectively.

(Source: <http://agricoop.nic.in/PolicyIncentives/microirrigation.htm>)

### **Drip Irrigation**

Drip Irrigation involves technology for irrigating plants at the root zone through emitters fitted on a network of pipes (mains, sub-mains and laterals). The emitting devices could be drippers, micro sprinklers, mini sprinklers, micro jets, misters, fan jets, micro sprayers, foggers etc which are designed to discharge water at prescribed rates. The use of different emitters will depend upon specific requirements, which may vary from crop to crop. Water requirement, age of plant, plant to plant spacing, soil type, water quality and availability etc. are some of the factors which would decide the choice of the emitting system. The indicative cost of Drip Irrigation System (assuming peak water requirement with source of water at the corner of the plot) for different lateral spacing and plot sizes is given in below Table on the basis of which subsidy will be calculated.

The unit cost of Drip Irrigation system varies with respect to plant spacing and location of the water source. Moreover, the cost of the drip system varies from state to state depending upon the volume of demand, marketing network, etc. Accordingly, the states have been categorized into three categories, viz. Category 'A', 'B' and 'C'.

**Estimated Cost of Installing Drip Irrigation System**

(Cost in Rs / ha)

Lateral Spacing (mxm)	Area (ha)						
	0.2	0.4	1	2	3	4	5
<b>A. Wide Spaced Crops</b>							
12x12	8057	13785	18820	29928	46467	57809	73611
10x10	8308	14277	20041	32323	50128	62787	79831
9x9	8490	14631	20900	34039	52704	66294	84219
8x8	8673	15088	22028	36217	56087	70893	89964
6x6	9492	16605	26551	44387	71715	86970	109129
5x5	10061	17977	30143	51438	74334	94465	126925
4x4	11177	18621	31793	55725	86926	113812	135459
3x3	12088	20048	36551	63269	97448	122553	153441
2.5x2.5	14939	27092	52230	95083	145227	203823	248954
2x2	18319	31616	63598	123441	179332	249134	305797
<b>B. Close Spaced Crops</b>							
1.5x1.5	21514	35973	74437	141858	211855	292595	360002
2.5x0.6	15463	26791	54909	100906	154213	214153	262885
1.8x0.6	18807	32909	70086	132653	199684	271986	338705
1.2x0.6	24063	43816	97598	185565	280886	378946	474070

(Source: Report of National Mission on Micro Irrigation Operational Guideline, November 2010)

States where more than 20,000 hectares have been brought under drip irrigation would come under 'A' Category. This would include the States of Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra and Tamil Nadu. All the States except those covered under Category 'A' and those falling in the Himalayan belt would come under Category 'B'. All the North Eastern States, Sikkim, Himachal Pradesh, Jammu & Kashmir, Uttarakhand and Darjeeling District of West Bengal would come under Category 'C'. Keeping in view the level of awareness, proximity to the manufacturing units, distance involved in transportation, potential for drip irrigation, the cost of drip system in Category 'B' States is estimated to be 15% higher than Category 'A' States while for Category 'C' States it is estimated to be 25% higher than Category 'A' States.

Assistance under the scheme is available for all types of drip irrigation systems such as on-line drip irrigation systems, in-line systems, sub-surface drip irrigation systems, micro jets, fanjets, micro sprinklers, mini sprinklers, misters and similar other low discharge irrigation systems.

**Sprinkler Irrigation**

Under sprinkler irrigation water is sprinkled under pressure into the air and plant foliage through a set of nozzles attached to network of aluminum or High Density Poly Ethylene (HDPE) pipes in the form of rainfall. These systems are suitable for irrigation crops where the plant density is very high where adoption of Drip Irrigation System may not be economical. Sprinkler irrigation is suitable for horticultural crops like vegetables and seed spices. Conventionally, sprinkler irrigation has been widely in use for irrigating Cereals, Pulses, Oil seeds, and other field crops. The indicative cost of sprinkler irrigation is given in below table:

**Indicative Cost of Micro Sprinkler and Mini Sprinkler Irrigation System**

*(Cost in Rs)*

Area	Micro Sprinkler	Mini Sprinkler
	<b>5 x 5</b>	<b>10 x 10</b>
0.2	17019	Not Feasible
0.4	25750	35968
1	51245	74097
2	90070	139142
3	129830	211289
4	175315	271958
5	221628	333150

*(Source: Report of National Mission on Micro Irrigation Operational Guideline, November 2010)*

## OUR BUSINESS

*In this section “our Company” refers to the Company, while “we”, “us” and “our” refers to our Company*

We are an ISO 9001:2008 certified company and are into business of manufacture and sale of quality Micro Irrigation Systems and allied products. We are in business for more than a decade and half and have in-depth knowledge of our products and industry in which we operate. Apart from manufacturing and selling of our products, we also undertake supply and installation of micro irrigation systems and provision of agronomical services to farmers.

Our Promoter and Founder, Mr. Ramesh Khichadia has more than two decades of experience in the field of marketing and manufacturing pipes and other irrigation related products and has been awarded Udyog Patra for self made industrialist in the year 2008 by Institute of Trade and Industrial Development and Indira Gandhi Priyadarshini Award in the year 2008 by All India National Unity Conference-New Delhi.

Our Product Range includes wide variety of products coverings Pipes Fittings and Irrigation Equipments including Drip Irrigation Systems, Sprinkler Irrigation Systems, Disc Filters, Screen Filters, Hydro-Cyclone Filters, Sand (Gravel) Filters, Compression Fittings, Valves (Electric & Mechanical), Fertilizer Tanks, Digital Controllers, Pressure Gauges HDPE Pipes, etc.

We manufacture our products at our factory located at Shapar, Rajkot-Gujarat with existing capacity of 6750 MT per year .Our products comply with Indian as well as International standards and has been certified to conform to the “**Quality Management Systems Standard ISO 9001:2008**” by International Certification Services. All our products are ISI marked.

We have been awarded Special Recognition Award for Manufacturing of Quality Plastic Extruded Products in 2008 by Ministry of Micro, Small & Medium Enterprise, Government of India.











We have entered into formal arrangements with 169 dealers and informal arrangements with a number of other dealers to market and sell our products in 6 states viz. Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab, and Maharashtra.

For the year ended March 31, 2013, our Company’s Total Income and Restated Profit After Tax was Rs. 6310.72 Lacs and Rs. 266.24 Lacs respectively, compared to our Company’s Total Income and Restated Profit After Tax of Rs. 5160.89 Lacs and Rs. 128.40 Lacs, representing an increase of 22.28 % in Income and 107.35% Profit After Tax respectively over previous year. For the 6 months ended as on September 30, 2013, our Company’s Total Income and Restated Profit After Tax was Rs. 3820.47 Lacs and Rs. 110.70 Lacs, respectively.

As on September 30, 2013, we have 850 orders worth Rs. 489.34 lacs from Small/ Medium/ Large farmers details of which are as follows:

<b>Types of Irrigations</b>	<b>No. of Orders</b>	<b>Amount (Rs in Lacs)</b>
Drip Irrigation System	186	245.35
Mini Sprinkler Irrigation System	55	90.52
Sprinkler irrigation System	609	153.47
<b>Total</b>	<b>850</b>	<b>489.34</b>

**Our Products:**

Sr. No	Product Name	Range	Standard	Types	Application
<b>CATEGORY: DRIP IRRIGATION SYSTEM</b>					
1.	<b><u>Emitting Pipes</u></b> 	Dia: 12mm and 16mm with spacing of 30 cm to 150 cm and 1 to 4 LPH in class I,II & III.	IS 13488	N.A	In Drip Irrigation Systems for close spacing crops
2.	<b><u>Irrigation Lateral</u></b> 	Dia: 12mm, 16mm, 20mm, 25mm and 32mm OD in Class I,II & III.	IS : 12786	N.A	For Drip and Mini Sprinkler irrigation System
3.	<b><u>Online Emitters</u></b> 	2, 4, 8 LPH regulated and unregulated.	IS: 13487 with category "A" and "B"	N.A	For Online Drip Irrigation System for Horticulture crop.
4.	<b><u>Header Assembly</u></b> 	2", 2.5",3",4" 5"and 6"	N.A	N.A	To assemble the filtration unit for drip and mini sprinkler irrigation system.
5.	<b><u>Fertilizer Equipments</u></b> 	30,60,90 and 120 liter capacity  <b><u>Ventury Injectors</u></b> : 3/4, 1, 1 1/2 and 2 Inches	-	N.A	To inject Fertilizers and Chemicals in Drip/Mini sprinkler Irrigation Systems
6.	<b><u>Sand Filter</u></b> 	10, 20, 30, 40,50 M <sup>3</sup> /Hr	-	N.A	Primary filter for Drip/Sprinkler Irrigation Systems
7.	<b><u>Hydrocyclone Filter</u></b> 	20 & 25 M <sup>3</sup> /Hr(2"), 40 M <sup>3</sup> /Hr(3"), and 50 M <sup>3</sup> /Hr (3" & 4")	IS 14743	N.A	Clay particle separator filter for Drip/sprinkler Irrigation Systems
8.	<b><u>Disc Filter</u></b> 	20 & 25 M <sup>3</sup> /Hr(2"), 40 M <sup>3</sup> /Hr(3"), and 50 M <sup>3</sup> /Hr (3" & 4")	IS 12785	N.A	Secondary filtration for Drip/sprinkler Irrigation Systems
9.	<b><u>Screen Filter</u></b> 	20 & 25 M <sup>3</sup> /Hr(2"), 40 M <sup>3</sup> /Hr(3"), and 50 M <sup>3</sup> /Hr (3" & 4")	IS 12785	N.A	Secondary filtration for Drip/Sprinkler Irrigation Systems
10.	<b><u>Drip Accessories</u></b> 	12 mm to 25 mm		N.A	For Drip Irrigation Systems.

CATEGORY: SPRINKLER SYSTEM					
1	<b>Sprinkler Pipes</b> 	50, 63, 75, 90, 110, 125, 140mm OD in class I, II & III	IS 14151	-	Sprinkler and Drip Irrigation System for main and sub main line
2	<b>Sprinkler Nozzle</b> 	¾" with discharge 1800 LPH to 2100 LPH in 1 kg/cm <sup>2</sup> to 3 kg/cm <sup>2</sup> pressure.	IS 12232	-	Sprinkler Irrigation System
3	<b>Sprinkler Accessories like foot Batten, Bend, Tee, End Cap, Pump connecting nipple.</b> 	Dia : 50, 63, 75, 90, 110mm	-	Regular, Notch and "C" clamp Coupler thickest & Zinc Coated	Sprinkler and Drip Irrigation System
CATEGORY: MINI SPRINKLER					
1	<b>Mini Sprinkler Nozzle</b> 	Part Circle (adjustable range) & Full Circle with 280 LPH & 450 LPH respectively.	IS 12232	-	To irrigate close spacing crops like Ground nut, Onion, Garlic etc.
2	<b>Compression Fittings</b> 	25mm to 110mm	-	-	These components are used in Mini Sprinkler irrigation system.
CATEGORY: PIPE FITTINGS					
1	<b>PE Fittings</b> 	Pipe End, Slip-on Flange, Reducer, Blind Flange	N.A	N.A	Various types of fittings used to join & end connection of Pipeline in water distribution project.
2	<b>Compression Fittings</b> 	25mm to 110 mm	N.A	N.A	No electricity required. No skilled labour requirement.
CATEGORY: VALVES					
1	<b>PP Ball Valves</b> 	1" to 6" with Flanged End Heavy Duty Valves	N.A	N.A	For Mini Sprinkler and Drip Irrigation and Industrial purpose.
2.	<b>Butterfly Valves</b> 	2" to 8"	N.A	N.A	Drip and Mini Sprinkler Irrigation Systems
3.	<b>Flush Valves</b> 	Dia : 40, 50, 63, 75 and 90mm	N.A	N.A	For Drip and Mini sprinkler Irrigation Systems

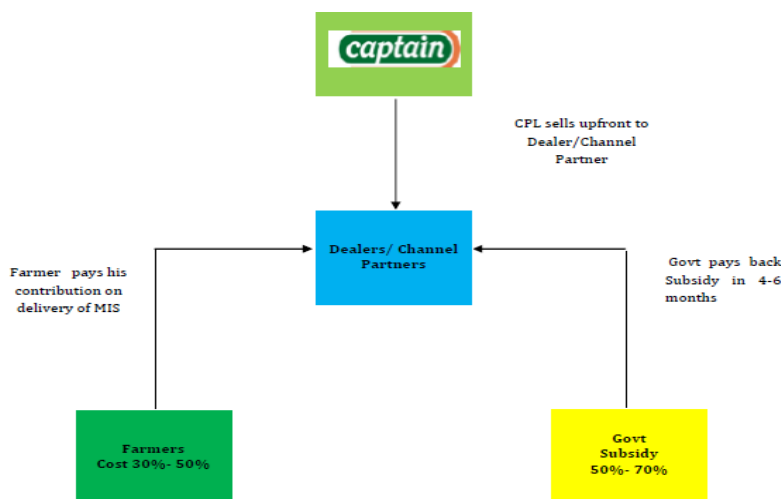
**Our Location:**

Registered Office	Upper Level - 25, Royal Complex, Dhebar Road, Bhutkhana Chowk, Rajkot- 360002, Gujarat, India.
Head Office & Works	Survey No. 267, Plot No. 10-A & 11, N.H. 8-B, Shapar – Veraval, Rajkot – 360024, Gujarat, India.
<b>Branches &amp; Warehouse</b>	
Baroda, Gujarat	Shop No. 103, Prayosha Complex,1st floor, Chhani Jakat Naka, Baroda-390024 Gujarat
Dessa, , Gujarat	1. Shop No. 6, Swaminarayan Mandir, Behind Highway Road,Deesa,-385535 Gujarat 2. Shop No.3 & 4 Swaminarayan Mandir, Behind Highway Road, Deesa -385535, Gujarat
Surendra Nagar , Gujarat	Tirupati Balaji Complex, 1st Floor, Opp.M.P. Shah College, Surendra Nagar, Gujarat-363 001
Himmatnagar,Gujarat	D/32,1st t Floor, Nav Durga Society, Himmat Nagar, Gujarat-383276
Bhiwani, Haryana	Room No: 77, New Housing Board Colony, 1st Floor, Dadri Gate, Dhana Road, Bhiwani, Haryana-127021
Nashik, Maharashtra (Branch Office)	Office No.23, Kapadia Commercial Complex, Opp Janalaxmi Bank(HO), Old Agra Road,Nashik-422 002
Nashik, Maharashtra (Warehouse)	M/s. Jondhale’s Warehousing, Complex, G.T. NO. 141/1 & 2, Village: Jaulke Dindori, Taluka: Dindori, Dist.: Nashik
Jaipur,Rajasthan (Franchisee)	Hindustan Pipe and Fitting Store, located at 7A, Jaisalya Nagar, Nr. Kailash Canteen, Rd no. 17, V.K.I Area, Jaipur-302 013
Indore (Franchisee)	Kartikeya Enterprise located at 261-2 <sup>nd</sup> Floor , Shahstri Market, , Indore
Punjab (Franchisee)	M/s. Automat Industries (P) Ltd,S-14, DLF Colony, Sirhind Road, Patiala ( Punjab )

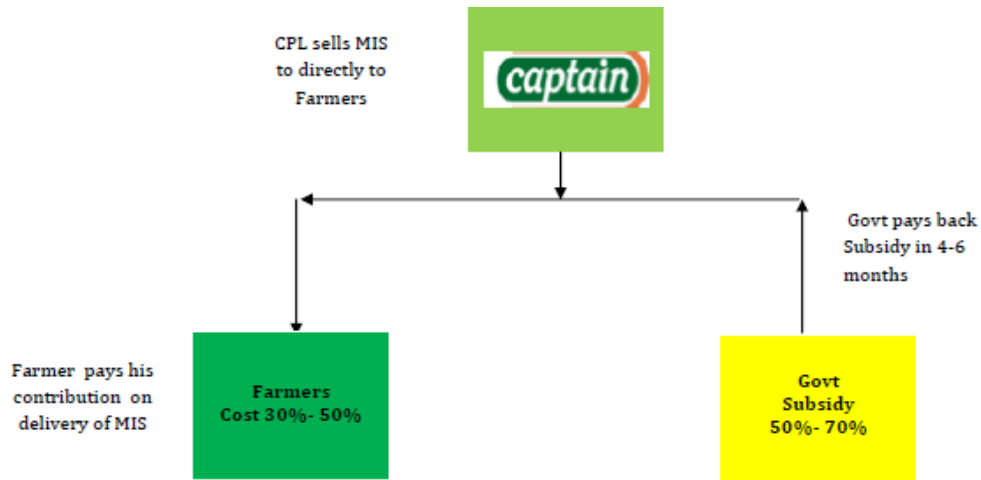
**Our Business Model:**

Our Micro Irrigation Systems (MIS) business is dependent upon the subsidy provided by the government (Central and State), which makes our business working capital intensive. The subsidy portion is about 50% to 70% of the approved cost of MIS. The farmer who purchases the MIS bears 30% - 50% of the cost and pays the same to our dealer; upon completion of installation and verification by empanelled/appointed agencies of the Government, subject to compliance of certain conditions and after a period of 4 – 6 months, the remaining cost of purchase of the MIS i.e. 50% -70% is paid to us by the Government as subsidy. We operate in both Open Market as well as the Project Market:

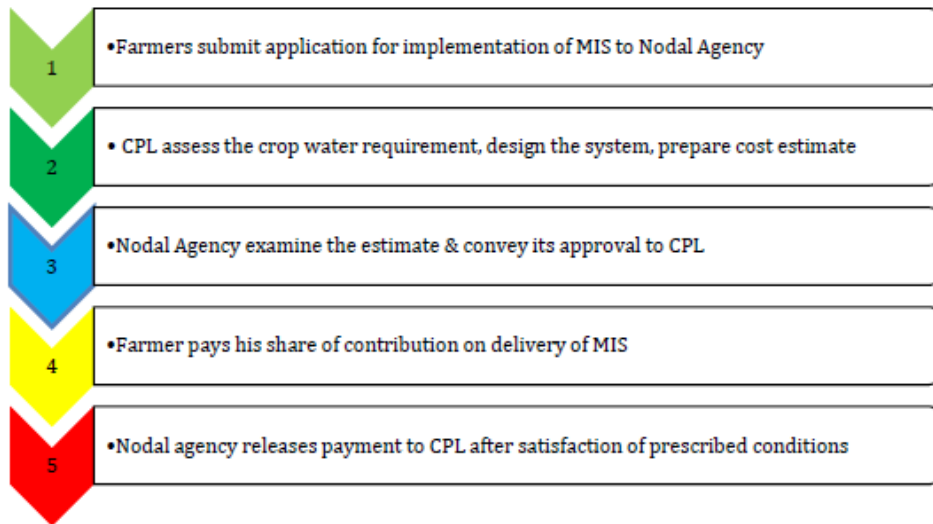
**Open Market:** In the Open Market, we sell our products to channel partners or dealers who pay us upfront or with minimum credit period. Our Dealers in turn sell it to farmers. Part of the purchase cost is met by the farmers and the remaining amount i.e. the subsidy is paid to our dealers by government agencies.



**Project Market:** In the Project Market, we get work orders directly from nodal agencies of various state governments after loan tie ups/Contribution by farmers and determination of subsidy eligibility by the nodal agencies. MIS is installed only after receipt of the work order from the nodal agencies which enables us to secure release of payments under the project market. The subsidy portion is paid to us over the period of 4 to 6 months and subject to compliance of certain prescribed conditions under the respective subsidy scheme. At present we operate on project market basis in the states of Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab, and Maharashtra.

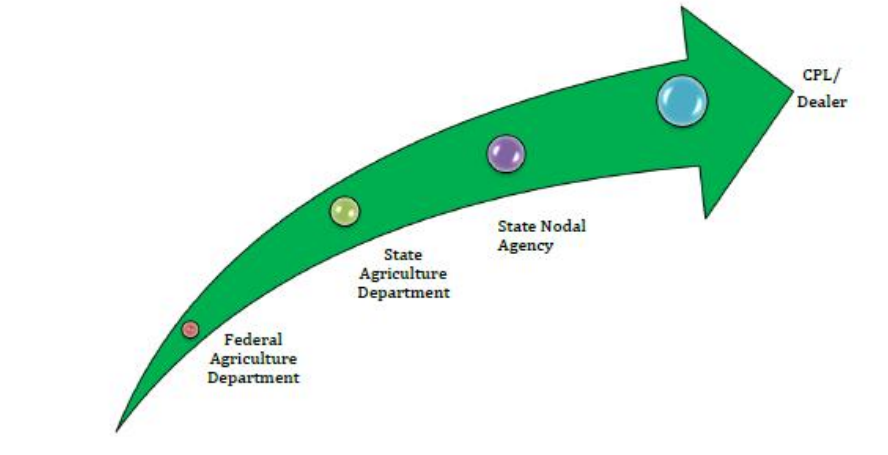


**Process Flow for Implementation of MIS:**





**Process for Subsidy Disbursement:** Usually we receive our subsidy from nodal agencies over a time frame of 4-6 months



**SWOT ANALYSIS:**

<p style="text-align: center;"><b><u>STRENGTHS</u></b></p> <ul style="list-style-type: none"> <li>✓ Diversified Product Portfolio</li> <li>✓ Experienced Management Team</li> <li>✓ Robust &amp; Scalable Business Model</li> <li>✓ Strong Marketing &amp; Distribution Network</li> </ul>	<p style="text-align: center;"><b><u>WEAKENESSES</u></b></p> <ul style="list-style-type: none"> <li>✓ Working Capital Intensive Business</li> <li>✓ Limited Geographical Reach</li> </ul>
<p style="text-align: center;"><b><u>OPPORTUNITIES</u></b></p> <ul style="list-style-type: none"> <li>✓ Huge Growth Potential</li> <li>✓ Potential to provide other Value Added Services</li> </ul>	<p style="text-align: center;"><b><u>THREATS</u></b></p> <ul style="list-style-type: none"> <li>✓ Increased Competition from Local &amp; Big Players</li> <li>✓ Change in Government Policy affecting Subsidy Payment</li> </ul>

**Our Competitive Strengths:**

1. **Diversified Product Portfolio:** Our Company has a varied product base to cater to the requirements of our customers. Our Product Portfolio includes diversified variety of Pipes and Micro Irrigation Systems which are used in various industries. Our products range includes Pipes Fittings and Irrigation Equipments including Drip Irrigation Systems, Sprinkler Irrigation Systems, Disc Filters, Screen Filters, Hydro-Cyclone Filters, Sand (Gravel) Filters, Compression Fittings, Valves (Electric & Mechanical), Fertilizer Tanks, Digital Controllers, Pressure Gauges HDPE Pipes, etc. are widely used in Agriculture, Horticulture, Housing and Infrastructure Sector. Our range of products allows our existing customers to source most of their product requirements from a single vendor and also enables us to expand our business from existing customers, as well as address a larger base of potential new customers.
2. **Experienced Management Team:** Our qualified and experienced management team has substantially contributed to the growth of our business operations. Our Company is managed by a team of experienced and professional personnel with exposure in various aspects of Pipes & Irrigation industry. Our Promoter

and Founder, Mr. Ramesh Khichadia, who is an Agricultural Engineer by training, has more than two decades of experience in the field of marketing and manufacturing pipes and irrigation related products and has been awarded Udyog Patra for self made industrialist in the year 2008 by Institute of Trade and Industrial Development and Indira Gandhi Priyadarshini Award in year 2008 by All India National Unity Conference-New Delhi.

3. **Robust and Scalable Business Model:** Our Micro Irrigation Business is dependent on Government Subsidy. We operate in both Open Market as well as the Project Market. In Open Market, we sell our products to channel partners or dealer who pays us upfront or with minimum credit period. Our Dealers turn sell it farmers and after completion of installation and verification, receive subsidy payment from government agencies. In Project Market, we directly get work orders from nodal agencies of various states after loan tie ups/Contribution by farmers and determination of subsidy eligibility by the nodal agencies. MIS is installed only after receipt of the work order from the nodal agencies which enables us to secure release of payments under the project market. At present we operate on project market basis in states of Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab, and Maharashtra.
4. **Strong Marketing and Distribution network:** Our success depend upon our strong Marketing and distribution network in Project Market where we directly approach to farmers for installation of MIS after analyzing and studying their requirements. In the Open Market, we access direct and indirect sales channels for marketing of our products. Presently, we have 169 dealers, distributors and agents covering 6 states viz. Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab, and Maharashtra.

**Our Business Strategy:** We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

1. **Expansion of Existing Capacities:** Our company started its operation in the year 1997 with initial capacity of 250 MT and subsequently increased to current capacity. As on date we have a capacity of 6750 MT and considering the future demand potential, we intend to increase our existing capacity to 8200 MT.
2. **Introduction of New Product Line:** Currently we are manufacturing products which are covered under Drip Line Irrigation and Cylindrical Dripper category. With our expansion plans and installation of new machineries, we will be able manufacture products which are covered Flat Drip Line Irrigation Category which has advantages over our existing product line. Following are advantages of Flat Dripper Line Irrigation:
  - a. Flat Dripper Line products can be used for all sizes (12mm, 16mm & 20mm)
  - b. With Flat Dripper Line products wall thickness of 0.2mm, 0.3mm & 0.4mm
3. **Increasing Geographical Presences:** Currently we are operation in 6 states viz. Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab and Maharashtra. Through our Dealer/Distributor /Agents Network in future, we intend to enter and capture new markets in the states of Chattisgarh, Himachal Pradesh, Karnataka & Andhra Pradesh and increase our geographical presence and thereby increase our customer base.
4. **Providing Value Added Services:** We believe that growth of business will further depend upon the value added services to our customers who are basically farmers. Currently we do provide after sale services and agronomy services. Moving forward, we intend to provide other value added services and train and educate our customers regarding benefits and advantages of MIS and thereby adding value.
5. **Research and Development:** We have a well qualified team with wide experience in irrigation industry who are constantly focusing on innovations. Our products confirm to various test requirements conducted independent bodies to meet industry standards. Our Research and Development team constantly studies different industry verticals to identify product inefficiencies and innovate strategies in areas in which we could add value.
6. **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 raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

**Agreement with Gujarat Green Revolution Company Limited (GGRCL):**

We are registered with GGRCL since 2006 and also approved for 2013-14 vide letter dated March 22, 2013, to supply and install MIS for the entire state of Gujarat and are responsible for the implementation of the micro irrigation scheme of the government of Gujarat. The state Government of Gujarat provides a subsidy of 50% of the cost of the equipment with a ceiling of Rs. 60,000 per hectare, whichever is lower. In order to avail of the subsidy benefits, we enter into a bipartite/tripartite agreement with GGRCL, the farmer and the company/ the bank (in case bank finance is availed by the farmer) for supply of MIS. A claim for 25% of the cost of the equipment is submitted in advance to GGRCL upon entering into such bipartite/tripartite agreement. Upon execution of bipartite/tripartite agreement Farmer Deposits his share (50%) with GGRCL. The balance 75% which includes 50% subsidy amount to be paid by GGRCL and 25% of farmer's contribution is paid upon successful installation of the equipment. We receive the balance amount of 5% (Retention money against the performance guarantee) on a quarterly basis over a period of time against submission of bank guarantee. Further, we also receive compensation at mutually agreed rates for agronomical services.

**Registered Vendor:** In addition to above were empanelled as registered vendors with following entities for supply of our products:

Particulars	Products	Validity
Gujarat Water Supply & Sewage Board	HDPE Pipes of specification: PE-80 & PE-100	June 25, 2015
Horticulture Department, Hararyana	Micro Irrigation System Installation Work e.g. Drip Irrigation System, Mini Sprinkler Irrigation System, Sprinkler Irrigation System	July 15, 2015
Directorate of Horticulture, Jaipur, Rajasthan	Micro Irrigation System Installation Work e.g. Drip Irrigation System, Mini Sprinkler Irrigation System, Sprinkler Irrigation System	2013-14
Office of Chief Conservator of Soils, Punjab	Micro Irrigation System Installation Work e.g. Drip Irrigation System, Mini Sprinkler Irrigation System, Sprinkler Irrigation System	2013-14

**Capacity & Capacity Utilization:**

Particulars	Unit	Existing			Proposed			
		2011 - 2012	2012 - 2013	2013 -2014 March to Sept	2013 -2014 Oct. to March	2014 - 2015	2015 - 2016	2016 - 2017
<b>Product : Micro Irrigation Systems</b>								
Total Production Capacity (3Shifts)	MT/p a	6750	6750	6750	6750	8200	8200	8200
Capacity Utilization	MT/p a	3525	3208	1478	2370	4700	5700	6600
Capacity Utilization (%)	%	52.22	47.53	21.90	35.11	57.32	69.51	80.49

Note: We currently operate in two shifts.

**Plant & Machinery:** Stated below are the brief details of some of the major equipments utilized at our units:

Sr. No	Name of Major Machinery	Machine make/	Date of Purchase	Vendor
		Model No.		
1	Plastic Injection Moulding Machine. Capacity: 250gm, Qty:1	-	03.01.2000	Ajanta Machine Tools
2	Plastic Injection Moulding Machine. Capacity: 250gm, Qty:1	-	27.01.2000	Ajanta Machine Tools
3	Plastic Injection Moulding Machine. Capacity: 250gm, Qty:1	-	04.02.2000	Ajanta Machine Tools
4	Kolsite 45mm Tubing Plant Qty:1	KET-20845 with 12mm & 16mm Die	14.08.2000	Kabra Extusientechnik Ltd.
5	Air Cooled 15 Ton Chilling Plant. Qty:1	-	25.09.2000	Accurate Referigeration Mfg.Co.
6	Aeromec Marking Machine	AMCC-210	29.09.2000	Aeromac Marketing Co.
7	Kolsite 65mm HDPE Pipe Plant. Qty: 1	-	17.10.2000	Kabra Extusientechnik Ltd.
8	Kolsite 60MM Single Screw Extruder & Automatic Hopper Loader Qty: 1	-	25.06.2007	Kabra Extusientechnik Ltd.
9	HDPE Pipe Plant 45mm.Qty: 1	-	21.03.2009	Accurate Irrigation
10	Kolsite Battenfeld Twin Screw R.PVC Pipe Plant	BEX-2-65-22V/4	13.05.2009	Kabra Extusientechnik Ltd.
11	Plastic Injection Moulding Machine	-	09.10.2009	Pioneer Industries.
12	Plastic Injection Moulding Machine	-	11.12.2009	Pioneer Industries.
13	Kolsite Batteneeld-45MM	-	28.07.2010	Kabra Extusientechnik Ltd.
14	Injection Moulding Machine	250	28.02.2011	Trishul Plastics Machine Mfg. Ahmedabad
15	Equipments for Drip Irrigation Plant	-	16.06.2011	Selpast Exports Pvt.Ltd.
16	Extruder For Drip Irrigation Plant with Accessories	-	16.06.2011	Selpast Exports Pvt.Ltd.
17	Inline Drip Lateral Extrusion Line	NPI-836530S	30.09.2011	Neptune Plastic & Metal Industries
18	Wind Operated Electricity Generator	-	16.09.2010	Pioneer Wincon PVT.LTD.
19	Drip Irrigation Pipe Plant	DRLL-1560/20	29.03.2013	Rajoo Engineers Ltd.
20	Kolsite Battenfeld-Inline Round Dipper Tubing Line	KET-3.25	28.05.2013	Kabra Extusientechnik Ltd.
21	Wind Operated Electricity Generator	-	30.03.13	Pioneer Wincon Pvt. Ltd.

### **Collaborations/Tie Ups/ Joint Ventures:**

As on date of this Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures.

### **Sales and Marketing:**

Marketing is an important function of our organisation. As on date, we have 169 dealers, distributors and agents covering 6 states viz. Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab and Maharashtra. We have access to direct and indirect sales channel for selling our products. In Open Market, we usually we indirect sales approach whereby we sell our products through our Distributor/Dealers/ Agents. In Project market, we directly approach to our customers through our sales and marketing team. Apart from this, we also participate in trade fairs, exhibitions to promote our products and understand our customer's needs.

### **Marketing Strategy:**

We intend to focus on following marketing strategies:

1. Increasing our Geographical reach by entering new states for marketing of our products
2. Appointment of Dealers & Agents in new market
3. Emphasising on providing Value Added Services
4. Direct marketing to the agriculture sector

### **Competition**

Our Industry is fragmented consisting of large established players and small niche players. We compete with organized as well as unorganized sector on the basis of availability of product, product quality, product range In addition there is also competition from pipe manufacturers. . Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Some of our major competitors are as follows:

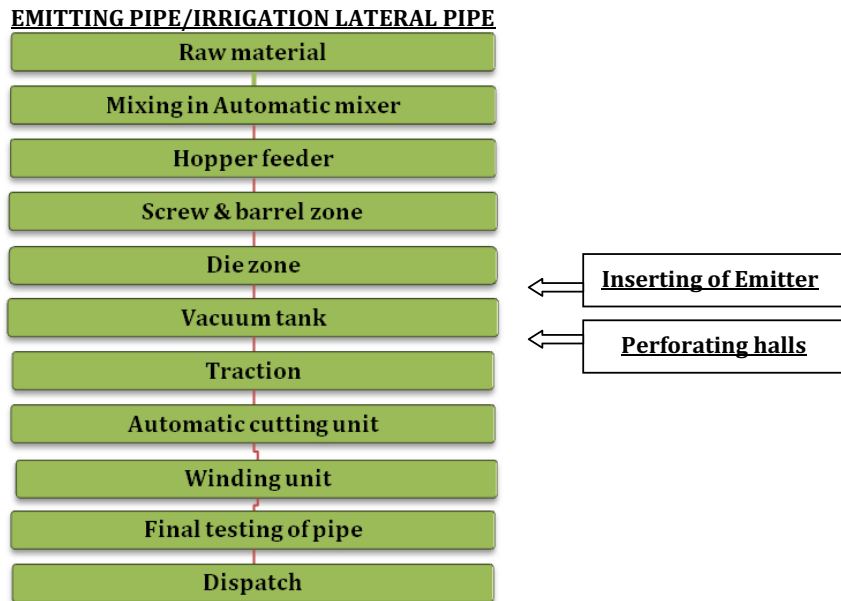
1. Jain Irrigation Limited
2. EPC Industrie Limited

### **Raw Materials:**

Our Company sources the raw materials eg. HDPE & LLDPE Granules locally. A list of suppliers as on September 30, 2013 is as follows:

<b>Name</b>	<b>Value (in Rs.)</b>	<b>As % of total</b>
Indian Oil Corporation Limited	778.52	26.44
Captain Pipes Pvt. Ltd.	432.55	14.69
Haldia Petrochemicals Limited	279.00	9.48
Reliance Industries Ltd.	207.29	7.04
Gail (India) Ltd.	205.91	6.99
Capital Polymers	178.46	6.06
Vaibhav International Pvt. Ltd	103.06	3.50
Shivam Engineer's	98.44	3.34
Automat Irrigation Pvt. Ltd.	70.88	2.41
Blend Colours Pvt. Ltd.	66.61	2.26
<b>Total</b>	<b>2420.71</b>	<b>82.21</b>

**Manufacturing Process:**



The Process for Emitting pipes and Irrigation Laterals pipes are same except in case of emitting pipes there is insertion of Emitter and Perforating Halls before and after it passes through Vacuum Tank respectively and introduction of Winding Unit before Final Testing.

**PREPERATION OF COMPOUND FOR EMITTING PIPES AND IRRIGATION LATERAL PIPES**

**Procurement & Testing of Raw Materials**

The Raw material for Emitting Pipe and irrigation lateral pipes is a mixture of LLDPE, LDPE, HDPE & Carbon. All these material are mixed in accordance with the proportion. The raw materials are sourced from various petrochemical companies and the importing agents based in India, for details regarding the sourcing of these raw materials please refer to the section titled “*Infrastructural Facilities*” appearing on page no. 103 of this Prospectus. The raw materials are thoroughly tested as per laid down standards in the In-house laboratory before they are used for production to maintain quality

**FEEDER ZONE**

As per the requirements the raw materials are weighed and fed to the feeder of the extruder which is known as hopper. The mixtures of the Raw materials are then passed to the screw barrel through the feeder of extruder known as hopper. The screw barrel is specially designed so as to have zones at different temperatures.

**FUNCTION OF SCREW & BARREL ZONE**

The mixture passes through the screw & barrel zone, which melt the product uniformly at the temperature between 180°c- 230°c to form a homogeneous mixture.

**DIE ZONE**

In die zone, there are different sizes of Die pin which are used accordingly to shape the pipe. The cohesive molten materials from the different screw barrels are then passed through the dye zone of the extruder. The size and the shape of the pipe in the dye zone are controlled using the units of dye zone like adapter, restrictor, cavity, mandrel, and sizing sleeve. Passing through all these units, the melt acquires enough mass and appropriate shape for the pipe to be produced. The melt in the circular shape that comes out of the extruder is known as extrudate.

**INSERTING OF EMITTERS (For Emitting pipes)**

As the extrudate is passed through the die zone, emitters are inserted in to the melted extrudate using inserting devise. The inserting devises we are using are fully automatic and computer controlled. The interval of the emitters in the extrudate is predefined and which is as per the requirement of the spacing of emitters in the emitting pipe. Due to highly precious sensor operated inserting devise, we can produce best quality product.

**VACUUM TANK / COOLING TANK**

The extrudate is then passed through the water tank, which has Spray nozzles. The water cools the extrudate and makes it rigid & solid. This pipe enters into the cooling tank in order to get cool by water at 14°c and then passes through the traction.

**PERFORATION( For emitting pipes)**

As emitters are already inserted inside the lateral pipe, it is required to perforate the lateral at the place of emitter to emit the water from the pipe. This perforation is done by the perforator. The speed of the perforator and the interval of perforation on the lateral must be very precise and it is carried out by highly sensible device installed in the perforator.

**TRACTION**

From the cooling tank, the pipe get pass through the Traction. The product passes at different speed to get the different wall thickness. The Speed of traction can be varied for different wall thickness as per required for specific pipes.

**WINDING UNIT**

Winding unit helps for the making the bundle of uniform length. Winding unit consist of automatic winder operated through electric motor and controlled by sensors. When bundle of the predefined length completed, it warn the operator.

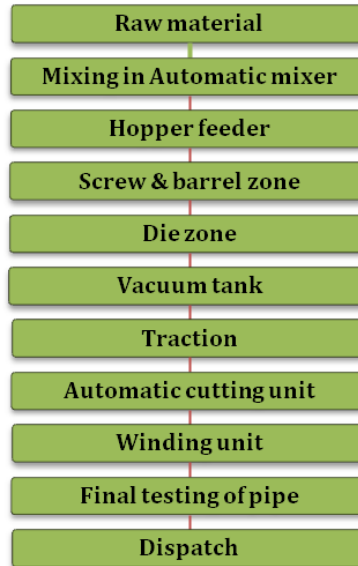
**CUTTING**

After passing through the Traction, the pipes get cut as per required length with the help of the cutter installed in the Machine.

**TESTING**

We have a quality-testing laboratory which has required equipments for checking quality of HDPE pipes in line with Indian and International standards. The equipments include Tensile testing Machine, Melt Flow Index Tester, Hydraulic Pressure Testing Equipment, Carbon Black content testing machine, Impact Tester and Oxidation Induction Tester. Our products pass through different quality tests. The objectivity of the quality testing is to avoid defects in the pipes. We emphasize on quality control right from the procurement of raw materials. The raw materials are procured as per the laid down standards.

**HDPE AND SPRINKLER PIPE**



**PREPERATION OF HDPE COMPOUND**

**Procurement & Testing of Raw Materials**

The Raw material for HDPE Pipe is a mixture of PE (Polyethylene) & Carbon. Both this material are mixed in accordance with the proportion i.e. 95 % PE (Polyethylene) & 5% of Carbon. The raw materials are sourced from various petrochemical companies and the importing agents based in India, for details regarding the sourcing of these raw materials please refer to the section titled *“Infrastructural Facilities”* appearing on page no. 103 of this Prospectus. The raw materials are thoroughly tested as per laid down standards in the In-house laboratory before they are used for production to maintain quality

**FEEDER ZONE**

As per the requirements the raw materials are weighed and fed to the feeder of the extruder which is known as hopper. The mixtures of the Raw materials are then passed to the screw barrel through the feeder of extruder known as hopper. The screw barrel is specially designed so as to have zones at different temperatures.

**FUNCTION OF SCREW & BARREL ZONE**

The mixture passes through the screw & barrel zone, which melt the product uniformly at the temperature between 180°c- 230°c to form a homogeneous mixture.

**DIE ZONE**

In die zone, there are different sizes of Die pin which are used accordingly to shape the pipe. The cohesive molten materials from the different screw barrels are then passed through the dye zone of the extruder. The size and the shape of the pipe in the dye zone are controlled using the units of dye zone like adapter, restrictor, cavity, mandrel, and sizing sleeve. Passing through all these units, the melt acquires enough mass and appropriate shape for the pipe to be produced. The melt in the circular shape that comes out of the extruder is known as extrudate.

**VACUUM TANK / COOLING TANK**

The extrudate is then passed through the water tank, which has Spray nozzles. The water cools the extrudate and makes it rigid & solid. This pipe enters into the cooling tank in order to get cool by water at 14°c and then passes through the traction.



**TRACTION**

From the cooling tank, the pipe get pass through the Traction. The product passes at different speed to get the different wall thickness. The Speed of traction can be varied for different wall thickness as per required for specific pipes.

**CUTTING**

After passing through the Traction, the pipes get cut as per required length with the help of the cutter installed in the Machine.

**TESTING**

We have a quality-testing laboratory which has required equipments for checking quality of HDPE pipes in line with Indian and International standards. The equipments include Tensile testing Machine, Melt Flow Index Tester, Hydraulic Pressure Testing Equipment, Carbon Black content testing machine, Impact Tester and Oxidation Induction Tester. Our products pass through different quality tests. The objectivity of the quality testing is to avoid defects in the pipes. We emphasize on quality control right from the procurement of raw materials. The raw materials are procured as per the laid down standards.

**Infrastructure & Utilities:**

**Power:** Our Company meets its power requirements by purchasing electricity from Pashcim Gujarat Vij Company Limited which is around 450 KVA.

In addition to above arrangement, our Company has one D.G. (Diesel Generator) Set of 7.50 HP as standby arrangement. Our fuel requirement for running DG set is 140 Litres/month.

We have also installed 2 windmills with capacity of 250kW and 750kW on September 27, 2010 and May 16, 2013 at Village: Navadra, Taluka: Kalyanpur, Survey No. 80/1/P3 Dist, Jamnagar, Gujarat and Village: Nani Matli, Taluka: Jamnagar Survey No. 156/1/P2 Dist, Jamnagar, Gujarat respectively and has entered into wheeling and banking agreement with Gujarat Energy Transmission Corporation Limited (GETCO), a company permitted by Gujarat Energy Development Agency (GEDA)

**For Proposed Expansion:** We believe that our existing power set up is sufficient to meet our objects of expansion.

**Water:** Our water requirement is low, as it is required only for the cooling process. We use ground water to meet our current water requirements.

**Manpower:** We believe that our employees are key contributors to our business success. To achieve this, we focus on attracting and retaining the best possible talent. Multi-stage induction and skill enhancement training programmes are conducted to prepare the employees for the desired performance levels. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

**Employee Profile:** Our Company’s employees have diverse educational backgrounds and, as on date, comprises of Engineers, Diploma holders and Management Graduates. We believe that it has a balanced mix of experience.

Category	No. of Employees		
	Present	Proposed	Total
Administrative staff	10	2	12
Skilled Workers	40	5	45
Semi - Skilled Workers	53	6	59
Unskilled Workers	24	4	28
<b>Total</b>	<b>127</b>	<b>17</b>	<b>144</b>

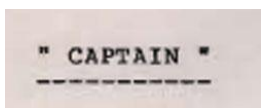

**Accreditations and Certification**

We have well defined stringent quality standards with a customer focus. We continuously strive to improve quality of products, processes and safety requirements. We have received important Quality Certifications and other achievements in the last 16 years. Some of our most prestigious ones are:

**ISO Certification:** Our products comply with Indian as well as International standards and have been certified to confirm to the “Quality Management Systems Standard ISO 9001:2008” by International Certification Services. All our products are ISI marked.

**Special Recognition Award:** We have been given Special Recognition Award for Manufacturing of Quality Plastic Extruded Products in 2008 by GOI, Ministry of Micro, Small & Small Enterprise.

**Intellectual Property:** We have registered our logo and name with the Registrar of Trademarks. The details of which are as follows:

Sr. No.	Approval Granted	Date of Issue	Details of Approval	Authority	Validity
1.	Trade Mark Registration	August 14, 2003	Word Mark: CAPTAIN Registration No.269020 Trade Mark No.750546-B Application Date - May 7, 1997 J. O.1286 (S-III) Class-17 In respect of H.D.P.E. Pipes  Trade Mark Image:-  	Registrar of Trade Marks, Mumbai	Valid till May 7, 2014 Renewable
2	Trade Mark Registration	August 27, 2013	Word Mark : CAPTAIN Registration No.1114499 Trade Mark No.1943498 Application Date - March 30, 2010 J. No.1543-0 Journal Date :-July 2, 2012 Class-17 In respect of HDPE Pipes, PVC Pipes, Rigid PVC Pipes, UPVC Pipes, CPVC Pipes, PVC Column Pipes, PVC Plumbing Pipes, Drip and Sprinkler Irrigation system, Micro Irrigation System and fittings. Trade Mark Image :-  	Registrar of Trade Marks, Mumbai	Valid till March 30, 2020 Renewable

**Property:** We have our properties located at following:

**Owned Properties:** The following properties are owned by us:

S. no	Buyer	Seller	Brief Particulars	Considerations & Date of Sale Deed/Agreement	Usage
1	Captain Polyplast Ltd	Mr. Dhirajlal D. Dhabaliya	Survey No. 267, Plot No. 10-A, Shapar, Tal.: -Kotdasangani Dist.: -Rajkot, Pin-360024, Gujarat, India Area: 680sq.mtr	Rs. 1 Lacs Date: 21-7-1997	Factory
2	Captain Polyplast Ltd	Mr. Dhirajlal D. Dhabaliya	Survey No. 267, Plot No. 10-B, Shapar Tal.: -Kotdasangani Dist.: -Rajkot Pin-360024 Gujarat, India Area: 756 Sq. Mtr.	Rs. 1.50 Lacs Date: 1-2-05	Corporate Office & Administrative Office
3	Captain Polyplast Ltd	Marshal Diesel Oil Filter Industries	Survey No. 267, Plot No. 10-B, Shapar Tal.: -Kotdasangani Dist.: -Rajkot Pin-360024 Gujarat, India Area: 1000 Sq. Mtr.	Rs. 2.40 Lacs Date: 1-5-97	Factory
4	Captain Polyplast Ltd	Mr. Ramesh V. Patel & Mr. Shival N. Patel & Mr. Chhagan G. Patel & Mr. Nagji B. Patel	Survey No. 270, Plot No. 6, Shapar Tal.: -Kotdasangani Dist.: -Rajkot Pin-360024 Gujarat, India Area: 1609 Sq. Mtr.	Rs. 4.00 Lacs Date: 20-8-04	Vacant Land

**Lease Properties:** The following properties taken on lease

S. no	Lessee	Owner	Brief Particulars	Considerations (Rs)	Date of Lease and Tenure
1	Captain Polyplast Limited	Mr. Ramesh Khichadia	Upper Level - 25, Royal Complex, Dhebar Road, Bhutkhana Chowk, Rajkot- 360002, Gujarat, India.	Nil	Date: April 02, 2013 Tenure: 12 months
2	Captain Polyplast Limited	Mr. Vinyakbhai Lalbhai Contractor.	Shop No. 103, Pryosha Complex, 1st floor, Chhani Jakat Naka, Baroda-390024 Gujarat	Rs. 8050/- pm	Date: March 13, 2013 Tenure: 11 months
3	Captain Polyplast Limited	Mr. Harsh Kumar Bhagwandas	Shop No. 6, Swaminarayan Mandir, Behind Highway Road, Dessa, -385535 Gujarat	Rs. 2000/- pm	Date: October 10, 2013 Tenure: 11 months
4	Captain Polyplast Limited	Mr. Harsh Kumar Bhagwandas	Shop No. 3 & 4 Swaminarayan Mandir, Behind Highway Road, Dessa -385535, Gujarat	Rs. 8000/- pm	Date: March 13, 2013 Tenure: 11 months
5	Captain Polyplast Limited	Mr. Mahesh Kumar	Room No: 77, New Housing Board Colony, 1st Floor, Dadri Gate, Dhana Road, Bhiwani, Haryana	Rs. 3500/- pm	Date: May 04, 2013 Tenure: 11 months
6	Captain Polyplast Limited	M/s. Jondle Warehousing Complex	M/s. Jondhale's Warehousing, Complex, G.T. NO. 141/1 & 2, Tukdi Zilla Taluka: Dindori, Village:	Rs. 31,500/- pm	Date: June 19, 2013 Tenure: 36 months

Dindori Nashik, Maharashtra					
6	Captain Polyplast Limited	M/s. Golden Non Conventional Energy Systems Pvt Ltd (Sub Lease Deed for installation area of Windmill)	Village: Navadra, Taluka: Kalyanpur, Survey No. 80/1/P3 Dist, Jamnagar, Gujarat Area: 0.5 hector	Rs.5000/- per annum	Date: 14 July ,2010 Tenure: 20 years
7	Captain Polyplast Limited	M/s. Pioneer Wincon Pvt Ltd. (Sub Lease Deed for installation area of Windmill)	Village: Nani Matli, Taluka: Jamnagar Survey No. 156/1/P2 Dist, Jamnagar, Gujarat Area: 0.5 hector	Rs.5000/- per annum	Date: March 12 , 2013 Tenure: 20 years
8	Captain Polyplast Limited	M/s. Spark Interactive Pvt. Ltd.	Office No. 23, 2nd Floor, Kapadia Commercial Complex, opp. Janlakshmi Bank (H.O) Old Agra Road, Nashik- 422 002, Maharashtra	Rs. 14,500/- pm.	Date: July 01, 2013 Tenure: 36 months
9	Captain Polyplast Limited	Mr. Patel Shnatilal Meghajibhai	D/32, 1st Floor, Nav Durga Complex, Himmat Nagar, Gujarat	Rs. 3750/- pm	Date: June 6, 2013 Wef: August 8, 2013 Tenure:11 months
10	Captain Polyplast Limited	Mrs. Valiben Ghanshtyam bhai Chawda	Tirupati Balaji Complex, 1st Floor, Opp.M.P. Shah College, Surendra Nagar, Gujarat	Rs.10,000/- pm	Date: Sept 28, 2013 Wef: Oct 01, 2013 Tenure:36 months

**Insurance Details:** We have taken different insurance policies under Standard fire and special peril policy, machinery breakdown, burglary and vehicles insurance policies, brief details of which are as under:

S. no	Policy No.	Policy Details	Insurance Details	Property Insure	Sum Insured (Rs)	Date of Expiry of the Policy
1	300407/11/13/3300000048	National Insurance Company Limited	Standard Fire and Special Perils Insurance Policy Schedule	Plant & Machinery, Building and Stock	126,900,000	10.04.2014
2	YB00012347000100	Royal Sundram Alliance Insurance Company Limited	Fire & Burglary	750 kVA Wind Turbine Generator of Pioneer Wincon	37,000,000	08.05.2014
3	YB00013192000100	Royal Sundram Alliance Insurance Company Limited	Fire & Burglary	250 kVA Wind Turbine Generator of Pioneer Wincon	1,15,00,000	02.10.2014
4	300400/11/12/3100003591	National Insurance Company Limited	Standard Fire and Special Perils Insurance Policy Schedule	Plant & Machinery, Accessories and Stock	6,000,000	21.12.2013
5	300408/31/13/6100000407	National Insurance Company Limited	Vehicle Insurance	Tata Indica Vista 1.4 LS TDI, Reg no: GJ-03-EL-4635,	370,327	24.08.2014

				Chasis No.49802		
6	300408/31/12/6100001010	National Insurance Company Limited	Vehicle Insurance	Tata Indica XETA ,Reg no: GJ-03-CR-0685, Chasis No.8459	198,000	02.03.2014
7	300408/31/12/6100001007	National Insurance Company Limited	Vehicle Insurance	Tata Indica XETA ,Reg no: GJ-03-CR-0669, Chasis No.8473	198,000	02.03.2014
8	300408/31/13/6100000540	National Insurance Company Limited	Vehicle Insurance	Tata Indica Xeta 1.2 GLS,Reg no: GJ-03-CE-7489, Chasis No.67594	143,294	23.09.2014
9	2200068785	TATA AIG General Insurance Company Limited	Workmen's Compensation	Covering Factory Workers, Clerical Staff, Marketing & Delivery Work	2,58,84,000	18. 10.2014
10	300407/11/13/3100000470	National Insurance Company Limited	Standard Fire and Special Perils Insurance Policy Schedule	Plant & Machinery, Accessories and Stock	11,000,000	15.09.2014
11	55270031136100092669	National Insurance Company Limited	Vehicle Insurance	Tata Indica Vista	4,44,620	24.09.2014
12	55270031136100092636	National Insurance Company Limited	Vehicle Insurance	Tata Indica Vista	4,44,620	23.09.2014
13	55270031136100092671	National Insurance Company Limited	Vehicle Insurance	Tata Indica Vista	4,44,620	24.09.2014

## **KEY INDUSTRY REGULATION AND POLICIES**

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. For details of Government Approvals obtained by the Company in compliance with these regulations, see section titled "Government / Statutory and Other Approvals" beginning on page 210 of this Prospectus.*

We are engaged in the business of manufacturing of Micro Irrigation Systems and allied products. Our business is subject to central and state legislation which regulates substantive and procedural aspects of the acquisition, development and transfer of land and land development rights. The following is an overview of certain laws and regulations which are relevant to our business. The information set out below is not exhaustive and prospective investors should seek independent legal advice on the laws and regulations applicable to our businesses and the sectors in which we operate. Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us.

### **Laws regulating Foreign Trade and Investment**

#### **FEMA Regulations**

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

#### **The Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development & Regulation) Act, 1992, is to provide 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.

### **Corporate laws**

#### **The Companies Act, 1956 & Companies Act 2013 (To extent of notified sections)**

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

The respective provisions of the companies Act, 2013 which has been notified on August 30, 2013, shall replace the existing provisions of the Companies Act, 1956, as and when such provisions contained in the Companies Act, 2013 are notified from time to time

## **Intellectual Property laws**

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

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

## **Property related laws**

### **Registration Act, 1908**

The Registration Act, 1908 (the "Registration Act") details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, inter alia, any non- testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration.

Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance of a contract under the TP Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

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

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. The Indian Stamp Act, 1899 (the "Stamp Act") provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

### **Indian Easements Act, 1882**

The law relating to easements and licenses in property is governed by the Easements Act, 1882 (the "Easements Act"). The right of easement has been defined under the Easements Act to mean a right which the owner or occupier of any land possesses over the land of another for beneficial enjoyment of his land. Such right may allow the owner of the land to do and continue to do something or to prevent and continue to prevent something being done, in or upon any parcel of land which is not his own.

Easementary rights may be acquired or created by (a) an express grant; or (b) a grant or reservation implied from a certain transfer of property; or (c) by prescription, on account of long use, for a period of twenty years without interruption; or (d) local customs.

## **Taxation laws**

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

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

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

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

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

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

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

## **Industrial laws**

### **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.

### **Shops & Commercial Establishments Acts of the respective States in which Our Company has an established place of business/ office ("Shops Act")**

The Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn functions under the supervision of Labour Commissioner.



### **Motor Vehicles Act, 1988 and Central Motor Vehicle Rules, 1989**

The purpose of Motor Vehicles Act, 1988 is to regulate the activities associated with the driving licences, vehicle registration, vehicles safety etc. The Central Motor Vehicle Rules, 1989 framed under the above Act also prescribe various road safety measures. The Motor Vehicles Act, 1988 and the Central Motor Vehicle Rules, 1989 (Chapter- II) prescribes stringent procedure for grant of Driving Licences. Changes in the said Act and related rules have a bearing on the business of the Company.

### **Labour laws**

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

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

The Factories Act, 1948 ("Factories Act") defines a 'factory' to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least twenty workers even though there is or no electrically aided manufacturing process being carried on. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory.

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

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

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

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

#### **Employees (Provident Fund and Miscellaneous Provisions) Act, 1952**

The Act is applicable to factories employing more than 20 employees and may also apply to such establishments and industrial undertakings as notified by the Government from time to time. ALL the establishments under the Act are required to be registered with the Provident Fund Commissioners of the State. Also, in accordance with the provisions of the Act the employers are required to contribute to the Employees' Provident Fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. As per the provision of the Act, employers are to contribute 12% of the basic wages, dearness allowances and remaining allowances (if any) payable for the time being to the employees. A monthly return in Form 12 A is required to be submitted to the commissioner in addition to the maintenance of registers by the employers.

**Payment of Gratuity Act, 1972**

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

**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.

**Employees State Insurance Act, 1948**

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

**Child Labour (Prohibition and Regulation) Act, 1986**

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

**Industrial Employment Standing Orders Act, 1946**

Every establishment employing more than 50 employees is required to formulate rules and regulations for its employees and the same should be submitted for approval to the Deputy Labour Commissioner.

**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.

## **Criminal laws**

### **Negotiable Instruments Act, 1881**

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

## **Business laws**

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

Indian Contract Act 1872 is the main source of law regulating contracts in Indian law, as subsequently amended. The Indian Contract Act 1872 sections 1-75 came into force on 1 September 1872. It applies to the whole of India except the state of Jammu and Kashmir. It is not a complete and exhaustive law on all types of contracts.

It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting parties. Indian contract deals with the enforcement of these rights and duties upon the parties. As per the provisions of the Indian Contract Act all agreements are contracts if they are made by the free consent of the parties competent to contract, for a lawful consideration and with a lawful object and are not expressly declared to be void. The parties to a contract must either perform or offer to perform their respective promises unless such performance is dispensed with or excused under the provisions of the Act or of any other law. Promises bind the representative of the promisers in case of death of such promisers before performance, unless a contrary intention appears from the contract. When a contract has been broken the party who suffers by such breach is entitled to receive from the party who has broken the contract, compensation for any loss or damage caused to him thereby, which naturally arose in the usual course of things from such breach or which the parties knew, when they made the contract, to be likely to result from the breach of it. Under the Act it is also provided that when a contract has been broken, if a sum is named in the contract as the amount to be paid in case of such breach, or if the contract contains any other stipulation by way of penalty, the party complaining of the breach is entitled, whether or not actual damage or loss is proved to have been caused thereby, to receive from the party who has broken the contract reasonable compensation not exceeding the amount so named or, as the case may be, the penalty stipulated for. Even a person who rightfully rescinds a contract is entitled to a compensation for any damage which he has sustained for a non-fulfillment of the contract. The Indian Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the act are now subject matter of separate enactments viz., the Sale of Goods Act and the Indian Partnership Act.

### **Sale of Goods Act, 1930**

Sale of Goods Act is one of very old mercantile law. Sale of Goods is one of the special types of Contract. Initially, this was part of Indian Contract Act itself in chapter VII (sections 76 to 123). Later these sections in Contract Act were deleted, and separate Sale of Goods Act was passed in 1930. The Sale of Goods Act is complimentary to Contract Act. Basic provisions of Contract Act apply to contract of Sale of Goods also. Basic requirements of contract i.e. offer and acceptance, legally enforceable agreement, mutual consent, parties competent to contract; free consent, lawful object, consideration etc. apply to contract of Sale of Goods also.

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The act further provides that the contract may

provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by installments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to carrier, duties of seller and buyer, buyer's right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

### **Environmental Laws**

Our business is subject to environment laws and regulations. The applicability of these laws and regulations varies from operation to operation and is also dependent on the jurisdiction in which we operate. Compliance with relevant environmental laws is the responsibility of the occupier or operator of the facilities. Our operations require various environmental and other permits covering, among other things, water use and discharges, stream diversions, solid waste disposal and air and other emissions. Major environmental laws applicable to our operations include:

#### **The Environment (Protection) Act, 1986, as amended (the "EPA")**

The EPA is an umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for inter alia, laying down the quality of environment, standards for emission or discharge of environment pollutants from various sources, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to Rs. 100,000, imprisonment of up to five years or both. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

#### **The Environment Impact Assessment Notification S.O. 1533(E), 2006 (the "EIA Notification")**

The EIA Notification issued under the EPA and the Environment (Protection) Rules, 1986 provides that the prior approval of the Ministry of Environment and Forests or State Environment Impact Assessment Authority as the case may be, is required in the event of any new project or activities or the expansion or modernization of existing projects or activities as specified in the EIA Notification. The EIA Notification states that obtaining of prior environmental clearance includes a maximum of four stages, i.e., screening, scoping, public consultation and appraisal.

#### **The Water (Prevention and Control of Pollution) Act, 1974, as amended (the "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 Water (Prevention and Control of Pollution) Cess Act, 1977, as amended (the “Water Cess Act”)**

The Water Cess Act provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Every person carrying on an industry specified under the Water Cess Act is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for non-compliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months or a fine of Rs. 1,000 or both and penalty for non payment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.

**The Air (Prevention and Control of Pollution) Act, 1981, as amended (the “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.

**The Hazardous Wastes (Management and Handling) Rules, 1989**

The Hazardous Wastes (Management and Handling) Rules, 1989 require that the occupier and the operator of the facility that treats hazardous wastes, must properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, they must take steps to ensure that persons working on the site are provided adequate training and equipment for performing their work. When an accident occurs in a hazardous site or during transportation of hazardous wastes, then the relevant State PCB has to be immediately alerted. If, due to improper handling of hazardous waste, any damage is caused to the environment, the occupier or the operator of the facility must pay the necessary remedial expenses.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Our History and Background

Our Company was incorporated on March 27, 1997, as “Captain Polyplast Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli and received the certificate of Commencement of Business on April 02, 1997. The Corporate Identification Number of our Company is U25209GJ1997PLC031985.

The Registered Office our company is situated at Upper Level - 25, Royal Complex, Dhebar Road, Bhutkhana Chowk, Rajkot- 360002, Gujarat, India and Head Office & Factory is situated at Survey No. 267, Plot No. 10-A & 11, N.H. 8-B, Shapar – Veraval, Rajkot – 360024, Gujarat, India.

### Changes in the Registered Office

There has been no change in registered office of our company since incorporation.

### Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
1997	Incorporation of our Company
	Commencement of Production
1998	Increase in the authorized share capital of the Company from Rs.20,00,000 divided into 2,00,000 Equity Shares of Rs.10/- each to Rs.25,00,000 divided into 2,50,000 Equity Shares of Rs.10/- each.
2000	Increase in the authorized share capital of the Company from Rs.25,00,000 divided into 2,50,000 Equity Shares of Rs.10/- each to Rs.50,00,000 divided into 5,00,000 Equity Shares of Rs.10/- each.
2006	Tie- Up with Gujarat State Government Company Limited for Supply of Irrigation System
2007	Increase in the authorized share capital of the Company from Rs.50,00,000 divided into 5,00,000 Equity Shares of Rs.10/- each to Rs.75,00,000 divided into 7,50,000 Equity Shares of Rs.10/- each.
	Increase in the authorized share capital of the Company from Rs.75,00,000 divided into 7,50,000 Equity Shares of Rs.10/- each to Rs.85,00,000 divided into 8,50,000 Equity Shares of Rs.10/- each.
2008	Receipt of Special Recognition Award for Manufacturing of Quality Plastic Extruded Products in 2008 by GOI, Ministry of Micro, Small & Small Enterprise
2009	Increase in the authorized share capital of the Company from Rs.85,00,000 divided into 8,50,000 Equity Shares of Rs.10/- each to Rs.1,00,00,000 divided into 10,00,000 Equity Shares of Rs.10/- each.
	Increase in the authorized share capital of the Company from Rs.1,00,00,000 divided into 10,00,000 Equity Shares of Rs.10/- each to Rs.1,01,00,000 divided into 10,10,000 Equity Shares of Rs.10/- each.
2010	Increase in the authorized share capital of the Company from Rs.1,01,00,000 divided into 10,10,000 Equity Shares of Rs.10/- each to Rs.2,00,00,000 divided into 20,00,000 Equity Shares of Rs.10/- each.
2011	Received ISO 9001:2008 for Manufacturing of HDPE Pipes, u PVC Pipes, Drip Irrigation System, Sprinkler Irrigation System, Mini Sprinkler Irrigation System
2012	Increase in the authorized share capital of the Company from Rs.2,00,00,000 divided into 20,00,000 Equity Shares of Rs.10/- each to Rs.3,00,00,000 divided into 30,00,000 Equity Shares of Rs.10/- each.
	Achieved turnover of Rs. 5000.00 Lacs
	Our Products were granted ISI certification (under IS 13487 : 1992)
2013	Increase in the authorized share capital of the Company from Rs.3,00,00,000 divided into 30,00,000 Equity Shares of Rs.10/- each to Rs.8,00,00,000 divided into 80,00,000 Equity Shares of Rs.10/- each.
	Our Company GGRC/MIS Supplier/WO/2013-14, Supply & Installation of Micro Irrigation System(MIS)
	Our Products were granted ISI certification (under IS 4985 : 2000)
	Our Products were granted ISI certification (under IS 13488 : 2008)
	Our Products were granted ISI certification (under IS 14151: Part 1 :1999)
	Our Products were granted ISI certification (under IS 4984 : 1995)
	Our Products were granted ISI certification (under IS 12786 : 1989)

### Main Objects of our Company

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on the business of manufactures, buyers, sellers, importers, exporters, assemblers, designer, developers, and dealers in H.D.P.E and rigid P.V.C. pipes and drip and sprinkler, irrigation systems and agricultural equipments, appliances and implements made of metal , alloy, glass, synthetic plastic or any other material.
2. To carry on the business of manufacture of irrigation pipes and sale of irrigation systems and manufacture and sale of industrial pipes including the business of manufacturers, processors, exporters and importers of and dealers in plastics polymers, reinforced plastics, resins fibers of vegetable or synthetic origin, plasticizers, related chemicals and articles, materials and things.
3. To carry on the business of manufacturing, distribution, generation, transmission, supervision, supply and sale of all types of power whether conventional and/or nonconventional power generation including mechanical, hydraulic, hydel, gas, wind farm, solar, by using solid, liquid, gaseous or other form of fuel(s), including conventional as well as nonconventional fuels and/or any other form of energy input and organise an integrated and efficient development of electrical energy / associated systems in accordance with the National / State economic policies and objectives laid down by government and to exploit the ancillary by production including carbon credit.
4. To generate, transmit, distribute, supply and sell power to third party and/or to central Government/State Governments, Power trading companies, Industries including commercial, residential, establishments or to any other consumers of Electricity and also for captive consumption, either directly or through transmission lines and facilities of Central Government / State Governments / Electricity Boards / Municipal bodies or any other entities whether in Public or in Private Sector of the power manufacture, generation, transmission and distribution.

### Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1	Authorised Capital with Rs. 20,00,000 divided into in 2,00,000 Equity Shares of Rs.10/- each.	Incorporation	-
2	Increase in the authorized share capital of the Company from Rs.20,00,000 divided into 2,00,000 Equity Shares of Rs.10/- each to Rs.25,00,000 divided into 2,50,000 Equity Shares of Rs.10/- each.	18-Sep-98	EGM
3	Increase in the authorized share capital of the Company from Rs.25,00,000 divided into 2,50,000 Equity Shares of Rs.10/- each to Rs.50,00,000 divided into 5,00,000 Equity Shares of Rs.10/- each.	5-Feb-00	EGM
4	Increase in the authorized share capital of the Company from Rs.50,00,000 divided into 5,00,000 Equity Shares of Rs.10/- each to Rs.75,00,000 divided into 7,50,000 Equity Shares of Rs.10/- each.	18-Aug-07	EGM
5	Increase in the authorized share capital of the Company from Rs.75,00,000 divided into 7,50,000 Equity Shares of Rs.10/- each to Rs.85,00,000 divided into 8,50,000 Equity Shares of Rs.10/- each.	1-Nov-07	EGM
6	Increase in the authorized share capital of the Company from Rs.85,00,000 divided into 8,50,000 Equity Shares of Rs.10/- each to Rs.1,00,00,000 divided into 10,00,000 Equity Shares of Rs.10/- each.	2-Feb-09	EGM
7	Increase in the authorized share capital of the Company from Rs.1,00,00,000 divided into 10,00,000 Equity Shares of Rs.10/- each to Rs.1,01,00,000 divided into 10,10,000 Equity Shares of Rs.10/- each.	25-Mar-09	EGM
8	Increase in the authorized share capital of the Company from Rs.1,01,00,000 divided into 10,10,000 Equity Shares of Rs.10/- each to Rs.2,00,00,000 divided into 20,00,000 Equity Shares of Rs.10/- each.	27-Aug-10	EGM
9	Increase in the authorized share capital of the Company from Rs.2,00,00,000 divided into 20,00,000 Equity Shares of Rs.10/- each to	7-Sep-12	EGM

	Rs.3,00,00,000 divided into 30,00,000 Equity Shares of Rs.10/- each.		
10	Increase in the authorized share capital of the Company from Rs.3,00,00,000 divided into 30,00,000 Equity Shares of Rs.10/- each. to Rs.8,00,00,000 divided into 80,00,000 Equity Shares of Rs.10/- each.	11-Sep-2013	AGM
11	Change in Objects Clause: Insertion of following Object clause no. 2, 3 & 4 in addition of existing clause III (A) (1)		

**Injunctions or Restraining Orders**

There are no injunctions/ restraining orders that have been passed against the Company.

**Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets etc.**

There are no mergers, amalgamation, revaluation of assets etc. with respect to our Company and we have not acquired any business/undertakings till date.

**Defaults or rescheduling of borrowing**

Our Company has not defaulted or rescheduled its borrowing.

**Number of Shareholders of our Company:**

Our Company has 16 (Sixteen) shareholders as on the date of filing of this Prospectus.

**Changes in the activities of our Company during the last five years**

There has been no change in the business activities of our Company during the last five years from the date of this Prospectus except we have entered in power generation business in the FY 2010-11 by installation of windmill at with capacity of 250kW and 750kW in FY 2013-14 at Navadra, Kalyanpur Dist, Jamnagar, Gujarat and Nanimatli, Jamnagar, Gujarat respectively.

**Shareholders Agreement**

There are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

**OTHER AGREEMENTS:**

**Non Compete Agreement**

Our Company has not entered into any Non-compete Agreement as on the date of filing this Prospectus.

**Joint Venture**

Except the agreements entered in the ordinary course of the business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement:

**Strategic Partners**

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

**Financial Partners**

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

**Details of Subsidiaries**

As on the date of this Prospectus, we do not have subsidiary.



### OUR MANAGEMENT

As per the Articles of Association, our Company cannot have less than 3 Directors and more than 12 directors. A Board of Directors comprising of 6 (Six) Directors currently manages our Company.

Mr. Ramesh D. Khichadia (Chairman and Managing Director), Mr. Gopal D. Khichadia (Whole Time Director) & Mr. Ashok Patel (Whole Time Director) are suitably supported by team of professionals and technically qualified executives who carry out the day to day affairs of the business of our Company. All Executive Directors of our Company are under the direct control & superintendence of the Board of Directors.

The following table sets forth the details regarding the Board of Directors as on the date of filing of this Prospectus:

Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualifications & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
1	<b>Name:</b> Mr. Ramesh D. Khichadia <b>S/o:</b> Late Devraj P. Khichadia <b>Age:</b> 47 year <b>Designation:</b> Chairman & Managing Director <b>Address:</b> A-13, Aalap Avenue, Uni. Road, Rajkot.-360005, Gujarat, India <b>Experience:</b> 21 Years <b>Occupation:</b> Business <b>Qualifications:</b> B. Tech (Agri. Engg.) <b>DIN:</b> 00087859	Appointed since Incorporation  Appointed as Managing Director at AGM dated Sept 11, 2013 for a period of 5 years	1368550 Shares  (24.96%)	✓ Captain Pipes Pvt. Ltd.  ✓ Captain Technocast Pvt. Ltd.
2	<b>Name:</b> Mr. Gopal D. Khichadia <b>S/o:</b> Late Devraj P. Khichadia <b>Age:</b> 38 Years <b>Designation:</b> Whole-time Director <b>Address:</b> Abhishek Bunglows, Nr. Indralok Residency, Satyasai Hospital Rajkot - 360 005, Gujarat, India <b>Experience:</b> 21 Years <b>Occupation:</b> Business <b>Qualifications:</b> 9 <sup>th</sup> Class <b>DIN:</b> 00127947	Appointed since Incorporation  Appointed as Whole Time Director in AGM dated Sept 11, 2013  Liable to Retire by Rotation	1145050 Shares  (20.88%)	✓ Captain Pipes Pvt. Ltd.  ✓ Captain Technocast Pvt. Ltd.
3	<b>Name:</b> Mr. Ashok Kanji Patel <b>S/o:</b> Late Kanji Meghji Patel <b>Age:</b> 63 years <b>Designation:</b> Whole-time Director <b>Address:</b> Prince Palace, 700-A, Nr. S.N.K. School, University Road, Rajkot.-360 005, Gujarat, India <b>Experience:</b> 29 Years <b>Occupation:</b> Business <b>Qualifications:</b> HSC <b>DIN:</b> 00127951	Appointed since Incorporation  Appointed as Whole Time Director in AGM wef August 16, 2013  Liable to Retire by Rotation	2550 Shares  (0.05%)	✓ Sanathara Pharmaceutical Pvt. Ltd.
4	<b>Name:</b> Mr. Arvind B. Ranparia <b>S/o:</b> Mr. Bavanji T. Ranparia <b>Age:</b> 47 years <b>Designation:</b> Independent & Non Executive <b>Address:</b> B-68 Alap Century, Kalwad road, Rajkot-360 001, Gujarat, India <b>Experience:</b> 15 years <b>Occupation:</b> Business <b>Qualifications:</b> HSC <b>DIN:</b> 00385251	Appointed as Independent Director in AGM dated Sept 11, 2013  Liable to Retire by Rotation	Nil	✓ Vision Laminates Pvt. Ltd.

Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualifications & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
5	<b>Name:</b> Mr. Harshadray L. Patel <b>S/o:</b> Mr. Lalchand S. Patel <b>Age:</b> 66years <b>Designation:</b> Independent & Non Executive <b>Address:</b> 17, Niranjani Socty, Nr Raameshwar Chowk, Rajkot-360 007, Gujarat, India <b>Experience:</b> 44years <b>Occupation:</b> Finance & Law Consultancy <b>Qualifications:</b> B.com & LLB <b>DIN:</b> 06678731	Appointed as Independent Director in AGM dated Sept 11, 2013  Liable to Retire by Rotation	Nil	Nil
6	<b>Name:</b> Mr. Dhanji R. Padmani <b>S/o:</b> Mr. Ranchod N. Padmani <b>Age:</b> 63 years <b>Designation:</b> Independent & Non Executive <b>Address:</b> Swatik Govind Ratan Park, Street No. 1, 150ft Rroad, Mavdi Plot, Nr Balaji Hall, Rajkot-360 003, Gujarat, India <b>Experience:</b> 37years <b>Occupation:</b> Agriculture Consultant <b>Qualifications:</b> Doctorate (Agronomy) & MSc (Agri) <b>DIN:</b> 06693942	Appointed as Independent Director in AGM dated Sept 11, 2013  Liable to Retire by Rotation	Nil	Nil

### **BRIEF PROFILES OF OUR DIRECTORS**

#### **1. Mr. Ramesh Khichadia, Chairman and Managing Director, Age: 47 years**

Mr. Ramesh Khichadia is the Chairman and Managing Director of our company. He is B. Tech (Agriculture Engineering) from Gujarat Agriculture University and has more than 21 years of experience in the field of Pipes and Irrigation business. He has been instrumental in formation of our company. Being an early starter he has worked on almost all levels of the organization which helps him understand and handle major functions of our company. Under his dynamic leadership and vast experience, we are able to deliver constant value to our customers time and again. He has been the architect of our company's projects and expansion strategy.

#### **2. Mr. Gopal Khichadia, Whole-time Director, Age: 38 years**

Mr. Gopal Khichadia is the Whole Time Director of our company. He has passed class 9th examination from Gujarat State Board and has more than 21 years of experience in the field of Pipes and Irrigation business. He is one of the founding directors of our company and is responsible for generation of business for our company. He leads the core team that is driving the company's growth and transformation to become one of the reputed suppliers of irrigation systems in country. He is also responsible for business development and operational affairs of the company.

#### **3. Mr. Ashok Patel, Whole-time Director, Age: 63 years**

Mr. Ashok Patel is the Whole Time Director of our company. He has cleared HSC examination from Board of Secondary Education, Orissa. He has more than 29 years of experience in the field of Accounts and Finance. He is one of the founding directors of our company and takes cares of finance and accounting aspects of our organisation.

**4. Mr. Arvind Ranpariya, Non Executive & Independent Director, Age: 47 years**

Mr. Arvind Ranpariya is the Non Executive & Independent Director of our company. He has cleared HSC examination from Gujarat Secondary Education Board.. He has more than 15 years of experience in the field of Lamination Industry. Currently he is a Director in Vision Laminates Pvt. Limited.

**5. Mr. Harshadray Patel, Non Executive & Independent Director, Age: 66 years**

Mr. Harshadray Patel is the Non Executive & Independent Director of our company. He is B.Com and LLB Graduate from Saurashtra University. He is an Ex-banker and a Member of Bar Council of Gujarat. He has served Bank of Baroda for 32 years and took Voluntary Retirement in 2001 as Senior Branch Manager. He has vast and rich experience in the field of Bank Finance and Law. During his tenure at Bank of Baroda he has received many awards and appreciations. Post Retirement, he is providing consultancy in areas of Bank Finance & Law.

**6. Mr. Dhanji Padmani, Non Executive & Independent Director, Age: 63 years**

Mr. Dhanji Padmani is the Non Executive & Independent Director of our company. He holds a Doctorate in Agronomy from Rajasthan Agriculture University, Bikaner and MSc (Agri) from Gujarat Agricultural University He retired as Research Scientist (Dry Farming) from Junagarh Agriculture University and has more than 37 years of rich experience in the field of agriculture. He had been engaged in teaching, research work at Department of Agronomy, at Zonal Agri Research Station of North West Agro Climatic as Associate Director and as Chief Scientist, Main Dry Farming Research Station of North Saurashtra Agro-Climatic Zone. Currently he is working as consultant for Champion Rural Development Foundation, Rajkot.

**Nature of any family relationship between any of our Directors**

The present Directors in our Board are related to each other as follows: Mr. Ramesh D. Khichadia is the brother of Mr. Gopal D. Khichadia

We confirm that:

- We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Directors were selected as Directors.
- The terms of appointment with our Managing Director do not provide for any benefit upon termination of employment except the retirement benefits as applicable by law.
- None of our Directors is / was a Director in any listed Company, during the last five years from the date of filing of Prospectus, whose shares have been / were suspended from being traded on the Bombay Stock Exchange Limited and / or National Stock Exchange of India Limited.
- Further, none of our Directors is / was a Director of any listed Company which has been / was delisted from any recognised Stock Exchange.

**Details of Borrowing Powers of Directors**

Our Company has passed a resolution in the Annual General Meeting of the members held on September 11, 2013 authorizing the Directors of the Company to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs. 50.00 Crores (Rupees Fifty Crores only).

**Compensation of our Managing Director and Whole Time Directors**

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII, and all other applicable provisions, if any, of the Companies Act, 1956.

The following compensation has been approved for Managing Director and Whole Time Directors:

Particulars	Mr. Ramesh Khichadia	Mr. Gopal Khichadia	Mr. Ashok Patel
Resolution for appointment	AGM Resolution dated September 11, 2013	AGM Resolution dated September 11, 2013	AGM Resolution dated September 11, 2013 appointment wef August 16, 2013
Designation	Chairman & Managing Director	Whole-time Director	Whole-time Director
Term	Upto 5 years	Liable to Retire by Rotation	Liable to Retire by Rotation
Remuneration	Rs. 2,31,000/- pm	Rs. 65,000/- pm	Rs. 29,167/- pm

#### SITTING FEE

The Articles of Association of our Company provides that payment of sitting fees to Directors for attending a meeting of the Board or a Committee thereof shall be decided by the Board of Directors from time to time within the applicable maximum limits. Our Board of Directors have resolved in their meeting dated September 18, 2013 for payment of an amount of Rs. 3500/- (Rs. Three Thousand and Five Hundred only) to all Non-Executive Directors for attending each such meeting of the Board or Committee thereof.

#### Compensation paid and benefits in kind granted to Directors during the financial year 2012-13

Following is the detail of compensation paid and benefits in kind granted to the Board of Directors of the Company during the financial year 2012-13:

Particulars	Compensation
Mr. Ramesh D. Khichadia	Rs. 23.40 Lacs
Mr. Gopal D. Khichadia	Nil
Mr. Ashok Patel	Rs. 3.00 Lacs
Mr. Kantilal Gedia	Nil

#### INTEREST OF DIRECTORS

All the Directors of our Company may be deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them as per the applicable laws, and the Articles of Association.

The Directors may also be regarded as interested in the Equity Shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies and firms, in which they are interested as Directors, Members and partners. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships.

The Managing Director and Whole-time Directors of our Company are interested to the extent of remuneration paid to them for services rendered as officer or employee of our Company. Further, the Directors are also interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company. Our Directors are interested to the extent of unsecured Loan and Interest thereon as may be outstanding to be paid to them by our Company. One of our directors Mr. Ramesh Khichadia has entered into a lease agreement dated April 2, 2013 with our Company for the purpose of registered office.

Except as stated otherwise in this Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them. For the details unsecured loan taken from our promoters please refer to **Annexure P "Statement of Related Party Transaction"** page no. 176 of this Prospectus.

**SHAREHOLDING OF OUR DIRECTORS AS ON THE DATE OF THIS PROSPECTUS**

Sr. No.	Name of the Director	No. of Shares Held	Holding in %
1.	Mr. Ramesh D. Khichadia	13,68,550	24.96
2.	Mr. Gopal D. Khichadia	11,45,050	20.88
3.	Mr. Ashok Patel	2550	0.05
	<b>Total</b>	<b>25,16,150</b>	<b>45.89</b>

None of the Independent Directors of Company holds any Equity Shares of CPL as on the date of this Prospectus.

**CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS**

Sr. No.	Name	Date & Nature of Change	Reasons for Change
1.	Mr. Kantilal M. Gediya	August 16, 2013 & Cessation	Personal Reason
2.	Mr. Ramesh D. Khichadia	September 11, 2013 & Change in Designation	-
3.	Mr. Gopal D. Khichadia	September 11, 2013 & Change in Designation	-
4.	Mr. Ashok Patel	September 11, 2013 & Change in Designation	-
5.	Mr. Arvind B. Ranpariya	September 11, 2013 & Appointment	Expansion of Board
6.	Mr. Harshadray L. Patel	September 11, 2013 & Appointment	Expansion of Board
7.	Mr. Dhanji Padmani	September 11, 2013 & Appointment	Expansion of Board

**COMPLIANCE WITH CORPORATE GOVERNANCE**

The provisions of the SME Listing Agreement to be entered into with BSE with respect to corporate governance and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of BSE Limited. Our Company is in compliance with Corporate Governance Code as per Clause 52 of the SME Listing Agreement to be entered into with the BSE Limited on listing. The requirements pertaining to broad basing of the Board of Directors and the constitution of the committees such as the Audit Committee, Shareholder/ Investor Grievance Committee and Remuneration Committees have already been complied with. Our Board of Directors consists of 6 directors of which 3 are Non-Executive Independent Directors (as defined under Clause 52), which constitutes 50% of the Board of Directors, which is in compliance with the requirements of Clause 52. Our Company has already constituted the following committees:

**1. Audit Committee**

Our Company has formed the Audit Committee vide Resolution of the Board of Director dated September 18, 2013. The constituted Audit Committee comprises following members and the committee shall meet at least 4 times a year:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Harshadray L. Patel	Chairman	Non Executive-Independent Director
Mr. Arvind B. Ranpariya	Member	Non Executive-Independent Director
Mr. Ramesh D. Khichadia	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to accounts. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven day's notice in advance.

**C. Role and Powers:** The Role of Audit Committee together with its powers shall be as under:

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approving 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 (2AA) of Section 217 of the Companies Act;
  - b. changes, if any, in accounting policies and practices along with 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; and
  - g. qualifications 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/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
9. Discussing with the internal auditors any significant findings and follow up there on;
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
11. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
12. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
13. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
14. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

Further, the Audit Committee shall mandatorily review the following:

- a) management discussion and analysis of financial condition and results of operations;
- b) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) internal audit reports relating to internal control weaknesses; and
- e) the appointment, removal and terms of remuneration of the chief internal auditor.

## 2. Shareholder's / Investors Grievance Committee

Our Company has formed the Shareholders / Investors Grievance Committee vide Resolution of the Board of Director dated September 18, 2013. The constituted Shareholders / Investors Grievance Committee comprises following the Chairman and members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Arvind B. Ranpariya	Chairman	Non Executive-Independent Director
Mr. Harshadrai L. Patel	Member	Non Executive-Independent Director
Mr. Ashok Patel	Member	Whole Time Director

The Company Secretary of our Company shall act as a Secretary to the Shareholders / Investors Grievance Committee. The scope and function of the Shareholders / Investors Grievance Committee and its terms of reference shall include the following:

**A. Tenure & Meetings:** The Shareholders'/Investors' Grievance Committee shall meet at least 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 shall be two members present.

**B. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:

1. Allotment, transfer of shares including transmission, 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 of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
3. Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances.
4. non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
6. 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 (Probation of insider Trading) Regulations, 1992 as amended from time to time.
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 agreements as and when amended from time to time.

## 3. Remuneration Committee

Our Company has formed the Remuneration Committee vide Resolution of the Board of Directors dated September 18, 2013. The Remuneration Committee comprises following Chairman and the members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Dhanjibhai R. Padmani	Chairman	Non Executive-Independent Director
Mr. Harshadrai L. Patel	Member	Non Executive-Independent Director
Mr. Arvind B. Ranpariya	Member	Non Executive-Independent Director

The Company Secretary of our Company shall act as a Secretary to the Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure:** The Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:**

The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the

meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Remuneration Committee shall be called by at least seven day's notice in advance.

**C. Terms of Reference:**

1. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
2. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
3. Define and implement 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.
4. Decide the amount of Commission payable to the Whole time Directors.
5. 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.
6. To formulate and administer the Employee Stock Option Scheme.

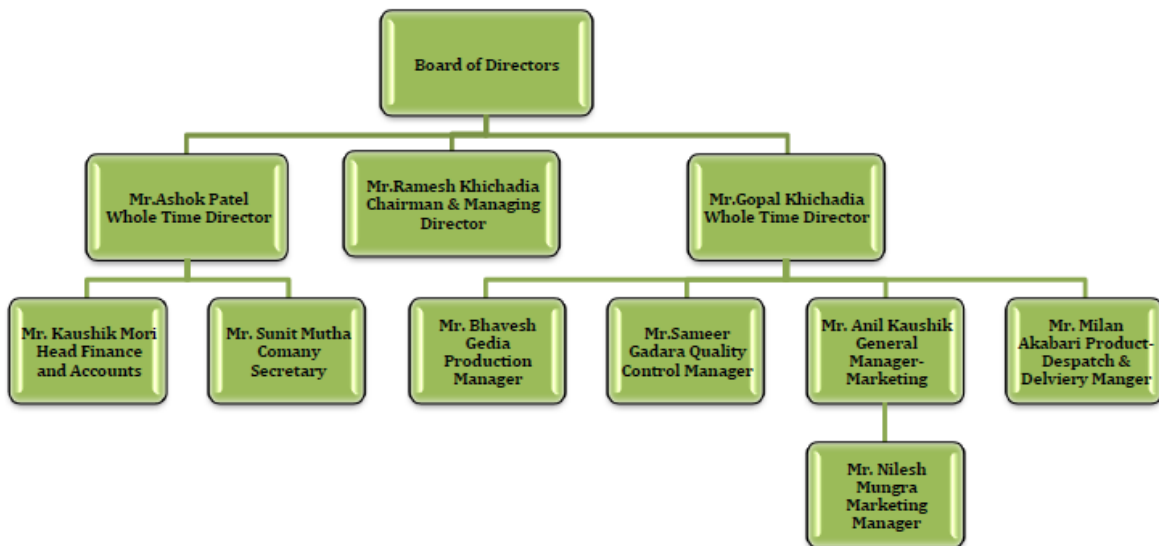
**Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

The provisions of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on September 18, 2013 have approved and adopted the policy on insider trading in view of the proposed public issue.

Mr.Sumit Mutha, Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

**Our Organization Chart**

The following chart depicts our Management Organization Structure:





**OUR KEY MANAGERIAL PERSONNEL**

Our Company is supported by a well-laid team of experts and professionals having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

Name, Designation & Educational Qualification	Age (Years)	Date of joining	Compensation paid for the F.Y ended 2013 (in Rs Lacs)	Over all experience (in years)	Previous employment
Name: Mr. Ramesh D. Khichadia Designation: Chairman & Managing Director Qualification: B. Tech (Agri. Engg.)	47	Since Incorporation	23.40	21	Entrepreneur
Name: Mr. Gopal D. Khichadia Designation: Whole-Time Director Qualification: 9 <sup>th</sup> Std	38	Since Incorporation	Nil	21	Entrepreneur
Name: Mr. Ashok Kanji Patel Designation: Whole-Time Director Qualification: HSC	63	Since Incorporation	3.00	29	Entrepreneur
Name: Mr. Kaushik Mori Designation: Head Accounts & Finance Qualification: B.Com	39	15-Oct -1999	6.14	17	✓ Om Shri Vanijya Bhavan
Name: Mr. Bhavesh Gedia Designation: Production Manager Qualification: 9 <sup>th</sup> Std	34	5- May - 1999	6.34	15	✓ Sandhavi Computers
Name: Mr. Sameer Gadara Designation: Quality Control Manager Qualification: M.Sc (Plastic Technology)	26	1- Jul - 2009	3.10	4	✓ Gujarat Green Revolution Company Ltd.
Name: Mr. Nilesh T. Mungra Designation: Marketing Manager Qualification: B.Tech Agri. Eng.	35	15- Aug -2011	8.25	10	✓ Premier Adritech Irrigation Ltd.
Name: Mr. Milan S. Akabari Designation: Product-Despatch & Delivery Manager Qualification: B.A.	28	3-Mar - 2008	2.25	6	✓ Matfow Cast Pvt. Ltd.
Name: Mr. Sumit Mutha Designation: Company Secretary & Compliance Officer Qualification: Company Secretary	27	11-Sep -2013	Nil (Current Salary: 1.80)	4	✓ Sigma Mineral Ltd
Name: Mr. Anil Kaushik Designation: General Manager - Marketing Qualification: Bachelor of Technology	46	Aug 18, 2013	Nil (Current Salary 12.50)	22	✓ M/s. Harvel Agua India Pvt. Ltd.

**BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

***Mr. Ramesh Khichadia, Chairman and Managing Director, Age: 47 years***

Mr. Ramesh Khichadia is the Chairman and Managing Director of our company. He is B. Tech (Agriculture Engineering) from Gujarat Agriculture University and has more than 21 years of experience in the field of Pipes and Irrigation business. He has been instrumental in formation of our company. Being an early starter he has worked on almost all levels of the organization which helps him understand and handle major functions of our company. Under his dynamic leadership and vast experience, we are able to deliver constant value to our customers time and again. He has been the architect of our company's projects and expansion strategy. His last remuneration was Rs. 23.40 Lacs pa.

**Mr. Gopal Khichadia, Whole-time Director, Age: 38 years**

Mr. Gopal Khichadia is the Whole Time Director of our company. He has passed class 9th examination from Gujarat State Board and has more than 21 years of experience in the field of Pipes and Irrigation business. He is one of the founding directors of our company and is responsible for generation of business for our company. He leads the core team that is driving the company's growth and transformation to become one of the reputed suppliers of irrigation systems in country. He is also responsible for business development and operational affairs of the company.

**Mr. Ashok Patel, Whole-time Director, Age: 63 years**

Mr. Ashok Patel is the Whole Time Director of our company. He has cleared HSC examination from Board of Secondary Education, Orissa. He has more than 29 years of experience in the field of Accounts and Finance. He is one of the founding directors of our company and takes cares of finance and accounting aspects of our organisation. His last remuneration was Rs 3.00 Lacs.

**Mr. Kaushik Mori, Head Finance and Accounts**

Mr. Kaushik Mori is Head Finance and Accounts of our Company. He holds a Bachelor's degree in Commerce from Saurashtra University. He is in charge of Accounts Division of our company and takes care of the Banking & overall finance function of the company. He has 17 years of overall experience in his functional area. Prior to joining our Company, he was associated with Om Shri Vanijya Bhavan. His last remuneration was Rs. 6.14 lacs pa.

**Mr. Bhavesh Gedia, Production Manager**

Mr. Bhavesh Gedia, is Production Manager of our Company. He has passed class 9th examination from Gujarat State Board. He is responsible for all entire production and operational activities of our Company. He has 15 years of overall experience in his functional area. Prior to joining our Company, he was associated with Sandhavi Computers. His last remuneration was Rs. 6.34 lacs pa

**Mr. Sameer Gadara, Quality Control Manager**

Mr. Sameer Gadara, is Quality Control Manager of our Company. He holds a Master in Science from Sardar Patel University. He is responsible for overall Quality Check of the product manufactured by our Company. He has 4 years of overall experience in his functional area. Prior to joining our Company, he was associated with Gujarat Green Revolution Company Ltd. His last remuneration was Rs. 3.10 Lacs pa.

**Mr. Nilesh T. Mungra, Marketing Manager**

Mr. Nilesh T. Mungra, aged 28 years, is Marketing Manager of our Company. He holds a Bachelor's of Technology in Agricultural Engineering from Gujarat Agricultural University. He is manager in marketing division of our company. He has 10 years of overall experience in his functional area. Prior to joining our Company, he was associated with Premier Adritech Irrigation Ltd. His last remuneration was Rs. 8.25 Lacs pa.

**Mr. Milan S. Akabari, Product-Despatch & Delivery Manager**

Mr. Milan S. Akabari, aged 35 years, is Manager in Product-Dispatch & Delivery Department of our Company. He holds a Bachelor's degree in Arts from Saurashtra University. He take cares of Product-Despatch & Delivery of our company. He has 6 years of overall experience in his functional area. Prior to joining our Company, he was associated with Matfow Cast Pvt. Ltd. His last remuneration was Rs. 2.25 Lacs pa/-

**Mr. Sumit Mutha, Company Secretary & Compliance Officer**

Mr. Sumit Mutha, aged 27 years, is a Company Secretary & Compliance Officer of our Company. He holds a Company Secretary Degree from Institute of Company Secretaries of India, New Delhi & B.com from Jai Narayan Vyas University, Jodhpur. He takes cares of overall Secretarial Compliances of our company. He has overall experience of 4 years in his functional area. Prior to joining our Company, he was associated with Sigma Minerals Ltd.

**Mr. Anil Kaushik, General Manager - Marketing**

Mr. Anil Kaushik, aged 46 years, is General Manager - Marketing of our Company. He holds a Bachelor's of Technology in Agricultural Engineering from Gujarat Agricultural University. He take care of the marketing division of our company. He has 22 years of overall experience in his functional area. Prior to joining our Company, he was associated with M/s. Harvel Agua India Pvt. Ltd.

We confirm that:

- a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- c. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2013.
- d. Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- e. Our Company awards performance linked bonuses as part of remuneration to its Key Managerial personnel
- f. Our Company does not have any profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Prospectus except Mr. Ramesh Khichadia ,Mr. Gopal Khichadia & Mr. Ashok Patel
- h. Presently, we do not have ESOP/ESPS scheme for our employees.
- i. The turnover of KMPs is not high, compared to the Industry to which our Company belongs.
- j. Except Mr. Bhavesh Gedia, Production Manager is a son of one of our promoter viz. Mr. Kantilal Gedia and Mr. Ramesh Khichadia & Mr. Gopal Khichadia who are brothers no other Key Managerial Personnel are related to our Promoters & Directors

**Changes in the Key Managerial Personnel in last three years:**

There have been no changes in the Key Managerial Personnel of our Company during the last three year except as stated below:

Sr. No.	Name	Designation	Date of Appointment/ Cessation/Promotion	Reasons
1.	Mr. Ramesh D. Khichadia	Chairman & Managing Director	September 11, 2013	Change in Designation
2.	Mr. Gopal D. Khichadia	Whole-time Director	September 11, 2013	Change in Designation
3.	Mr. Ashok Patel	Whole-time Director	September 11, 2013	Change in Designation
4.	Mr. Sumit Mutha	Company Secretary & Compliance Officer	September 11, 2013	Appointment
5.	Mr. Hitesh Kyada	Marketing Manager	August 01, 2013	Cessation
6.	Mr. Nilesh Mungra	Marketing Manager	August 15, 2011	Appointment
7.	Mr. Anil Kaushik	General Manager -Marketing	August 18, 2013	Appointment

**INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY**

The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business, extent of Equity Shares as held by them and any property as leased by them to our Company. For Details of Interest of Our Promoters refer page no. 133 of this Prospectus.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

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**BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGEMENT PERSONNEL**


Our Company does not have any profit sharing plan with its Directors or its key managerial personnel. Our Company awards performance linked bonuses, as part of remuneration, to its key managerial personnel.

**Other benefits to our Key Managerial Personnel**


Except as stated in this Prospectus there are no other benefits payable to our Key Managerial Personnel.


**OUR PROMOTERS**

	<b>Mr. Ramesh Khichadia: Chairman &amp; Managing Director</b>	
	<b>Qualification</b>	B. Tech (Agri. Engg.)
	<b>Age</b>	47 years
	<b>Address</b>	A-13, Aalap Avenue, Uni. Road, Rajkot.-360 005
	<b>Experience</b>	21 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AETPK0199K
	<b>Passport Number</b>	F4336869
	<b>Name of Bank &amp; Bank Account Details</b>	Axis Bank, Kalawad Rd- Branch Rajkot: 087010100008201.  Bank of Baroda, Kalawad Rd- Branch Rajkot: 15010100021600
	<b>Driving License Number</b>	GJ03/010730/01
	<b>Voter Identification Card Number</b>	JVT2025195
	<b>Other Interests</b>	<b>Directorships in other companies:</b> Captain Pipes Private Limited Captain Technocast Private Limited <b>Shareholding &amp; Interest:</b> Captain Pipes Private Limited Captain Technocast Private Limited Captain Plastic Pvt Limited Ramesh Khichadia HUF

	<b>Mr. Gopal Khichadia :Whole-Time Director</b>	
	<b>Qualification</b>	9th Class
	<b>Age</b>	38 years
	<b>Address-</b>	Abhishek Bunglows, Nr. Indralok Residency, Satyasai Hospital, Rajkot - 360 005
	<b>Experience</b>	21 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	ADGPK8548J
	<b>Passport Number</b>	F1703663
	<b>Name of Bank &amp; Bank Account Details</b>	State Bank of India, University Road Branch, Rajkot:32193925096
	<b>Driving License Number</b>	GJ03 19930011968
	<b>Voter Identification Card Number</b>	NA*
	<b>Other Interests</b>	<b>Directorships in other companies:</b> Captain Pipes Private Limited Captain Technocast Private Limited <b>Shareholding &amp; Interest:</b> Captain Pipes Private Limited Captain Technocast Private Limited Captain Plastic Pvt. Limited Gopal Khichadia HUF Vaibhav Cold Storage (Partnership) Caption Gining & Pressing Factory (Partnership)

\* Mr. Gopal Khichadia does not hold a Voter Identification Card as on date.

	<b>Mr. Ashok Patel: Whole-Time Director</b>	
	<b>Qualification</b>	HSC
	<b>Age</b>	63 years
	<b>Address</b>	Prince Palace, 700-A, Nr. S.N.K. School, Uni. Road, Rajkot-360005
	<b>Experience</b>	29 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	ACWPP4677J
	<b>Passport Number</b>	H2488018
	<b>Name of Bank &amp; Bank Account Details</b>	Union Bank of India, Main Branch, Rajkot,- 314302010927652 State Bank of India, Commercial Branch- Rajkot: 32034211303 The Corporative Bank of Rajkot, University Rd-Branch, Rajkot: 09610
	<b>Driving License Number</b>	GJ03 19810120184
	<b>Voter Identification Card Number</b>	JVT1842244
	<b>Other Interests</b>	<b>Directorships in other companies:</b> Sanathra Pharmaceuticals Private Limited <b>Shareholding &amp; Interest:</b> NIL

	<b>Mr. Kantilal Gedia</b>	
	<b>Qualification</b>	S.S.C.
	<b>Age</b>	56 years
	<b>Address</b>	Shiv Apartment-2, Patel Park, Mayani Chowk, Mavdi Road, Rajkot - 360004
	<b>Experience</b>	25 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	ACCPG0446J
	<b>Passport Number</b>	G6018265
	<b>Name of Bank &amp; Bank Account Details</b>	State Bank of India, Commercial Branch- Rajkot: 32276321716
	<b>Driving License Number</b>	GJ03R-2009-0016082
	<b>Voter Identification Card Number</b>	JWH3703147
	<b>Other Interests</b>	<b>Directorships in other companies:</b> Captain Pipes Private Limited <b>Shareholding &amp; Interest:</b> Captain Technocast Private Limited Captain Pipes Private Limited Kantilal Gedia (HUF)

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of all the above Promoters have been submitted to Bombay Stock Exchange Limited at the time of filing of this Prospectus with them.

#### Common Pursuits

Our Promoters have promoted our Promoter Group / Group Companies viz Captain Pipes Pvt. Ltd., Jeel Polyplast Pvt. Ltd., Capital Polyplast (Guj) Pvt. Ltd., & Captain Plastic Pvt. Ltd., are engaged in the line of business similar to our Company. As on the date of this Prospectus, we cannot assure that our Promoters will not favor the interests of the said Company over our interest or that the said Company will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For details of our Promoter Group and Group Company refer to Section titled "Our Promoter Group and Group Companies / Entities" on page 134 of the Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

### **Interest of Promoters**

Our Promoters viz. are interested to the extent of their shareholding in our Company and are also the Executive Directors of our Company may be deemed to be interested to the extent of remuneration, as per the terms of their appointment and reimbursement of expenses payable to them.

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

Except our registered office which is taken on lease and license basis from our promoter viz. Mr. Ramesh Khichadia vide agreement dated 2<sup>nd</sup> April 2013 for a period of 12 months our promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of filing the Prospectus with RoC.

### **Related Party Transactions**

For the transactions with our Promoter Group entities, please refer to section titled "Related Party Transactions" on page 176 of this Prospectus.

Except as stated in "Related Party Transactions" beginning on page 176 of the Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

### **Payment or Benefit to Promoters of Our Company**

For details of payments or benefits paid to our Promoters, please refer to the paragraph "Compensation of our Managing Director and Whole - time Directors" in the chapter titled "Our Management" on page 121. Also refer Annexure - P on "Related Party Transactions" on page 176 forming part of "Financial Information of the Company" and Paragraph on "Interest of Promoters" on page 133 of this Prospectus.

### **Other ventures of our Promoters**

Save and except as disclosed in the section titled "Our Promoters" and "Our Promoter Group and Group Companies / Entities" beginning on page 131 & 134 respectively of this Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

### **Litigation details pertaining to our Promoters**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled "**Outstanding Litigations and Material Developments**" beginning on page 200 of this Prospectus.

**OUR PROMOTER GROUP AND GROUP COMPANIES / ENTITIES**

In addition to the Promoters named above, the following natural persons are part of our Promoter Group in terms of Regulation 2(1)(zb) of SEBI ICDR Regulations:

<b>Relationship</b>	<b>Mr. Ramesh D. Khichadia</b>	<b>Mr. Gopal D. Khichadia</b>	<b>Mr. Ashok Patel</b>	<b>Mr. Kantilal Gediya</b>
<b>Father</b>	Late.:- Mr. Devraj P. Khichadia	Late.:- Mr. Devraj P. Khichadia	Late.: Mr. Kanji Meghji Patel	Late.:- Mr. Manilal Govindlal Gediya
<b>Mother</b>	Mrs. Radiyatben D. Khichadia	Mrs. Radiyatben D. Khichadia	Late.: Mrs. Gangaben Kanji Patel	Mrs. Motiben Manilal Gediya
<b>Spouse</b>	Mrs. Sangitaben R. Khichadia	Mrs. Rashmita G. Khichadia	Mrs. Jayaben Ashok Patel	Mrs. Lilaben Kantilal Gediya
<b>Brother</b>	Mr. Tansukh D. Khichadia, Mr. Gopal D. Khichadia, Mr. Girdhar D. Khichadia	Mr. Tansukh D. Khichadia, Mr. Ramesh D. Khichadia, Mr. Girdhar D. Khichadia	Late.: Chhagan Kanji Patel	Mr. Babu Manilal Gediya, Mr. Jadav Manilal Gediya
<b>Sister</b>	Mrs. Kantaben K. Pansuriya	Mrs. Kantaben K. Pansuriya	Mrs. Manjulaben Kanji Patel	Mrs. Manjulalben Kantilal Sutariya
<b>Son</b>	Mr. Ritesh R. Khichadia	Mr. Archil G. Khichadia	Mr. Gaurang Ashok Patel	Mr. Bhavesh Kantilal Gediya, Mr. Ketan Kantilal Gediya
<b>Daughter</b>	Nil	Ms. Foram G. Khichadia	Ms. Madhuri Ashok Patel	Nil
<b>Spouse's Father</b>	Late.:- Mr. Vallabh N. Ghadia	Late.:- Ramji Tida Savaliya	Late.: Mr. Shamji Anand Dekivadiya	Mr. Bava Surji Ramani
<b>Spouse's Mother</b>	Mrs. Kanchanben V. Ghadia	Mrs. Ramaben Ramji Savaliya	Late.: Mrs. Kasturben Shamji Dekivadiya	Mrs. Otiben Bava Ramani
<b>Spouse's Brother</b>	Mr. Kishor V. Ghadia	Mr. Nikhil Ramji Savaliya	Mr. Nanaji Shamji Dekivadiya, Late.: Mr. Hiriji Shamji Dekivadiya, Mr. Chandu Shamji Dekivadiya	Late.: Mr. Karshan Bava Ramani, Mr. Babu Bava Ramani
<b>Spouse's Sister</b>	Mrs. Ilaben M. Trada	Mrs Parulaben Ramesh Gajera	Mrs. Ramaben Vallabh Vachhani	Mrs. Bhanuben Nandkishor Sagpariya
	Mrs. Rekhaben C. Hirpara	Mrs .Manishaben, Mrs. Vinu Vaghasiya	Mrs. Manjulaben Premji Unjiya	-
	Mrs. Neetaben J. Ajudiya	Mrs .Rinaben Chetan Paghdar	-	-
	Mrs .Hetalben S. Gondaliya	-	-	-



Our Promoter Group as defined under Regulation 2 (zb) of the SEBI (ICDR) Regulations, 2009 includes following entities:

Nature of Relationship	Entity
Anybody corporate in which ten percent or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member.	<ol style="list-style-type: none"> <li>Captain Pipes Pvt. Ltd.</li> <li>Captain Technocast Pvt. Ltd.</li> <li>Captain Plastic Pvt. Ltd.</li> <li>Jeel Polyplast Private Limited</li> <li>Sanathra Pharmaceuticals Private Limited</li> <li>Capital Polyplast (Guj)Private Limited</li> </ol>
Any Body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital	<ol style="list-style-type: none"> <li>Captain Pipes Pvt. Ltd.</li> </ol>
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent of the total	<ol style="list-style-type: none"> <li>M/s. Ramesh Khichadia (HUF)</li> <li>M/s. Gopal Khichadia (HUF)</li> <li>M/s. Kantilal Gedia (HUF)</li> <li>M/s. Vaibhav Cold Storage (Partnership of Gopal)</li> <li>M/s. Caption Ginning &amp; Pressing Factory (Partnership)</li> <li>M/s. Capital Polymers (Partnership)</li> </ol>

#### OUR GROUP COMPANIES

##### Details of Group Companies:

##### Captain Pipes Pvt. Ltd.

<b>Main objects :</b>	To carry on the business of manufacturers, buyers, sellers, importers, exporters, assemblers, designers, developers and dealers in H.D.P.E and rigid P.V.C. pipes and drip and spinkler irrigation systems and agricultural equipments, appliances and implements made or metal, alloy, glass, synthetic plastic or any other materials.		
<b>Date of Incorporation</b>	Jan 05, 2010		
<b>CIN</b>	U25191GJ2010PTC059094		
<b>PAN Card no.</b>	AADCC8337J		
<b>Registered Office Address</b>	Survey No. 257, Plot No.23 to 28, N.H. 8-B, Shapar - Veraval, Rajkot - 360024, Gujarat, India.		
<b>Board of Directors</b>	Mr.Ramesh Khichadia Mr.Gopal Khichadia Mr.Kantilal Gedia		
<b>Audited Financial Information</b>	<b>( Rs. in Lacs, except per share data)</b>		
	<b>For The Year Ended</b>		
	<b>March 31, 2013</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>
<b>Equity Capital</b>	112.88	44.95	44.95
<b>Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )</b>	111.95	10.73	138.6
<b>Networth</b>	224.83	55.68	183.55
<b>Income including other income</b>	3033.11	1053.58	202.15
<b>Profit/ (Loss) after tax</b>	(7.75)	(135.57)	(30.23)
<b>Earnings per share (face value of Rs. 10 each)</b>	Nil	Nil	Nil
<b>Net asset value per share (Rs)</b>	19.92	12.39	40.83

**Shareholding Pattern as on the date of the Prospectus is as follows:**

S. No.	Name of the Equity Shareholder	No. of Equity Shares held	%age of Shareholding
1	Mr. Ramesh Devraj Khichadia	1,05,000	9.30
2	Mr. Gopal Devraj Khichadia	1,38,400	12.26
3	Mrs. Kantilal Gedia	49,800	4.41
4	Mr. Tansukh D. Khichadiya	100	0.01
5	Mrs. Rashmitaben G. Khichadiya	29,180	2.59
6	Mrs. Jayaben A. Patel	100	0.01
7	Mr. Gaurang A. Patel	100	0.01
8	Mr. Kanji Mohan Pansuriya	70,000	6.20
9	M/s.. Gopal D. Khichadia-HUF	42,000	3.72
10	M/s..Ramesh D. Khichadia-HUF	1,17,500	10.41
11	Mrs. Sangeetaben R. Khichadiya	55,000	4.87
12	Mr. Dharmesh Pansuriya	83,000	7.35
13	Mr. Ritesh R. Khichadiya	79,000	7.00
14	Mr. Rakesh J. Pansuriya	63,000	5.58
15	Captain Polyplast Ltd.	2,15,000	19.05
16	M/s. Panorama Commercial Pvt. Ltd.	5,000	0.44
17	M/s. Maple Dealer Pvt. Ltd.	5,000	0.44
18	M/s. Amar Commercial Pvt. Ltd.	20,000	1.77
19	M/s. RED Hot Mercantile Pvt. Ltd.	20,000	1.77
20	M/s. Arcadia Mercantile Capital Ltd.	11,000	0.97
21	M/s. Lakshya Securities & credit Holding Ltd.	10,000	0.89
22	M/s. Silverline Mercantile Private Limited	700	0.06
23	M/s. Genesis Merchants Private Limited	2,100	0.19
24	M/s. Zenith Vintrade Private Limited	800	0.07
25	M/s. Suburban Cooling Towers Private Limited	4,000	0.35
26	M/s. Mayur Pulses Private Limited	3,000	0.27
	<b>Total</b>	<b>11,28,780</b>	<b>100.00</b>

**Nature and extent of interest of our Promoters**

Name	Number of Shares held	%age of Shareholding
Mr. Ramesh Khichadia	1,05,000	9.30
Mr. Gopal Khichadia	1,38,440	12.26
Mr. Kantilal Gedia	49,800	4.41

The Promoters of our Company are interested to the extent of the shareholding in Captain Pipes Pvt. Ltd.

Captain Pipes Pvt. Ltd. is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA.

**Captain Technocast Pvt. Ltd.**

<b>Main objects :</b>	To carry on in India or elsewhere the business of manufacturing, producing, altering, converting, refining, smelting, fabricating, repairing, finishing, processing, treating, improving, manipulating, extruding, milling, slitting, cutting, casting, forging, rolling and rerolling of all shapes, sizes varieties, specification, dimensions, descriptions and strengths of iron and steel products including bars, rod, structures, profilers, pipes, sheets, castings, wires, rolling, metals and grids.
<b>Date of Incorporation</b>	July 20, 2010

<b>CIN</b>	U27300GJ2010PTC061678		
<b>PAN Card no.</b>	AAECC0636M		
<b>Registered Office Address</b>	Survey No. 257, Plot No.4, N.H. 8-B, Shapar - Veraval, Rajkot - 360024, Gujarat, India.		
<b>Board of Directors</b>	Mr.Ramesh Khichadia Mr.Gopal Khichadia Mr. Anilbhai Bhalu Mr. Shailesh Bhut		
	<b>(Rs. in Lacs, except per share data)</b>		
<b>Audited Financial Information</b>	<b>For The Year Ended</b>		
	<b>March 31, 2013</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>
<b>Equity Capital</b>	125.00	100.00	1.00
<b>Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )</b>	(29.42)	Nil	Nil
<b>Networth</b>	95.58	100.00	1.00
<b>Income including other income</b>	424.69	Nil	Nil
<b>Profit/ (Loss) after tax</b>	(38.82)	Nil	Nil
<b>Earnings per share (face value of Rs. 100 each)</b>	Nil	Nil	Nil
<b>Net asset value per share</b>	7.65	10.00	10.00

**Shareholding Pattern as on the date of the Prospectus is as follows:**

<b>Sr. No.</b>	<b>Name of the Equity Shareholder</b>	<b>No. of Equity Shares held</b>	<b>%age of Shareholding</b>
1	Mr. Ramesh D. Khichadia	1,95,000	15.60
2	Mrs. Sangeetaben R. Khichadia	80,000	6.40
3	Mr. Gopal D. Khichadia	1,05,000	8.40
4	Mr.Dharmesh J. Pansuriya	70,100	5.61
5	Mr.Kantilal M. Gedia	15,000	1.20
6	Mr. Bhavesh K. Gediya	30,000	2.40
7	Mr. Kaushik V. Mori	30,000	2.40
8	Mr. Pankaj V. Mori	20,000	1.60
9	Mr. Anil V. Bhalu	37,500	3.00
10	Mrs. Neetaben A. Bhalu	29,250	2.34
11	Mr. Vaghji G. Bhalu	54,000	4.32
12	Mr. Smit V. Bhalu	40,000	3.20
13	Mrs. Rashmitaben S. Bhalu	26,750	2.14
14	Mr. Deepak D. Bhut	37,500	3.00
15	Mrs. Pushpaben D. Bhut	37,500	3.00
16	Mr. Sanjay D. Bhut	37,500	3.00
17	Mrs. Komalben S. Bhut	37,500	3.00
18	Mr. Shailesh K. Bhut	37,500	3.00
19	Mrs. Sonalben S. Bhut	25,000	2.00
20	Mrs. Durla P. Bhut	37,500	3.00
21	Mr. Bharat M. Dadhania	28,750	2.30
22	Mr. Dharmesh B. Dadhania	62,500	5.00
23	Mrs. Ranjanben B. Dadhania	33,750	2.70
24	Mr. Mahesh R. Bakaraniya	36,250	2.90
25	Mr. Ramji S. Bakaraniya	26,250	2.10
26	Mr. Ritesh Khichadia	41,900	3.35
27	Mr.Kanji Pansuriya	25,500	2.04
28	Mrs. Falguniben K Mori	12,500	1.00
	<b>TOTAL</b>	<b>12,50,000</b>	<b>100.00</b>

**Nature and extent of interest of our Promoters**

<b>Name</b>	<b>Number of Shares held</b>	<b>%age of Shareholding</b>
Mr. Ramesh Khichadia	1,95,000	15.60
Mr. Gopal Khichadia	1,05,000	8.40
Mr. Kantilal Gedia	15,000	1.20

The Promoters of our Company are interested to the extent of the shareholding in Captain Technocast Pvt. Ltd.

Captain Technocast Pvt. Ltd is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA.

**Captain Plastic Pvt. Ltd.**

<b>Main objects :</b>	To carry on the business of manufacturers, buyers, sellers, importers, assemblers, designers, developers and dealers in H.D.P.E and rigid P.V.C. pipes and plastic product drip and spinkler irrigation systems and agricultural equipments, appliances and implements made or metal, alloy, glass, synthetic plastic or any other related materials.		
<b>Date of Incorporation</b>	June 03, 2010		
<b>CIN</b>	U25200GJ2010PTC060947		
<b>PAN Card no.</b>	AAECC0094R		
<b>Registered Office Address</b>	Survey No. 257, Plot No.9, N.H. 8-B, Shapar - Veraval, Rajkot - 360024, Gujarat, India.		
<b>Board of Directors</b>	Mr .Bhavesh K. Gedia Mr. Giradhar D. Khichadia		
	<b>(Rs. in Lacs, except per share data)</b>		
<b>Audited Financial Information</b>	<b>For The Year Ended</b>		
	<b>March 31, 2013</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>
<b>Equity Capital</b>	4.60	4.60	4.60
<b>Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )</b>	108.46	108.68	108.90
<b>Net worth</b>	113.06	113.28	113.50
<b>Income including other income</b>	Nil	Nil	Nil
<b>Profit/ (Loss) after tax</b>	(0.22)	(0.22)	Nil
<b>Earnings per share (face value of Rs. 10 each)</b>	Nil	Nil	Nil
<b>Net asset value per share</b>	245.78	246.26	246.74

**Shareholding Pattern as on the date of the Prospectus is as follows:**

S. No.	Name of the Equity Shareholder	No. of Shares held	%age of Shareholding
1	Mr. Giradhar Devraj Khichadia	5,000	10.87
2	Mr. Bhavesh Kantilal Gediya	5,000	10.87
3	Mr. Ramesh Devraj Khichadia	15,000	32.61
4	Mr. Gopal Devraj Khichadia	10,000	21.74
5	M/s. Silverline Mercantile Pvt. Ltd.	7,500	16.30
6	M/s. Prabhu Commercial Pvt. Ltd.	1,000	2.17
7	M/s. Evergrow Dealmark Pvt. Ltd.	2,500	5.43
	<b>Total</b>	<b>46,000</b>	<b>100.00</b>

**Nature and extent of interest of our Promoters**

Name	Number of Shares held	%age of Shareholding
Mr. Ramesh Devraj Khichadia	15,000	32.61
Mr. Gopal Devraj Khichadia	10,000	21.74

The Promoters of our Company are interested to the extent of the shareholding in Captain Plastic Pvt. Ltd

Captain Plastic Pvt. Ltd is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA.

**Sanathra Pharmaceuticals Private Limited**

<b>Main objects :</b>	To carry on the business of manufacturers, dealers, distributors, importers, exporters, agents, of pharmaceutical and nutraceuticals products, drugs, including generic drugs, medicines of all types, dietary and food supplements of any nature and kind, surgical instruments, implants, dressing and related materials plasma, products of Bio technology, generic eng. , tissue culture, monoclonal antibodies, all chemical products including cosmetic, organic, aromatic, inorganic, laboratory and to operate shops of all products in India or elsewhere.		
<b>Date of Incorporation</b>	December 18, 2009		
<b>CIN</b>	U24239GJ2009PTC058936		
<b>PAN Card no.</b>	AANCS6857R		
<b>Registered Office Address</b>	Hariom, 9/2-Indraprasthnagar, Near Panchvati Society, Rajkot-360001, Gujarat, India		
<b>Board of Directors</b>	Mr.Mitesh S. Sanathara Mrs.Reena S. Sanathara Mr. Sachin V. Sanathara Mr. Milan B. Sanathara Ms. Pooja Agarwal Mr. Ashok Patel		
	<b>(Rs. in Lacs, except per share data)</b>		
<b>Audited Financial Information</b>	<b>For The Year Ended</b>		
	<b>March 31, 2013</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>
<b>Equity Capital</b>	1.00	1.00	1.00
<b>Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )</b>	(2.43)	(0.99)	(1.06)
<b>Networth</b>	(1.43)	0.01	(0.06)
<b>Income including other income</b>	4.85	2.68	1.48
<b>Profit/ (Loss) after tax</b>	(1.43)	0.06	(1.06)
<b>Earnings per share (face value of Rs. 10 each)</b>	Nil	0.66	Nil
<b>Net asset value per share (Rs)</b>	Nil	Nil	Nil

**Shareholding Pattern as on the date of the Prospectus is as follows:**

Sr. No.	Name of the Equity Shareholder	No. of Shares held	%age of Shareholding
1	Mr. Miteshkumar Satishkumar Sanathra	25,00	25.00
2	Mrs. Reenaben Satishbhai Sanathara	1,500	15.00
3	Mr. Sachin Vijaybhai Sanathara	1,500	15.00
4	Mr. Milan Bharatbhai Sanathara	1,500	15.00
5	Mrs. Puja Shankarlal Agrawal	1,500	15.00
6	Mr. Ashokbhai Kanjibhai Patel	1,500	15.00
	<b>Total</b>	<b>10,000</b>	<b>100.00</b>

**Nature and extent of interest of our Promoters**

Name	Number of Shares held	%age of Shareholding
Mr. Ashok Patel	1500	15.00

The Promoter of our Company is interested to the extent of the shareholding in Sanathra Pharmaceuticals Private Limited.

Sanathra Pharmaceuticals Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA.

**Jeel Polyplast Private Limited**

<b>Main objects :</b>	To carry on the business of manufacturers, buyers, sellers, importers, assemblers, designers, developers and dealers in H.D.P.E and rigid P.V.C. pipes and drip and spinkler irrigation systems and agricultural equipments made of plastic polymers, appliances and implements made of synthetic plastic or any other materials.		
<b>Date of Incorporation</b>	April 09, 2012		
<b>CIN</b>	U25209GJ2012PTC069767		
<b>PAN Card no.</b>	AACJ8349J		
<b>Registered Office Address</b>	Plot No-1921, Shade - B, G.I.D.C. Metoda , Tal-Lodhika, Rajkot- 360021, Gujarat, India		
<b>Board of Directors</b>	Ms. Madhuri Ashokbhai Patel Mr. Raydhanbhai Jemabhai Chavda Mr. Maheshbhai Amrutlal Kalola		
	<b>( Rs. in Lacs, except per share data)</b>		
<b>Audited Financial Information</b>	<b>For The Year Ended</b>		
	<b>March 31, 2013</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>
<b>Equity Capital</b>	1.00	-	-
<b>Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )</b>	(0.17)	-	-
<b>Networth</b>	0.83	-	-
<b>Income including other income</b>	47.13	-	-
<b>Profit/ (Loss) after tax</b>	(0.17)	-	-
<b>Earnings per share (face value of Rs. 10 each)</b>	Nil	-	-
<b>Net asset value per share (Rs)</b>	8.3	-	-

**Shareholding Pattern as on the date of the Prospectus is as follows:**

Sr. No.	Name of the Equity Shareholder	No. of Shares held	%age of Shareholding
1	Ms. Madhuri Ashokbhai Patel	2,000	20.00
2	Mr. Shaileshbhai N. Lunagariya	2,000	20.00
3	Mr. Sudhir G. Tarapara	2,000	20.00
4	Mr. Vinodbhai D. Sorathiya	2,000	20.00
5	Mr. Raydhanbhai Jemabhai Chavda	2,000	20.00
	<b>Total</b>	<b>10,000</b>	<b>100.00</b>

**Nature and extent of interest of our Promoters**

Name	Number of Shares held	%age of Shareholding#
Ms. Madhuri Ashok Patel	2,000	20%

# Ms. Madhuri Ashok Patel is daughter of one of our Promoter viz. Mr. Ashok Patel

The Promoters of our Company are interested to the extent of the shareholding in Jeel Polyplast Private Limited

Jeel Polyplast Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA.

**Capital Polyplast (Guj) Private Limited**

<b>Main objects :</b>	To carry on the business of manufacturers, buyers, sellers, importers, exporters, assemblers, designers, developers and dealers in H.D.P.E and rigid P.V.C. pipes and drip and spinkler irrigation systems and agricultural equipments, appliances and implements made or synthetic plastic or any other materials.
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<b>Date of Incorporation</b>	December 24, 2010		
<b>CIN</b>	U25191GJ2010PTC063379		
<b>PAN Card no.</b>	AAECC2512Q		
<b>Registered Office Address</b>	Vardhaman Industrial Park, Survey No.3, Plot No. 76to79, B/H Kisan Dehydration, NH-27,Vill.Bhojpara, Gondal, Rajkot-360311, Gujarat, India		
<b>Board of Directors</b>	Mr. Giradhar D Khichadia Mr. Vijay Kumar K Bhalala		
	<b>( Rs. in Lacs, except per share data)</b>		
<b>Audited Financial Information</b>	<b>For The Year Ended</b>		
	<b>March 31, 2013</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>
<b>Equity Capital</b>	1.00	1.00	-
<b>Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )</b>	(15.06)	Nil	-
<b>Net worth</b>	(14.06)	1.00	-
<b>Income including other income</b>	23.62	Nil	-
<b>Profit/ (Loss) after tax</b>	(15.06)	Nil	-
<b>Earnings per share (face value of Rs. 10 each)</b>	Nil	Nil	-
<b>Net asset value per share ( Rs.)</b>	Nil	Nil	-

**Shareholding Pattern as on the date of the Prospectus is as follows:**

Sr. No.	Name of the Equity Shareholder	No. of Shares held	%age of Shareholding
1	Mr. Giradhar D Khichadia	5,000	50.00
2	Mr. Vijay Kumar K Bhalala	5,000	50.00
	<b>Total</b>	<b>10,000</b>	<b>100.00</b>

**Nature and extent of interest of our Promoters**

Name	Number of Shares held	%age of Shareholding#
Mr. Giradhar D Khichadia	50,00	50.00

# Mr. Giradhar D Khichadia is brother of one of our Promoter viz. Mr. Ramesh D. Khichadia & Mr. Gopal D. Khichadia

The Promoters of our Company are interested to the extent of the shareholding in Capital Polyplast (Guj) Private Limited.

Capital Polyplast (Guj) Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick Company under the meaning of SICA.

#### **Partnership Firms**

##### **Vaibhav Cold Storage**

M/s. 'Vaibhav Cold Storage' is a partnership firm between Mr. Gopalbhai D. Khichadia and others which is governed by a deed of Partnership dated 10.07.2013, having its principal place of business at:-Vegdi, Tal.:-Dhoraji, Dist.:-Rajkot. Subsequently they were admitted to the Partnership firm vide the deed of Partnership, dated 10.07.2013

<b>Date of Formation</b>	10.07.2013
<b>Date of supplementary Partnership Deed</b>	10.07.2013
<b>Registration Number</b>	N.A.
<b>Registered Address</b>	At.:-Vegdi, Tal.:-Dhoraji, Dist.:-Rajkot.
<b>Nature of Business</b>	Cold Storage

**Partners**

Sr. No	Name of Partner	Profit Sharing Ratio (in %)
1	Mr. Jayeshbhai Vitthalbhai Radadiya	20.00
2	Mr. Dilipbhai Jethabhai Hirpara	20.00
3	Mr. Haji Rafik Haji Yakub Tumbi	20.00
4	Mr. Gopalbhai D. Khichadia	20.00
5	Mr. Dharmeshkumar Jayantilal Pansuriya	20.00

**Brief Audited Financial Details**

Particulars	For the year ending March 31,		
	2013	2012	2011
Partner's Capital Account	-	-	-
Sales	-	-	-
Other Income	-	-	-
Total Income	-	-	-
Net Profit/(Loss)	-	-	-

**Caption Ginning & Pressing Factory**

M/s. 'Caption Ginning & Pressing Factory' is a partnership firm between Mr. Gopalbhai D. Khichadia and others which is governed by a deed of Partnership dated 18.04.2011, having its principal place of business at:-Raydi, Tal.:-Jam Kandorana, Dist.:-Rajkot. Subsequently they were admitted to the Partnership firm vide the deed of Partnership, dated 18.04.2011

<b>Date of Formation</b>	18.04.2011
<b>Date of supplementary Partnership Deed</b>	18.04.2011
<b>Registration Number</b>	-
<b>Registered Address</b>	At.:-Raydi, Tal.:-Jam Kandorana, Dist.:-Rajkot.
<b>Nature of Business</b>	Cotton Ginning Presiing.

**Partners**

Sr. No.	Name of Partner	Profit Sharing Ratio (in %)
1	Mr. Ratilal Mohanlal Pansuriya	20.00
2	Mr. Rakesh Jayantilal Pansuriya	20.00
3	Mr. Janakray Jethalal Hirpara	20.00
4	Mr. Gopalbhai D. Khichadia	20.00
5	Mr. Shabbir Yakub Tumbi	20.00

**Brief Audited Financial Details**

(Rs in Lacs)

Particulars	For the year ending March 31,		
	2013	2012	2011
Partner's Capital Account	150.83	143.77	-
Sales	2,421.89	558.13	-
Other Income	355.99	310.12	-
Total Income	2,777.88	868.25	-
Net Profit/(Loss)	477.12	9.47	-

**Capital Polymers**

M/s. 'Capital Polymers' is a partnership firm between Mr. Tansukhbhai D. Khichadia and Mr. Girdharbhai D. Khichadia interse are governed by a deed of Partnership dated 03.02.2011, having its principal place of business at.:-Shapar, Tal.:-Kotdasangani, Dist.:-Rajkot. Subsequently they were admitted to the Partnership firm vide the deed of Partnership, dated 01.04.2011.



<b>Date of Formation</b>	03.02.2011
<b>Date of supplementary Partnership Deed</b>	03.02.2011
<b>Registration Number</b>	412020734
<b>Registered Address</b>	At.:-Shapar, Tal.:-Kotda Sangani, Dist.:-Rajkot.
<b>Nature of Business</b>	Mfg. Sprinkler Irrigation Pipes & Components.

**Partners**

Sr. No.	Name of Partner	Profit Sharing Ratio (in %)
1	Mr. Tansukhbhai D. Khichadia	90.00
2	Mr. Girdharbhai D. Khichadia	10.00

**Brief Audited Financial Details**

(Rs in Lacs)

Particulars	For the year ending March 31,		
	2013	2012	2011
<b>Partner's Capital Account</b>	50.00	143.77	143.77
<b>Sales</b>	174.30	558.13	558.13
<b>Other Income</b>	3.12	310.12	310.12
<b>Total Income</b>	177.41	868.25	868.25
<b>Net Profit/(Loss)</b>	0.79	9.47	9.47

**HINDU UNDIVIDED FAMILIES (HUF'S)**

Sr. No.	Name of HUF and PAN	Name of Karta	Member of HUF
1	M/s. Ramesh D Khichadia AACHK6997C	Mr. Ramesh D Khichadia	Mr. Ramesh Khichadia, Mrs. Sangitaben Khichadia Mr. Ritesh R Khichadia
2	M/s. Gopal D Khichadia AACHK6993G	Mr. Gopal Khichadia	Mr. Gopal Khichadia, Mrs. Rashmita Khichadia Mr. Archil Khichadia, Ms. Foram Khichadia
3.	M/s. Kantilal Gedia HUF AAGHK6366M	Mr. Kantilal Gedia	Mr. Kantilal Gedia, Mrs. Lilaben Gedia Mr. Bhavesh Gedia, Mr. Ketan Gedia

**Ramesh D Khichadia HUF**

Ramesh D Khichadia HUF is a Hindu un-divided family and was formed on April 1, 1999. Mr. Ramesh D Khichadia is the Karta of the HUF.

**Financial Performance**

( Rs. in Lacs)

Sr. No.	Particulars	As At March		
		2013	2012	2011
1.	Capital	40.35	33.80	30.17
2.	Income	7.34	4.25	6.64

**Gopal D Khichadia HUF**

Gopal D Khichadia HUF is a Hindu un-divided family and was formed on April 1, 1999. Mr. Gopal D Khichadia is the Karta of the HUF.

**Financial Performance**

( Rs. in Lacs)

Sr. No.	Particulars	As At March		
		2013	2012	2011
1.	Capital	35.59	32.51	29.26
2.	Income	3.80	3.88	4.82

**Kantilal M Gedia HUF**

Kantilal M Gedia HUF is a Hindu un-divided family. Mr. Kantilal M Gedia is the Karta of the HUF.

**Financial Performance**

(Rs. in Lacs)

Sr. No.	Particulars	As At March		
		2013	2012	2011
1.	Capital	18.85	15.41	13.46
2.	Income	7.69	3.23	5.12

**Litigations**

For details on litigations and disputes pending against the Group Company, if any, please refer to the section titled “**Outstanding Litigations and Material Developments**” on page 200 of the Prospectus.

**Companies / Ventures with which the Promoters have disassociated themselves in the last three years**

None of our Promoters have disassociated themselves from any companies, firms or other entities during the last three years preceding the date of this Prospectus. Except for Mr. Kantilal Gedia who has resigned from Directorship of our company on August 16, 2013.

**Undertaking / Confirmations**

Our Promoters and Group Company /entities confirm that they have not been declared as a willful defaulter by the RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of the Promoters or Promoter Group or Group Companies or persons in control of the Promoters has been

- (i) prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority or
- (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of the Promoters is or has ever been a promoter, director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

**Common Pursuits/Conflict of Interest**

Except for, Captain Pipes Pvt. Ltd., Jeel Polyplast Pvt. Ltd., Capital Polyplast (Guj) Pvt. Ltd., & Captain Plastic Pvt. Ltd., none of our Group Companies have any common pursuits.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

For details relating to sales or purchases between our Company and any of our Group entities exceeding 10% of the sales or purchases of our Company see the chapter titled “**Financial Statements - Related Party Disclosures**” on page 176 of the Prospectus.

**DIVIDEND POLICY**

As per the Articles of Association of our Company dividends other than interim dividends will be declared at the Annual General Meeting of shareholders based on the recommendations of the Board of Directors. The Articles of Association provide that the dividend declared by the shareholders at the Annual General Meeting shall not exceed the amount recommended by the Board of Directors. The Board may, at its discretion, recommend dividends to be paid to the Company's shareholders.

Generally, the factors that may be considered by the Board of Directors before making any recommendations for Dividends include, but not limited to are, Company's future expansion plans and capital requirements, profits earned during the financial year, cost of raising funds, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions.

Our Company has not paid any dividend in the previous Five Financial Years except an Interim Dividend and Final Dividend of 10% in FY 2008-09.

**SECTION V - FINANCIAL INFORMATION OF THE COMPANY**

**INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS**

(As required by Part II of Schedule II to the Companies Act, 1956)

To,  
The Board of Directors,  
**CAPTAIN POLYPLAST LTD.**  
UL-25, Royal Complex,  
Bhutkhana Chowk, Dhebbhar Road,  
Rajkot,  
Gujarat – India.

Dear Sirs,

**Report on Restated Financial Statements**

We have examined the restated financial statements of CAPTAIN POLYPLAST LTD. (hereinafter referred as “the Company”), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- i) Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (“the Act”);
- ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time;
- iii) The instructions received from the Company, requesting to examine the financial information referred to above and proposed to be included in the Offer Document of the Company in connection with its proposed initial public offer of equity shares and
- iv) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (‘ICAI’)

Audit of the financial statements for the 6 months period ended September 30, 2013 and years ended March 31, 2013, 2012, 2011, 2010 & 2009 has been conducted by Company’s Statutory Auditor, M/s P. Ghanshyam & Co., Chartered Accountants. Further, financial statements for the 6 months period ended September 30, 2013 and year ended March 31, 2013 have been re-audited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the financial years ended March 31, 2012, 2011, 2010 and 2009 is based on the audited financial statements of the Company which were audited by the Statutory Auditor, M/s P. Ghanshyam & Co., Chartered Accountants and whose Auditor’s Report has been relied upon by us for the said periods.

**1. Financial Information of the Company**

**We have examined the attached**

Restated Statement of Assets and Liabilities of the Company as at **September 30, 2013, March 31, 2013, 2012, 2011, 2010 and 2009 (Annexure-I);**

Restated Statement of Profit & Losses of the Company for the 6 months period ended **September 30, 2013 and years ended March 31, 2013, 2012, 2011, 2010 & 2009 (Annexure-II);**

The accompanying Restated Statement of Cash Flows of the Company for the 6 months period ended **30th September, 2013 and years ended March 31, 2013, 2012, 2011, 2010 & 2009 (Annexure-III)** and

the significant accounting policies and notes to restated summary statement (**Annexure IV**) together with the referred to as ‘Standalone Summary Statements’ as prepared by the Company and approved by the Board of Directors.

2. Based on the examination of these Standalone Summary Statements, we confirm that the restated profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate.
3. We have examined the following regrouped/ rearranged financial information relating to the Company, proposed to be included in the Offer Document , as approved by the Board of Directors of the Company and attached to this report:
  1. Statement of Fixed Assets (Annexure A)
  2. Statement of Non-Current Investments (Annexure B);
  3. Statement of Long-Term Loans And Advances (Annexure C)
  4. Statement of Trade Receivables (Annexure D)
  5. Statement of Cash & Cash Equivalents (Annexure E)
  6. Statement of Short-Term Loans And Advances (Annexure F)
  7. Statement of Other Current Assets (Annexure G)
  8. Statement of Long Term & Short Term Borrowings (Annexure H)
  9. Statement of Principal Terms of Secured Loans And Assets Charged As Security (Annexure H1)
  10. Statement of Terms & Conditions of Unsecured Loans (Annexure H2)
  11. Statement of Deferred Tax (Assets) / Liabilities (Annexure I)
  12. Statement of Long Term Provisions (Annexure J)
  13. Statement of Trade Payables & Other Current Liabilities (Annexure K)
  14. Statement of Short Term Provisions (Annexure L)
  15. Statement of Share capital, Reserves and Surplus (Annexure M)
  16. Statement of Other Operating Incomes & Other Incomes (Annexure N)
  17. Statement of Contingent Liabilities (Annexure O)
  18. Statement of Related Party Transaction (Annexure P)
  19. Statement of Capitalization as at September, 30th 2013 (pre-issue) and as adjusted for this issue (post issue) subject to reliance being placed on management representation in respect of post issue figures contained in the Statement of Capitalization (Annexure Q)
  20. Summary of Mandatory accounting ratios based on adjusted profits/losses, relating to earnings per share, net assets value per share and return on net worth (Annexure R)
  21. Statement of Segment Reporting (Annexure S)
  22. Statement of Tax Shelter (Annexure T)
  23. Statement of Dividend Declared (Annexure U)

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009, 31st March, 2010, 31st March, 2011, 31st March, 2012, 31st March, 2013 and 30th September, 2013;
  - b) In the case of the Statement of Profit and Loss, of the profit of the Company for the years/period ended on that date; and
  - c) In the case of the Cash Flow Statement, of the cash flows of the Company for the years/period ended on that date.
4. This report is intended solely for your information and for the inclusion in the offer Document in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For SVK & ASSOCIATES**

**Chartered Accountants**

Firm No. - 118564W

Sd/-

**Shilpang V. Karia**

**Partner**

M. No.: 102114

Place: Rajkot

Date: 21<sup>st</sup> October, 2013

**ANNEXURE - I**

**SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)**

(Amt. in Rs.)

Particulars	As at					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Non-current assets</b>						
<b>Fixed Assets:</b>						
Tangible assets	115,064,371	57,362,152	58,641,299	45,886,990	27,422,267	15,365,184
Less: Revaluation Reserve	0	0	0	0	0	0
Net Block after adjustment of Revaluation Reserve	115,064,371	57,362,152	58,641,299	45,886,990	27,422,267	15,365,184
Intangible assets	0	0	0	0	0	0
Capital work-in-progress	3,741,844	38,936,817	0	0	0	149,110
Intangible assets under development	0	0	0	0	0	0
Non-current investments	5,724,493	5,723,206	81,331	0	0	0
Deferred tax assets (net)	0	0	0	0	0	0
Long-term loans & advances	5,356,295	5,758,350	3,798,590	3,994,401	3,505,945	706,481
Other non-current assets	0	0	0	0	0	0
<b>Total non-current assets (A)</b>	<b>129,887,003</b>	<b>107,780,525</b>	<b>62,521,220</b>	<b>49,881,391</b>	<b>30,928,212</b>	<b>16,220,775</b>
<b>Current Assets</b>						
Current Investments	0	0	0	0	0	0
Inventories	82,530,998	54,358,607	50,925,157	78,155,556	52,083,422	37,610,999
Trade Receivables	309,271,755	292,274,183	173,775,534	108,887,572	78,317,008	81,243,520
Cash & Bank Balances	45,217,908	37,303,228	25,736,627	25,187,058	23,279,080	18,354,501
Short Term Loans & Advances	12,236,939	14,621,387	9,829,082	5,635,248	7,180,971	3,229,592
Other Current Assets	9,780,733	8,892,447	4,392,697	5,189,107	4,221,701	5,078,663
<b>Total Current Assets (B)</b>	<b>459,038,333</b>	<b>407,449,851</b>	<b>264,659,097</b>	<b>223,054,541</b>	<b>165,082,182</b>	<b>145,517,275</b>
<b>Total Assets (C=A+B)</b>	<b>588,925,336</b>	<b>515,230,376</b>	<b>327,180,317</b>	<b>272,935,932</b>	<b>196,010,394</b>	<b>161,738,050</b>
<b>Non Current Liabilities</b>						
Long-term borrowings	54,873,897	45,099,860	24,155,993	17,754,170	9,510,149	9,004,322
Deferred tax liabilities (net)	7,095,886	4,027,709	3,960,028	3,373,395	1,124,437	648,088
Other long-term liabilities	0	0	0	0	0	0
Long-term provisions	1,408,397	1,299,159	1,142,717	861,649	631,823	536,482
<b>Total Non Current Liabilities (D)</b>	<b>63,378,181</b>	<b>50,426,728</b>	<b>29,258,739</b>	<b>21,989,214</b>	<b>11,266,409</b>	<b>10,188,892</b>
<b>Current liabilities</b>						
Short-term borrowings	98,045,410	107,617,832	67,611,533	61,882,247	68,950,259	56,748,479
Trade payables	229,997,691	189,775,920	125,608,289	111,761,542	52,865,326	42,004,723
Other current liabilities	68,970,112	41,824,638	25,935,978	13,683,854	13,420,725	16,921,049
Short-term provisions	7,699,948	15,821,307	5,126,417	2,820,220	4,146,404	4,188,298

<b>Total Current Liabilities (E)</b>	<b>404,713,161</b>	<b>355,039,696</b>	<b>224,282,216</b>	<b>190,147,864</b>	<b>139,382,714</b>	<b>119,862,549</b>
Share Application Money Pending Allotment (F)	0	0	0	0	0	0
<b>Total Liabilities (G = D + E + F)</b>	<b>468,091,341</b>	<b>405,466,425</b>	<b>253,540,955</b>	<b>212,137,078</b>	<b>150,649,123</b>	<b>130,051,441</b>
<b>Net Worth (H = C - G)</b>	<b>120,833,996</b>	<b>109,763,952</b>	<b>73,639,362</b>	<b>60,798,855</b>	<b>45,361,271</b>	<b>31,686,609</b>
<b>Net Worth represented by:</b>						
Share Capital	54,835,250	21,934,100	19,559,100	19,559,100	9,275,800	8,575,800
Reserves & Surplus						
Securities Premium	0	30,396,700	23,271,700	23,271,700	22,380,000	16,080,000
General Reserve	421,308	421,308	421,308	421,308	421,308	421,308
Capital Reserve - Cash Subsidy	1,763,866	1,763,866	1,763,866	1,763,866	1,763,866	1,763,866
Surplus	63,813,572	55,247,978	28,623,388	15,782,881	11,520,297	4,845,635
Less: Revaluation Reserve	0	0	0	0	0	0
Less: Miscellaneous Expenses not w/off	0	0	0	0	0	0
<b>Net Worth (I)</b>	<b>120,833,996</b>	<b>109,763,952</b>	<b>73,639,362</b>	<b>60,798,855</b>	<b>45,361,271</b>	<b>31,686,609</b>

Note: The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures II, III and IV.



## ANNEXURE - II

## STATEMENT OF PROFIT AND LOSS (AS RESTATED)

(Amt. in Rs.)

Particulars	6 months period ended	For the Year ended				
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Revenue from operations:</b>						
-Revenue from Sale of Products	373,687,358	621,171,794	507,617,975	362,545,498	372,309,190	230,721,339
-Revenue from Sale of Services	4,941,611	5,305,383	4,778,798	3,577,441	1,793,700	1,914,483
-Other Operating Income	2,367,445	1,649,287	1,391,289	508,177	0	0
<b>Net Revenue from operations</b>	<b>380,996,414</b>	<b>628,126,464</b>	<b>513,788,062</b>	<b>366,631,116</b>	<b>374,102,890</b>	<b>232,635,822</b>
Other income	1,050,852	2,946,038	2,301,145	2,019,152	1,639,871	966,898
<b>Total Revenue (A)</b>	<b>382,047,266</b>	<b>631,072,502</b>	<b>516,089,207</b>	<b>368,650,268</b>	<b>375,742,761</b>	<b>233,602,720</b>
<b>Expenses:</b>						
Cost of Materials & Stores Consumed	280,117,728	443,835,196	348,586,672	284,019,684	286,328,603	185,388,608
Changes in inventories of finished goods, WIP and Stock-in-Trade	(13,847,652)	(3,232,697)	16,884,204	(16,671,923)	(5,464,534)	(10,564,013)
Employee benefits expense	15,310,422	24,306,470	17,868,843	13,728,695	11,391,406	7,558,446
Finance costs	21,610,442	35,544,532	31,054,756	17,407,527	10,912,059	10,749,516
Depreciation & Amortization Expense	7,179,954	9,216,052	8,609,806	5,695,778	3,532,403	2,199,490
Preliminary Exp. written off	0	0	0	0	0	0
Other expenses	52,328,684	81,513,832	76,084,224	57,256,849	58,173,803	32,591,730
<b>Total Expenses (B)</b>	<b>362,699,578</b>	<b>591,183,385</b>	<b>499,088,505</b>	<b>361,436,610</b>	<b>364,873,740</b>	<b>227,923,777</b>
<b>Profit before exceptional, extra ordinary item and tax (C = A-B)</b>	<b>19,347,688</b>	<b>39,889,117</b>	<b>17,000,702</b>	<b>7,213,658</b>	<b>10,869,021</b>	<b>5,678,943</b>
Exceptional item (D)	0	0	0	0	0	0
<b>Profit before extra ordinary item and tax (E = C - D)</b>	<b>19,347,688</b>	<b>39,889,117</b>	<b>17,000,702</b>	<b>7,213,658</b>	<b>10,869,021</b>	<b>5,678,943</b>
Extraordinary item (F)	0	0	0	0	0	0
<b>Profit before tax (G = E-F)</b>	<b>19,347,688</b>	<b>39,889,117</b>	<b>17,000,702</b>	<b>7,213,658</b>	<b>10,869,021</b>	<b>5,678,943</b>
<b>Provision for Tax</b>						
-Current Tax	4,484,751	13,476,588	3,565,265	1,338,496	2,956,635	1,941,427
-Fringe Benefit Tax	0	0	0	0	0	200,000
-Tax adjustment of prior years	724,716	(279,741)	8,297	666,612	761,375	(493,717)
-Deferred Tax Liability/ (Asset)	3,068,177	67,681	586,633	2,248,958	476,349	68,739
-MAT Credit Entitlement	0	0	0	(1,302,993)	0	0
<b>Tax Expense For The Year (H)</b>	<b>8,277,644</b>	<b>13,264,528</b>	<b>4,160,195</b>	<b>2,951,073</b>	<b>4,194,359</b>	<b>1,716,449</b>

<b>Restated profit after tax from continuing operations (I = G - H)</b>	<b>11,070,044</b>	<b>26,624,590</b>	<b>12,840,507</b>	<b>4,262,584</b>	<b>6,674,662</b>	<b>3,962,495</b>
<b>Discontinuing operation</b>	0	0	0	0	0	0
<b>Restated profit for the year</b>	<b>11,070,044</b>	<b>26,624,590</b>	<b>12,840,507</b>	<b>4,262,584</b>	<b>6,674,662</b>	<b>3,962,495</b>
Balance brought forward from previous year	55,247,978	28,623,388	15,782,881	11,520,297	4,845,635	3,229,208
<b>Accumulated Profit/(Loss) carried to Balance Sheet</b>	<b>66,318,022</b>	<b>55,247,978</b>	<b>28,623,388</b>	<b>15,782,881</b>	<b>11,520,297</b>	<b>7,191,703</b>
<b>Dividend</b>	0	0	0	0	0	1,645,160
<b>Tax on Dividend</b>	0	0	0	0	0	279,600
<b>Transfer to General Reserve</b>	0	0	0	0	0	421,308
<b>Bonus Shares Issued</b>	2,504,450	0	0	0	0	0
<b>Balance Carried to Balance Sheet</b>	<b>63,813,572</b>	<b>55,247,978</b>	<b>28,623,388</b>	<b>15,782,881</b>	<b>11,520,297</b>	<b>4,845,635</b>

**Note:** The above statement should be read with the significant accounting policies and notes to restated summary statement of assets and liabilities, and cash flows statement as appearing in Annexures I, III and IV.

## ANNEXURE - III

## CASH FLOW STATEMENT (AS RESTATED)

(Amt. in Rs.)

Particulars	6 months period ended	For the Year ended				
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>4. Cash Flow From Operating Activities:</b>						
Net Profit before tax and extraordinary item	19,347,688	39,889,117	17,000,702	7,213,658	10,869,021	5,678,943
<i>Adjustments for:</i>						
Depreciation & Amortization Expenses	7,179,954	9,216,052	8,609,806	5,695,778	3,532,403	2,199,490
Interest Paid	29,846,861	29,846,861	26,858,258	17,407,527	10,912,059	10,749,516
Interest Received/ Other Non Operative Receipts	(1,050,852)	(2,946,038)	(2,301,145)	(2,019,152)	(1,639,871)	(966,898)
<b>Operating Profit before Working Capital Changes</b>	<b>55,323,651</b>	<b>76,005,992</b>	<b>50,167,621</b>	<b>28,297,811</b>	<b>23,673,612</b>	<b>17,661,051</b>
<i>Adjustments for:</i>						
Inventories	(28,172,391)	(3,433,450)	27,230,399	(26,072,133)	(14,472,423)	(18,140,282)
Trade Receivables	(16,997,572)	(118,498,649)	(64,887,962)	(30,570,564)	2,926,512	(859,726)
Short Term Loans & Advances	(2,558,036)	(213,962)	(453,407)	2,464,917	(3,427,587)	376,666
Other Current Assets	(888,286)	(4,499,750)	796,410	(967,406)	856,962	(3,436,467)
Trade Payables	40,221,771	64,167,631	13,846,747	58,896,216	10,860,603	(11,606,914)
Other Current Liabilities	27,145,474	15,888,660	12,252,123	263,129	(3,500,324)	13,456,724
Short term Provision	870,478	783,567	79,428	1,594,948	(1,057,102)	1,023,541
<b>Cash Generated from Operation</b>	<b>74,945,088</b>	<b>30,200,040</b>	<b>39,031,359</b>	<b>33,906,917</b>	<b>15,860,254</b>	<b>(1,525,407)</b>
Taxes Paid	9,258,820	7,863,867	5,087,220	4,542,441	3,226,594	2,475,192
<b>Net Cash from Operating Activities</b>	<b>65,686,269</b>	<b>22,336,173</b>	<b>33,944,138</b>	<b>29,364,476</b>	<b>12,633,660</b>	<b>(4,000,599)</b>
<b>5. Cash Flow From Investing Activities:</b>						
Fixed Assets Purchased (Net)	(29,687,200)	(46,873,722)	(21,364,115)	(24,160,501)	(15,440,376)	(5,266,048)
Interest Received/ Other Non Operative Receipts	1,050,852	2,946,038	2,301,145	2,019,152	1,639,871	966,898
<i>Adjustments for:</i>						
Long Term Loans & Advances	402,055	(1,959,760)	195,811	(488,456)	(2,799,464)	327,821
Non Current Investments	(1,287)	(5,641,875)	(81,331)	0	0	0
Long term Provision	109,238	156,442	281,068	229,826	95,341	536,482
Long Term Liabilities	0	0	0	0	0	0
<b>Net Cash from Investing Activities</b>	<b>(28,126,342)</b>	<b>(51,372,877)</b>	<b>(18,667,422)</b>	<b>(22,399,979)</b>	<b>(16,504,628)</b>	<b>(3,434,847)</b>

<b>6. Cash Flow From Financing Activities:</b>						
Proceeds from issue of shares	0	9,500,000	0	11,175,000	7,000,000	7,000,000
Proceeds from Short term borrowings	(9,572,422)	40,006,299	5,729,286	(7,068,012)	12,201,779	23,251,374
Proceeds from Long term borrowings	9,774,037	20,943,867	6,401,824	8,244,021	505,827	(459,115)
Payment of Interim Dividend and tax on it	0	0	0	0	0	(921,430)
Interest paid	(29,846,861)	(29,846,861)	(26,858,258)	(17,407,527)	(10,912,059)	(10,749,516)
<b>Net Cash from Financing Activities</b>	<b>(29,645,246)</b>	<b>40,603,305</b>	<b>(14,727,148)</b>	<b>(5,056,518)</b>	<b>8,795,547</b>	<b>18,121,313</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>7,914,681</b>	<b>11,566,601</b>	<b>549,568</b>	<b>1,907,979</b>	<b>4,924,580</b>	<b>10,685,867</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>37,303,228</b>	<b>25,736,627</b>	<b>25,187,059</b>	<b>23,279,080</b>	<b>18,354,500</b>	<b>7,668,633</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>45,217,909</b>	<b>37,303,228</b>	<b>25,736,627</b>	<b>25,187,059</b>	<b>23,279,080</b>	<b>18,354,500</b>

**Notes:-**

4. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements as recommended by Companies Accounting Standard Rules, 2006.
5. Figures in Brackets represents outflow.
6. The above statement should be read with the significant accounting policies and notes to restated summary statement of assets and liabilities and statement of profit and loss as appearing in Annexures I, II and IV.

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

**I. SIGNIFICANT ACCOUNTING POLICIES:**

**Nature of Operations**

Captain Polyplast Ltd. ("the Company") having its manufacturing facilities at Shapar, Rajkot, is presently engaged in manufacturing of Micro Irrigation System and allied products.

**Basis of preparation of financial statements**

These financial statements are prepared under the historical cost basis of accounting and evaluated on a going concern basis, with revenues and expenses accounted for on their accrual to comply in all material aspects with the applicable accounting principles and applicable Accounting Standards notified U/s. 211(3C) of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956.

**Use of estimates**

The preparation of financial statements require estimates and assumptions to be made that affect the reported balances of assets as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

**1. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**Sales of Goods:**

Sales are recognised when significant risks and rewards of ownership of goods have been passed to the buyer.

**Power Generation Income:**

Power generation income was recognised on the basis of electrical units generated and eligible for captive consumption or captive consumed or sold as shown in the power generation reports issued by the concerned authorities. Power generation income was booked as the per unit electricity rate, being paid by the company / actually sold by the company.

**Interest:**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Agronomy Consultancy Income:**

Revenue is recognised on the basis of completion of services being provided to farmers in relation to crops and irrigation system.

**Installation Income:**

Revenue is recognised on the basis of completion of services being provided.

**Job work Income:**

Revenue is recognised on the basis of completion of services being provided.

**Land Trenching Income:**

Revenue is recognised on the basis of completion of services being provided.

## 2. Tangible Fixed assets

Gross fixed assets are stated at cost of acquisition including incidental expenses relating to acquisition and installation. Fixed Assets are stated at cost net of MODVAT/ CENVAT / other credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All pre-operative costs, including specific financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from foreign exchange rate variations attributable to the fixed assets are capitalised. Long-term leasehold assets are capitalized under fixed assets.

The carrying amounts of the assets belonging to each cash generating unit ('CGU') are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying amounts exceed the recoverable amount of the asset's CGU, assets are written down to their recoverable amount. 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. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognised in prior accounting periods is reversed if there has been a change in estimates of recoverable amount. The carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

## 3. Depreciation

Depreciation is provided on Written Down Value Method at the rates and in the manners prescribed in Schedules XIV to the Companies Act, 1956, on the basis of shifts / manners of utilization of the assets. Depreciation on additions/ disposals during the year has been provided on pro-rata basis with reference to the nos. of days utilized.

Following are the rates of depreciation applied:

Type of Asset	Rate Applied
Factory Building	10.00%
Plant & Machinery	13.91%
Electrification	13.91%
Furniture & Fixtures	18.10%
Computers	40.00%
Telephones & Mobiles	18.10%
Laboratory Equipments	13.91%
Fax Machine	18.10%
Vehicles	25.89%
Windmill Plant & Machinery	15.33%

## 4. Inventories

Inventories of Raw Materials, Finished Goods and Waste & Scrap are stated at cost or net realisable value, whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formula used is 'Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

## 5. Retirement Benefits & Other Employee benefits

### Defined-contribution plans:

Defined contribution to provident fund is charged to the profit and loss account on accrual basis.

### Defined-benefit plans:

Provision for gratuity liability is provided based on actuarial valuation made at the in the year 2012-13 covering all the period of five years.

Leave encashment expenditure is charged to profit and loss account at the time of leave encashed and paid, if any. Bonus expenditure is charged to profit and loss account on accrual basis.

## 6. Foreign exchange transactions

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

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the net gain or loss is recognized in the profit and loss account.

Foreign currency translation differences relating to liabilities incurred for purchasing of fixed assets from foreign countries are adjusted in the carrying cost of fixed asset for differences up to the year-end in the year of acquisition, whereas differences arising thereafter to be recognized in the profit and loss account. All other foreign currency gain or losses are recognized in the statement of profit and loss.

## 7. Lease accounting

### Operating Leases:

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognised as an expense in the statement of statement of profit and loss. Initial direct cost in respect of the lease acquired is expensed out in the year in which such costs are incurred.

## 8. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortised equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

## 9. Taxes on income

Tax expenses comprise Current Tax / Minimum Alternate Tax (MAT) and deferred tax charge or credit.

### **Current Tax**

Provision for current tax / Minimum Alternate Tax (MAT) is made based on tax liability computed after considering tax allowances and exemptions, in accordance with the provisions of The Income Tax Act, 1961.

### **Deferred Tax**

Deferred tax assets and liability is recognized, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising mainly on account of brought forward losses, unabsorbed depreciation and minimum alternate tax under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realisation. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

## 10. Earnings per share:

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

## 11. Provisions and contingent liabilities

A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet 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.

Contingent liabilities are disclosed by way of notes to the accounts. Contingent assets are not recognized.

## 12. Investments

Investments being Non-Current Investments consists investments made in equity shares of group Company and other listed companies. Investments are stated at cost of acquisition.

## 13. Cash & Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

## 14. Government Grants & Assistance:

This includes cash subsidy being received from State Government and District Industries Center (DIC) for fixed assets being non-repayable is grouped under Capital Reserve.

## 15. Segment Reporting

The company has identified two reportable segment viz. "Manufacturing of HDPE Pipes and Irrigation Items" & "Wind Power Generation". A Detailed disclosure has been made in these financial statements. (Annexure-S)

## II. NOTES TO RESTATED SUMMARY STATEMENT:

The financial statements for the years ended prior to April 1, 2011 were prepared as per the then-applicable pre-revised Schedule VI of the Companies Act 1956. Consequent to the notification of the revised schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012, year ended March 31, 2013 and the period ended 30th September, 2013 are prepared as per the revised schedule VI. Accordingly, the figures of the previous years have also been re-classified to confirm to classification as per the revised schedule VI. The adoption of revised schedule VI for the figures of the previous years does not impact recognition and measurement principles followed for the preparation of these financial statements.

### 1. Contingent liabilities and commitments (to the extent not provided for)

A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.



**2. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

In the absence of information regarding outstanding dues of MICRO or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule VI to the Companies Act, 1956.

3. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure - P of the enclosed financial statements.
4. Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under:

Calculation of Deferred Tax liability/Assets of previous year and preceding four years:

(Amt. in Rs.)

Particulars	For 6 months period	For the year				
	Sept. 2013	2012-13	2011-12	2010-11	2009-10	2008-09
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	7,693,233	5,655,412	5,706,710	4,788,370	1,319,670	813,861
(DTA) on account of carry forward Business Losses & Depreciation	0	0	0	(1,119,967)	0	0
(DTA) on account of closing MAT Credit	0	(1,099,541)	(1,303,129)	0	0	0
(DTA) on account of gratuity provision	(456,954)	(421,512)	(353,100)	(266,250)	(195,233)	(165,773)
(DTA) on account of disallowance of expenses u/s. 43B of Income Tax Act, 1961	(140,393)	(106,650)	(90,454)	(28,759)	0	0
<b>Net Deferred Tax Asset / (Liability)</b>	<b>7,095,886</b>	<b>4,027,709</b>	<b>3,960,028</b>	<b>3,373,395</b>	<b>1,124,437</b>	<b>648,088</b>

**5. Auditors' Remuneration:**

(Amt. in Rs.)

Particulars	For 6 months period	For the year				
	Sept. 2013	2012-13	2011-12	2010-11	2009-10	2008-09
a. As Auditors						
Statutory Audit Fees *	25,000	20,000	20,000	15,000	15,000	15,000
Tax Audit Fees *	5,000	5,000	5,000	5,000	5,000	5,000
<b>Total</b>	<b>30,000</b>	<b>25,000</b>	<b>25,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>

\* Excluding Service Tax

**6. Earnings Per Share :**

Earnings per Share have been calculated as under:

(Amt. in Rs.)

Particulars	For 6 months period	For the year				
	Sept. 2013	2012-13	2011-12	2010-11	2009-10	2008-09
A. Number of Shares at the beginning of the year	2,193,410	1,955,910	1,955,910	927,580	857,580	787,580
Shares issued during the year:						
Allotment (Including bonus shares issued)	3,290,115	237,500	-	1,028,330	70,000	70,000

B. Total Number of equity shares outstanding at the end of the year	5,483,525	2,193,410	1,955,910	1,955,910	927,580	857,580
C. Weighted average number of equity shares outstanding during the year	5,483,525	5,312,600	5,246,025	5,177,025	5,101,741	5,005,467
D. Net profit after tax available for equity share holders as restated	11,070,044	26,624,590	12,840,507	4,262,584	6,674,662	3,962,495
E. Basic and Diluted earnings per share	2.02	5.01	2.45	0.82	1.31	0.79

7. Figures have been rearranged and regrouped wherever practicable and considered necessary.

**8. Employee benefits:**

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:

**(a) Defined Benefit Plan (Gratuity)**

(Amt. in Rs.)

Particulars	For 6 months period	For the year				
	Sept. 2013	2012-13	2011-12	2010-11	2009-10	2008-09
<b>1. The amounts recognised in the Balance Sheet are as follows:</b>						
Present value of unfunded obligations recognised	1,408,397	1,299,159	1,142,717	861,649	631,823	536,482
<b>Net Liability</b>	<b>1,408,397</b>	<b>1,299,159</b>	<b>1,142,717</b>	<b>861,649</b>	<b>631,823</b>	<b>536,482</b>
<b>2. The amounts recognised in the Profit &amp; Loss A/c are as follows:</b>						
Current Service Cost	108,944	146,349	138,042	122,121	99,724	60,014
Interest on Defined Benefit Obligation	53,590	99,988	71,086	50,546	41,577	32,157
Net Actuarial Losses / (Gains) Recognized in Year	(53,296)	(89,895)	71,940	57,159	(45,960)	76,806
Past Service Cost	0	0	0	0	0	0
Total, Included in "Salaries, allowances & welfare"	0	0	0	0	0	0
	<b>109,238</b>	<b>156,442</b>	<b>281,068</b>	<b>229,826</b>	<b>95,341</b>	<b>168,977</b>
<b>3. Changes in the present value of defined benefit obligation:</b>						
Defined benefit obligation as at the beginning of the year/period	1,299,159	1,142,717	861,649	631,823	536,482	367,505
Service cost	108,944	146,349	138,042	122,121	99,724	60,014
Interest cost	53,590	99,988	71,086	50,546	41,577	32,157
Actuarial Losses/(Gains)	(53,296)	(89,895)	71,940	57,159	(45,960)	76,806
Past Service Cost	0	0	0	0	0	0
<b>Defined benefit obligation as at the end of the year/period</b>	<b>1,408,397</b>	<b>1,299,159</b>	<b>1,142,717</b>	<b>861,649</b>	<b>631,823</b>	<b>536,482</b>

**Benefit Description:**

Benefit type:	Gratuity Valuation as per Act					
Retirement Age:	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
Vesting Period:	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years

**The principal actuarial assumptions for the above are:**

Future Salary Rise:	6.00 % p.a.	6.00 % p.a.	6.00 % p.a.	6.00 % p.a.	6.00 % p.a.	6.00 % p.a.
Discount rate per annum:	9.25 % p.a.	8.25 % p.a.	8.75 % p.a.	8.25 % p.a.	8.00 % p.a.	7.75 % p.a.
Attrition Rate:	2.00% p.a. for all service groups					
Mortality Rate:	Indian Assured Lives Mortality (2006-08) Ultimate					

**(b) Defined Contribution Plans**

The Company is registered with the Regional Provident Fund Commissioner for the Employees' Provident Fund Scheme. Contributions to Provident Fund are included under head Salaries, allowances and welfare in the Statement of profit and loss.

Particulars	For 6 months period	For the year				
	Sept. 2013	2012-13	2011-12	2010-11	2009-10	2008-09
Provident Fund	197,851	451,387	465,073	280,246	314,017	301,791

**9. Realisations**

In the opinion of the Board and to the best of its knowledge and belief, the value on realisation of current assets and loans and advances are approximately of the same value as stated.

**10. Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**11. Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest rupees. Figures in brackets indicate negative values

**12. Previous year's figures**

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Figures of all the previous years dealt in this statement have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure to the extent possible

**13. Leases**

**Operating lease**

Operating leases are mainly in the nature of lease of office premises and leasehold land where windmills are installed, with no restrictions and are renewable by mutual consent. Lease rental payments made by the Company are recognized in the statement of profit and loss.

**Lease payments recognized in statement of profit & loss:**

(Amt. in Rs.)

Particulars	For 6 months period	For the year				
	Sept. 2013	2012-13	2011-12	2010-11	2009-10	2008-09
Lease Rentals Paid	169,830	344,407	373,163	336,915	258,000	212,583

**14. Material Adjustments:**

Appropriate adjustments have been made in the restated financial statements, 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 Schedule VI and Accounting Standards.

Statement of Adjustments in the financial statements:

(Amt. in Rs.)

Particulars	For 6 months period	For the year				
	Sept. 2013	2012-13	2011-12	2010-11	2009-10	2008-09
Net Profits after tax and extraordinary items as per audited accounts but before Adjustments: <b>(A)</b>	14,273,925	25,801,386	13,517,752	2,737,397	6,632,888	4,706,799
<b>Adjustment on Account of:</b>						
Less: Gratuity Provision not made in accounts	-	-	(281,068)	(229,826)	(95,341)	(536,482)
Difference in Income Tax Provision & Inventory Valuation	(2,104,342)	137,287	(323,301)	187,279	107,655	(96,334)
Add (Less) : Deferred Tax Created in books as per current year method	1,968,630	(389,112)	513,752	3,816,690	505,810	(42,750)
Add (Less) : Deferred Tax Created as per restatement on closing WDV method	(3,068,177)	(67,681)	(586,633)	(2,248,958)	(476,349)	(68,739)
Add: Gratuity Provision of Earlier Years made in accounts in FY 12-13	-	1,142,717	-	-	-	-
<b>Total (B)</b>	(3,203,889)	823,211	(677,250)	1,525,185	41,775	(744,305)
<b>Net Profit as Restated (A+B)</b>	<b>11,070,036</b>	<b>26,624,597</b>	<b>12,840,502</b>	<b>4,262,582</b>	<b>6,674,663</b>	<b>3,962,494</b>

**a) Provision for deferred tax (asset) / liability**

Deferred tax (assets) / liabilities are created in restated financial statements as per closing balance method whereas, the same have been created on current year method as per audited accounts.

**b) Provision of Gratuity**

The company had not provided for gratuity for the years ended prior to 01.04.2012. The same was provided as on 31.03.2013 including for period ended on such date, on the basis of actuarial valuation. For the purpose of Restatement the figures for earlier years have been adjusted in the respective years.

**ANNEXURE - A**

**STATEMENT OF FIXED ASSETS**

(Amt. in Rs.)

PARTICULARS	As at					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Tangible Assets</b>						
Land	1,082,354	1,082,354	1,082,354	1,082,354	1,082,354	1,082,354
Factory Building	4,777,152	5,029,306	5,588,117	5,792,493	5,432,184	1,912,122
Plant & Machinery	50,759,878	33,712,016	34,566,194	19,483,125	14,696,829	7,316,959
Electrification	834,616	846,693	983,498	1,045,932	1,214,928	676,080
Laboratory Equipments	612,248	658,148	738,292	839,406	472,233	362,180
Computer Systems	687,886	515,597	428,081	267,912	336,132	428,003
Furniture & Fixture	3,920,912	2,292,503	1,630,583	1,489,506	1,762,667	1,682,957
Office Appliances	103,254	113,680	80,947	98,836	92,780	83,865
Windmill Plant & Machinery	43,764,938	9,555,510	11,285,591	13,328,914	0	0
Vehicles	8,521,133	3,556,345	2,257,642	2,458,512	2,332,160	1,820,664
<b>Total Tangible Assets</b>	<b>115,064,371</b>	<b>57,362,152</b>	<b>58,641,299</b>	<b>45,886,990</b>	<b>27,422,267</b>	<b>15,365,184</b>
<b>Capital Work-in-Progress</b>						
Factory Building	3,741,844	2,659,526	0	0	0	149,110
Windmill Plant & Machinery	0	36,277,291	0	0	0	0
<b>Total Capital Work-in-Progress</b>	<b>3,741,844</b>	<b>38,936,817</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>149,110</b>
<b>Grand Total</b>	<b>118,806,215</b>	<b>96,298,969</b>	<b>58,641,299</b>	<b>45,886,990</b>	<b>27,422,267</b>	<b>15,514,294</b>

**ANNEXURE - B**

**STATEMENT OF NON-CURRENT INVESTMENTS**

(Amt. in Rs.)

Particulars	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	Nos.	30-Sep-13	Nos.	31-Mar-13	Nos.	31-Mar-12	Nos.	31-Mar-11	Nos.	31-Mar-10	Nos.	31-Mar-09
<b>Non Current Investment</b>												
<b>(Other Than Trade, at Cost)</b>												
Investment in equity, Unquoted	0	0	0	0	0	0	0	0	0	0	0	0
<b>(Traded, at Cost)</b>												
Investment in equity, unquoted												
<b>Promoter Group Company</b>												
Captain Pipes Pvt. Ltd.	215,000	5,200,000	215,000	5,200,000	0	0	0	0	0	0	0	0
Investment in equity, quoted												
Cyber System & Software Ltd	3,000	39,208	3,000	39,208	0	0	0	0	0	0	0	0
HCL Info Systems Ltd.	7,000	298,199	7,000	298,199	0	0	0	0	0	0	0	0
Jain Irrigation Systems Ltd.	525	69,389	525	69,389	525	69,389	0	0	0	0	0	0
Tulsi Extrusion Ltd.	14,450	116,410	14,450	116,410	1,000	11,942	0	0	0	0	0	0
Rajoo Engineering Co.	220	1,287	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>240,195</b>	<b>5,724,493</b>	<b>239,975</b>	<b>5,723,206</b>	<b>1,525</b>	<b>81,331</b>	0	0	0	0	0	0
Aggregate Book Value of Quoted Shares	25,195	524,493	24,975	523,206	1,525	81,331	0	0	0	0	0	0
Aggregate Market Value of Quoted Shares	25,195	317,665.60	24,975	433,283.75	1,525	60,280.00	0	0	0	0	0	0
	<b>Rate</b>	<b>Value</b>	<b>Rate</b>	<b>Value</b>	<b>Rate</b>	<b>Value</b>						
Cyber System & Software Ltd.	13.2	39,600.00	12.83	38,490.00	12.11	0	0	0	0	0	0	0
HCL Info Systems Ltd.	26.05	182,350.00	39.05	273,350.00	45.45	0	0	0	0	0	0	0
Jain Irrigation Systems Ltd.	57.9	30,397.50	62.05	32,576.25	98.8	51,870.00	0	0	0	0	0	0
Tulsi Extrusion Ltd.	4.43	64,013.50	6.15	88,867.50	8.41	8,410.00	0	0	0	0	0	0
Rajoo Engineering Co.	5.93	1,304.60	8.04	0	8.04	0	0	0	0	0	0	0
	<b>0</b>	<b>317,665.60</b>	<b>0</b>	<b>433,283.75</b>		<b>60,280.00</b>	0	0	0	0	0	0

**ANNEXURE - C**

**STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(Amt. in Rs.)

PARTICULARS	As at					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Unsecured, Considered Good unless otherwise stated</b>						
Capital Advances	1,100,000	1,100,000	0	0	0	0
Security Deposit	1,367,273	1,307,573	1,304,573	1,857,995	1,858,995	706,481
Prepaid Expenses	2,889,022	3,350,777	2,494,017	2,136,406	1,646,950	0
<b>TOTAL</b>	<b>5,356,295</b>	<b>5,758,350</b>	<b>3,798,590</b>	<b>3,994,401</b>	<b>3,505,945</b>	<b>706,481</b>

**Note:** None of the long term loans and advances as stated above are recoverable from Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/Subsidiary Company/ Group Company.

**ANNEXURE - D**

**STATEMENT OF TRADE RECEIVABLES**

(Amt. in Rs.)

PARTICULARS	As At					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>						
From Directors/ Promoters/Promoter group/Associates/ Relatives of Directors/Subsidiary, Group Company	146,998	123,253	56,288	13,220	2,724	5,719
Others	84,909,299	64,042,555	37,025,165	21,144,129	20,156,083	13,992,241
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>						
From Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors /Subsidiary, Group Company	0	51,308	228,995	378	10,496	0
Others	224,215,458	228,057,067	136,465,086	87,729,845	58,147,705	67,245,560
<b>TOTAL</b>	<b>309,271,755</b>	<b>292,274,183</b>	<b>173,775,534</b>	<b>108,887,572</b>	<b>78,317,008</b>	<b>81,243,520</b>

**ANNEXURE - E**

**STATEMENT OF CASH & CASH EQUIVALENTS**

(Amt. In Rs.)

PARTICULARS	As at					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
a. Cash on Hand	854,872	810,614	1,337,891	794,456	191,092	105,823
b. Balances with Banks						
- In Current Accounts	6,736,008	67,395	-4,985,653	543,619	3,997,671	4,089,678
- In Bank Deposits	5,687,957	7,101,149	11,160,402	11,116,807	10,477,222	9,338,770
- Margin Monies which have an original maturity of more than 12 months	15,438,759	12,823,759	8,607,241	5,565,642	3,647,080	1,619,154
- In Earmarked Accounts						
Balances held as margin money or security against borrowings, guarantees and other commitments	16,500,311	16,500,311	9,616,746	7,166,534	4,966,015	3,201,076
<b>TOTAL</b>	<b>45,217,908</b>	<b>37,303,228</b>	<b>25,736,627</b>	<b>25,187,058</b>	<b>23,279,080</b>	<b>18,354,501</b>

**ANNEXURE - F**

**STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Amt. In Rs.)

PARTICULARS	As at					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Unsecured, Considered Good unless otherwise stated</b>						
Advances Recoverable in cash or kind	276,550	152,446	135,709	127,563	111,650	103,920
Deposits	2,062,450	2,000	30,730	-	2,802,000	440,300
Prepaid Expenses	2,939,179	2,572,994	1,454,642	1,078,048	667,393	145,797
Advance Payment Against Taxes	6,958,760	11,893,947	8,208,001	4,429,637	3,599,928	2,539,575
<b>TOTAL</b>	<b>12,236,939</b>	<b>14,621,387</b>	<b>9,829,082</b>	<b>5,635,248</b>	<b>7,180,971</b>	<b>3,229,592</b>
<b>of Above, Advances Recoverable From Directors</b>						
Ramesh D. Khichadia	0	0	4,419	0	0	0
Gopal D. Khichadia-Salary	0	13,350	0	0	0	0
Bhavesh Gedia (Staff Advances)	71,400	0	0	0	0	0

**ANNEXURE - G**

**STATEMENT OF OTHER CURRENT ASSETS**

(Amt. In Rs.)

PARTICULARS	As at					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Interest Receivable on PGVCL Deposit	0	86,985	63,512	84,823	54,685	0
Wind Power Generation Income Receivable	0	109,677	86,322	74,871	0	0
Advance to Supplier	9,780,733	8,695,785	4,242,863	5,029,413	4,167,016	5,078,663
<b>TOTAL</b>	<b>9,780,733</b>	<b>8,892,447</b>	<b>4,392,697</b>	<b>5,189,107</b>	<b>4,221,701</b>	<b>5,078,663</b>



**ANNEXURE - H**

**STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS**

(Amt. In Rs.)

PARTICULARS	As at					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Long Term Borrowings</b>						
<b>Term Loans, Vehicle Loans &amp; Business Loans</b>						
From Banks & Financial Institutions	36,496,382	34,622,345	19,110,477	9,097,820	310,849	2,228,708
<b>Loans and advances from related parties</b>						
From Promoters	4,480,603	1,477,515	1,517,555	8,656,350	5,604,300	6,775,614
From Shareholders	1,396,912	0	0	0	0	0
From Group Company	0	0	0	0	3,595,000	0
<b>Inter Corporate Deposits</b>						
From Corporates	12,500,000	9,000,000	3,527,961	0	0	0
<b>Total</b>	<b>54,873,897</b>	<b>45,099,860</b>	<b>24,155,993</b>	<b>17,754,170</b>	<b>9,510,149</b>	<b>9,004,322</b>
Current portion of long-term borrowings, included under Other current liabilities	16,479,687	16,069,998	13,578,014	4,224,605	6,541,899	3,387,033
Interest accrued but not due, included under Other current liabilities (long-term borrowings)	189,185	386,476	456,657	162,728	99,760	78,473
<b>Total Long-Term</b>	<b>71,542,769</b>	<b>61,556,334</b>	<b>38,190,664</b>	<b>22,141,503</b>	<b>16,151,808</b>	<b>12,469,828</b>
<b>Short Term Borrowings</b>						
From Banks- Cash Credit	98,045,410	107,617,832	67,611,533	61,882,247	68,950,259	56,748,479
<b>TOTAL</b>	<b>98,045,410</b>	<b>107,617,832</b>	<b>67,611,533</b>	<b>61,882,247</b>	<b>68,950,259</b>	<b>56,748,479</b>
Interest accrued but not due, included under other current liabilities (short term borrowings)	1,031,780	1,016,489	784,340	490,441	401,536	405,892
<b>Total Short-Term</b>	<b>99,077,190</b>	<b>108,634,321</b>	<b>68,395,873</b>	<b>62,372,688</b>	<b>69,351,795</b>	<b>57,154,371</b>
<b>Total Long-Term &amp; Short-Term</b>	<b>170,619,959</b>	<b>170,190,655</b>	<b>106,586,537</b>	<b>84,514,191</b>	<b>85,503,603</b>	<b>69,624,199</b>
<b>The above amount includes:</b>						
Secured Borrowings	143,873,700	148,863,629	89,799,109	73,525,004	70,079,031	58,667,163
Unsecured Borrowings	26,746,259	21,327,026	16,787,428	10,989,187	15,424,572	10,957,036
<b>TOTAL</b>	<b>170,619,959</b>	<b>170,190,655</b>	<b>106,586,537</b>	<b>84,514,191</b>	<b>85,503,603</b>	<b>69,624,199</b>

**Notes:**

- 1) The terms and conditions and other information in respect of Secured Loans are given in Annexure - H1
- 2) The terms and conditions and other information in respect of Unsecured Loans are given in Annexure - H2

**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

(Amt in Rs.)

A. Loan from Banks / Financial Institutions							Outstanding amount					
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered*	Re-payment	Moratorium	30.09.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Secured Loan</b>												
State Bank of India	Working Capital (Cash Credit)	1000 Lacs	Base Rate 9.80% + Applicable Interest Rate 3.75% i.e. Effective Interest Rate 13.55%	<b>Primary Security : CC :</b> Hypothecation of Stocks, Receivables and all other current assets	On Demand	Nil	99,077,190	108,634,321	68,395,873	62,372,688	11,418,206	2,118,023
State Bank of India	Term Loan I (Machinery)	80 Lacs	Base Rate 9.80% + Applicable Interest Rate 3.90 %i.e. Effective Interest Rate 13.70%	<b>Primary Security : TL :</b> Hypothecation of Pioneer Wincon Windmill & new machinery purchased	Repayable in 60 months starting from October 2011	2 Months from the date of disbursement i.e. Oct. 2011	4,180,464	5,031,137	6,739,158	0	0	0
State Bank of India	Term Loan II (Wind mill I)	109 Lacs	Base Rate 9.80% + Applicable Interest Rate 3.90 %i.e. Effective Interest Rate 13.70%		Repayable in 72 monthly installment starting from April 2011.	5 Months from the date of disbursement i.e. April 2011	6,473,142	7,385,217	9,220,930	11,026,365	0	0

State Bank of India	Term Loan III (Wind mill II)	250 Lacs	Base Rate 9.80% + Applicable Interest Rate 3.85 %i.e. Effective Interest Rate 13.65%		Repayable in 55 monthly installment starting from September 2013.	5 Months from the date of disbursement 26.03.2013 i.e. September 2013	25,281,073	22,294,988	0	0	0	0
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\*Please see Note 1 and Note 2 for the details of Collateral Security & Personal Guarantee respectively.

**Note 1**

<b>Collateral Security :</b>		
<b>Description</b>	<b>Land Area Sq. Mtrs.</b>	<b>Construction / Carpet Area / Built up Area Sq. Ft.</b>
1. EM of industrial property in the name of Captain Polyplast Ltd. situated at Survey No. 267 of Shapar, Plot No. 10/B, Near Nazmi Food, B/h. Jain Steel, Opp. Pitrukrupa Hotel, Shapar, Dist. Rajkot.	756.38	1965.00
2. EM of industrial property in the name of Captain Polyplast Ltd. situated at Survey No. 267 of Shapar, Plot No. 10/A, Near Nazmi Food, B/h. Jain Steel, Opp. Pitrukrupa Hotel, Shapar, Dist. Rajkot.	680.00	7060.00
3. EM of industrial property in the name of Captain Polyplast Ltd. situated at Survey No. 267 of Shapar, Plot No. 11, Near Nazmi Food, B/h. Jain Steel, Opp. Pitrukrupa Hotel, Shapar, Dist. Rajkot.	1000.00	4200.00
4. EM of open land in the name of Captain Polyplast Ltd. situated at Survey No. 270 of Shapar, Plot No. 6, Near Jain Steel, Rajkot-Gondal Highway, Shapar, Dist. Rajkot.	1608.00	NA
5. EM of residential property in the name of Kantibhai M. Gediya situated at "Shiv Aptt", 1st Floor, Flat No. 02, Mayani Chowk, Patel Park, Street No. 2, Dist. Rajkot.		525.00
6. EM of residential building in the name of Shri Gopalbhai D. Khichadiya situated on R. S. No. 39/p, T.P.S. No. 3, O.P. No. 9/p, F.P. No. 34/p, Plot No. 22/p of Nana Mava, Abhishek Bunglow, Dwarkadham Society, Nr. Indralok Residency, Satya Sai Hospital Road, Rajkot.	71.33	921.00
7. Hypothecation of all plant & machinery of Captain Polyplast Ltd. situated at Survey No. 270, Plot No. 10/A & 11, Shapar, Dist. Rajkot	NA	

**Note 2**

<b>Personal Guarantee of all the Directors :</b>
1. Ramesh D. Khichadia
2. Gopal D. Khichadia
3. Kantilal M. Gedia
4. Ashok K. Patel

B. Machinery / Vehicle Loans From Banks & Financial Institutions												
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount					
							30.09.13	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
HDFC Bank	Tata Indica	400,000	12.26%	Hypo of Car	Monthly	-	100,907	171,382	300,073	0	0	0
ICICI Bank	Indica Vista	415,000	11.02%	Hypo of Car	Monthly	-	265,235	329,345	0	0	0	0
HDFC Bank	Eco Maruti	300,000	11.58%	Hypo of Car	Monthly	-	75,178	127,888	224,618	0	0	0
Tata Capital Term Loan	Machinery	5,113,300	15%	Hypo of Machine	Monthly	-	3,114,279	3,661,711	4,732,472	0	0	0
Kotak Mahindra Prime	Innova	1,250,000	10%	Hypo of Car	Monthly	-	893,719	1,087,469	0	0	0	0
HDFC Bank	Indica Vista 1	400,000	10%	Hypo of Car	Monthly	-	387,200	0	0	0	0	0
HDFC Bank	Indica Vista 2	400,000	10%	Hypo of Car	Monthly	-	387,200	0	0	0	0	0
HDFC Bank	Indica Vista 3	400,000	10%	Hypo of Car	Monthly	-	387,200	0	0	0	0	0
BMW Financial Services	BMW Car	3,500,000	8.99%	Hypo of Car	Monthly	-	3,125,968	0	0	0	0	0

**ANNEXURE - H2**

**STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

**1. Unsecured Loan from Bank is repaid as per repayment schedule.**

(Amt in Rs)

Repayment Schedule : Kotak Mahindra Bank Limited		
Rate of Interest : 17.00%		
Financial Indebtness		
Year	Yearly Installment (Principal Component)	Total Amount Outstanding
2008-2009	792,236	1,290,406
2009-2010	1,270,889	4,619,187
2010-2011	4,552,250	2,058,553
2011-2012	2,028,826	5,547,237
2012-2013	5,458,227	2,234,097
Sept. 2013	2,196,164	3,412,798
<b>TOTAL</b>	<b>16,298,592</b>	

**2. Unsecured Loan from Financial Institutions is repaid as per repayment schedule.**

(Amt in Rs)

Repayment Schedule : Religare Finvest Ltd.		
Rate of Interest : 18.00%		
Financial Indebtness		
Year	Yearly Installment (Principal Component)	Total Amount Outstanding
2008-2009	0	0
2009-2010	0	0
2010-2011	0	0
2011-2012	1,011,007	3,949,430
2012-2013	1,577,035	2411958
Sept. 2013	1,885,539	1492881
<b>TOTAL</b>	<b>4,473,581</b>	

(Amt in Rs)

Repayment Schedule : Tata Capital Financial Services		
Rate of Interest : 18%		
Financial Indebtness		
Year	Yearly Installment (Principal Component)	Total Amount Outstanding
2008-2009	0	0
2009-2010	0	0
2010-2011	0	0
2011-2012	1,042,512	2,431,230
2012-2013	1,796,931	4343627
Sept. 2013	1,510,109	3588010
<b>TOTAL</b>	<b>4,349,552</b>	

**3. Details of Inter Corporate Deposits outstanding as at the end of the respective periods.  
Repayable on three months notice period.**

(Amt in Rs)

Repayment Schedule : Muse Dealers Pvt. Ltd.		
Rate of Interest : 6%		
Financial Indebtness		
Year	Yearly Installment (Principal Component)	Total Amount Outstanding
2008-2009	0	0
2009-2010	0	0

2010-2011	0	0
2011-2012	0	3,527,961
2012-2013	0	3,500,000
Sept. 2013	0	7,000,000
<b>TOTAL</b>	<b>0</b>	

(Amt in Rs)

<b>Repayment Schedule : Uttrani Distributors Pvt. Ltd.</b>		
<b>Rate of Interest : 6%</b>		
<b>Financial Indebtness</b>		
<b>Year</b>	<b>Yearly Installment (Principal Component)</b>	<b>Total Amount Outstanding</b>
2008-2009	0	0
2009-2010	0	0
2010-2011	0	0
2011-2012	0	0
2012-2013	0	5,500,000
Sept. 2013	0	5,500,000
<b>TOTAL</b>	<b>0</b>	

**4. Details of Unsecured Loans outstanding as at the end of the respective periods from Directors/Promoters/Promoter Group /Associates/Relatives Of Directors/Subsidiary/Group Companies**

Unsecured Loans from Promoters/Directors are @ 12% p.a. interest rate with a pre condition of three months notice for repayment.

<b>Ramesh D. Khichadia</b>						
<b>Rate of Interest- 12%</b>						
<b>Particulars</b>	<b>As at</b>					
	<b>30-Sep-13</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>	<b>31-Mar-11</b>	<b>31-Mar-10</b>	<b>31-Mar-09</b>
Opening Balance	92,189	267,260	1,550,036	492,755	1,390,723	158,663
Amount Received/credited	0	1,300,000	500,000	1,500,000	360,000	1,185,000
Interest	0	27,699	19,138	8,090	157,813	52,464
Amount repaid/adjusted	0	1,500,000	1,800,000	450,000	1,400,000	0
TDS	0	2,770	1,914	809	15,781	5,404
Outstanding Amount	92,189	92,189	267,260	1,550,036	492,755	1,390,723
<b>Gopal D. Khichadia</b>						
<b>Rate of Interest- 12%</b>						
<b>Particulars</b>	<b>As at</b>					
	<b>30-Sep-13</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>	<b>31-Mar-11</b>	<b>31-Mar-10</b>	<b>31-Mar-09</b>
Opening Balance	552,810	498,926	2,630,711	2,022,980	2,652,700	1,995,989
Amount Received/credited	5,300,000	0	0	2,100,000	215,000	655,000
Interest	0	59,871	75,794	243,035	305,867	247,169
Amount repaid/adjusted	4,400,000	0	2,200,000	1,711,000	1,120,000	220,000
TDS	0	5,987	7,579	24,304	30,587	25,458
Outstanding Amount	1,452,810	552,810	498,926	2,630,711	2,022,980	2,652,700
<b>Kantilal M. Gedia*</b>						
<b>Rate of Interest- 12%</b>						
<b>Particulars</b>	<b>As at</b>					
	<b>30-Sep-13</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>	<b>31-Mar-11</b>	<b>31-Mar-10</b>	<b>31-Mar-09</b>
Opening Balance	196,913	177,720	1,942,194	1,557,225	1,474,200	1,559,073
Amount Received/credited	2,400,000	0	0	940,000	162,700	260,000
Interest	0	21,326	95,028	211,077	189,250	172,940

Amount repaid/adjusted	1,200,000	0	1,850,000	745,000	250,000	500,000
TDS	0	2,133	9,503	21,108	18,925	17,813
Outstanding Amount	1,396,913	196,913	177,720	1,942,194	1,557,225	1,474,200
*ceased to be a director w.e.f. August 16, 2013.						
<b>Ashok K. Patel</b>						
<b>Rate of Interest- 12%</b>						
<b>Particulars</b>	<b>As at</b>					
	<b>30-Sep-13</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>	<b>31-Mar-11</b>	<b>31-Mar-10</b>	<b>31-Mar-09</b>
Opening Balance	635,604	573,650	2,533,409	1,531,340	1,257,991	984,649
Amount Received/credited	4,500,000	0	0	1,000,000	133,000	250,000
Interest	0	68,838	126,934	168,966	155,943	126,357
Amount repaid/adjusted	2,200,000	0	2,074,000	150,000	0	90,000
TDS	0	6,884	12,693	16,897	15,594	13,015
Outstanding Amount	2,935,604	635,604	573,650	2,533,409	1,531,340	1,257,991

**ANNEXURE-I**

**STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Amt. in Rs.)

<b>Particulars</b>	<b>For the year ended</b>					
	<b>30-Sep-13</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>	<b>31-Mar-11</b>	<b>31-Mar-10</b>	<b>31-Mar-09</b>
<b>Opening Balance (A)</b>						
Opening Balance of Deferred Tax (Asset) / Liability	4,027,709	3,960,028	3,373,395	1,124,437	648,088	579,349
<b>Closing Balances (B)</b>						
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	7,693,233	5,655,412	5,706,710	4,788,370	1,319,670	813,861
MAT Credit FY 10-11	0	(1,099,541)	(1,303,129)	0	0	0
(DTA) on account of carry forward Business Losses & Depreciation	0	0	0	(1,119,967)	0	0
(DTA) on account of gratuity provision	(456,954)	(421,512)	(353,100)	(266,250)	(195,233)	(165,773)
(DTA) on account of disallowance of expenses u/s. 43B of Income Tax Act, 1961	(140,393)	(106,650)	(90,454)	(28,759)	0	0
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	<b>7,095,886</b>	<b>4,027,709</b>	<b>3,960,028</b>	<b>3,373,395</b>	<b>1,124,437</b>	<b>648,088</b>
<b>Current Year Provision (B-A)</b>	<b>3,068,177</b>	<b>67,681</b>	<b>586,633</b>	<b>2,248,958</b>	<b>476,349</b>	<b>68,739</b>

**Note:** The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures II, III and IV.

**ANNEXURE-I**

**STATEMENT OF LONG-TERM PROVISIONS**

(Amt. in Rs)

PARTICULARS	As at					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Provision for Gratuity (unfunded)	1,408,397	1,299,159	1,142,717	861,649	631,823	536,482
<b>TOTAL</b>	<b>1,408,397</b>	<b>1,299,159</b>	<b>1,142,717</b>	<b>861,649</b>	<b>631,823</b>	<b>536,482</b>

**ANNEXURE - K**

**STATEMENT OF TRADE PAYABLES & OTHER CURRENT LIABILITIES**

(Amt. in Rs)

PARTICULARS	As at					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Trade Payables</b>						
For Goods	194,905,856	169,847,379	104,360,831	98,242,765	44,354,018	35,285,998
For Expenses	35,091,835	19,928,541	21,247,458	13,518,777	8,511,308	6,718,726
<b>Current maturities of long-term borrowings</b>						
From Banks & Financial Institutions	16,479,687	14,069,998	13,578,014	4,224,605	6,541,899	3,387,033
From Others	0	2,000,000	0	0	0	0
Dealer Deposit	4,317,916	1,353,849	1,143,239	207,269	307,700	276,000
Duties & Taxes / Statutory Liabilities	2,698,083	6,145,496	3,748,790	2,023,962	2,091,044	1,772,559
Interest accrued but not due (Short Term Borrowings)	1,031,780	1,016,489	784,340	490,441	401,536	405,892
Interest accrued but not due (Long Term Borrowings)	189,185	386,476	456,657	162,728	99,760	78,473
Advance from customers	41,253,461	10,518,024	6,214,556	4,494,079	3,916,687	10,831,366
<b>Other Liabilities</b>						
Payables towards purchase of fixed assets	3,000,000	6,334,306	10,382	2,080,770	62,099	169,726
<b>TOTAL</b>	<b>68,970,112</b>	<b>41,824,638</b>	<b>25,935,978</b>	<b>13,683,854</b>	<b>13,420,725</b>	<b>16,921,049</b>

**ANNEXURE - L**

**STATEMENT OF SHORT-TERM PROVISIONS**

(Amt. in Rs.)

PARTICULARS	As at					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Provisions :</b>						
For Income Tax	4,484,751	13,476,588	3,565,265	1,338,496	2,956,635	1,941,427
For Fringe Benefit Tax	0	0	0	0	0	200,000
For Dividend Distribution Tax	0	0	0	0	0	145,750
Proposed Final Dividend	0	0	0	0	0	857,580
Provision for Employee Benefits (Salary Payable)	2,730,052	2,020,590	1,324,926	721,623	598,106	403,721
Provision for Expenses	485,145	324,129	62,207	230,000	374,491	600,045
Excise Provision on finished goods	0	0	174,019	530,101	217,172	39,775
<b>TOTAL</b>	<b>7,699,948</b>	<b>15,821,307</b>	<b>5,126,417</b>	<b>2,820,220</b>	<b>4,146,404</b>	<b>4,188,298</b>



**ANNEXURE - M**

**STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**

(Amt. in Rs.)

Particulars	As at					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Share Capital</b>						
<b>Authorised Share Capital</b>						
Equity shares of Rs.10 each	8,000,000	3,000,000	2,000,000	2,000,000	1,010,000	1,010,000
Share Capital	80,000,000	30,000,000	20,000,000	20,000,000	10,100,000	10,100,000
<b>Issued, Subscribed and Paid up Share Capital</b>						
Equity Shares of Rs. 10 each fully paid up	5,483,525	2,193,410	1,955,910	1,955,910	927,580	857,580
Share Capital (in Rs.)	54,835,250	21,934,100	19,559,100	19,559,100	9,275,800	8,575,800
<b>Total</b>	<b>54,835,250</b>	<b>21,934,100</b>	<b>19,559,100</b>	<b>19,559,100</b>	<b>9,275,800</b>	<b>8,575,800</b>
<b>Reserves and Surplus</b>						
Capital Reserve: State Cash Subsidy	1,763,866	1,763,866	1,763,866	1,763,866	1,763,866	1,763,866
Share Premium	0	30,396,700	23,271,700	23,271,700	22,380,000	16,080,000
General Reserve	421,308	421,308	421,308	421,308	421,308	421,308
Surplus in Profit and Loss account	63,813,572	55,247,978	28,623,388	15782881	11520297	4,845,635
<b>Total</b>	<b>65,998,746</b>	<b>87,829,852</b>	<b>54,080,262</b>	<b>41,239,755</b>	<b>36,085,471</b>	<b>23,110,809</b>
<b>Total</b>	<b>120,833,996</b>	<b>109,763,952</b>	<b>73,639,362</b>	<b>60,798,855</b>	<b>45,361,271</b>	<b>31,686,609</b>

**ANNEXURE -N**

**STATEMENT OF OTHER OPERATING INCOME**

(Amt in Rs.)

Particulars	For 6 months ended	For the year ended				
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Other Operating Income</b>						
Agronomy Consultancy Services	1,966,920	2,006,000	2,556,000	663,000	0	781,070
Installation Income	2,974,691	2,106,024	2,183,673	1,615,811	841,949	1,133,413
Jobwork Income	0	1,157,228	0	0	0	0
Land Trenching Income	0	36,131	39,125	19,855	58,961	0
Wind Power Generation Income	2,367,445	1,649,287	1,391,289	508,177	0	0
Commission Income	0	0	0	1,278,775	892,790	0
<b>Total</b>	<b>7,309,056</b>	<b>6,954,670</b>	<b>6,170,087</b>	<b>4,085,618</b>	<b>1,793,700</b>	<b>1,914,483</b>

**STATEMENT OF OTHER INCOME**

(Amt in Rs.)

Particulars	For 6 months ended	For the year ended				
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Recurring Income:</b>						
Interest Income	1,008,215	2,911,137	2,264,226	1,985,907	1,639,871	934,384
Exchange Rate Difference	0	0	0	0	0	32,514
LC Disc Int & Other Charges	0	0	0	33,221	0	0
<b>Non-Recurring Income:</b>						
Profit on Trading of Shares & Currency Hedging	42,606	34,401	36,419	0	0	0
Dividend Income	31	500	500	0	0	0

Kasar	0	0	0	24	0	0
<b>Total</b>	<b>1,050,852</b>	<b>2,946,038</b>	<b>2,301,145</b>	<b>2,019,152</b>	<b>1,639,871</b>	<b>966,898</b>

**Annexure - O**

**STATEMENT OF CONTINGENT LIABILITIES**

(Amt in Rs.)

Particulars	For 6 months ended	For the year ended				
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Income Tax Matters under dispute & under adjudication	17,026,279	17,026,279	10,895,809	2,957,126	1,207,586	1,207,586
(Amount paid under protest Rs.54,38,093)						
Central Excise Matters under dispute & under adjudication	3,681,794	3,681,794	0	0	0	0
(Amount paid under protest Rs. 3,40,000)						
Guarantees given by bank on behalf of the company	76,842,028	63,773,516	39,547,062	27,040,570	19,610,039	6,038,938
Letter of Credits issued by bank	68,452,900	72,063,280	35,748,800	28,115,230	19,639,080	11,807,307
<b>Total</b>	<b>166,003,001</b>	<b>156,544,869</b>	<b>86,191,671</b>	<b>58,112,926</b>	<b>40,456,705</b>	<b>19,053,831</b>

**ANNEXURE -P**

**STATEMENT OF RELATED PARTY TRANSACTION**

**a) Names of the related parties with whom transactions were carried out during the years and description of relationship:**

1.	Ramesh D. Khichadia	Director
2.	Gopal D. Khichadia	Director
3.	Kantilal M. Gedia*	Director
4.	Ashok K. Patel	Director
5.	Ritesh R. Khichadia	Relative of Director
6.	Bhavesh K. Gedia	Relative of Director
7.	Tansukh D. Khichadia	Relative of Director
8.	Lilavantiben Gedia	Relative of Director
9.	Captain Plastic Pvt. Ltd.	Companies / Entities owned / Significantly influenced by directors
10.	Captain Technocast Pvt Ltd	Companies / Entities owned / Significantly influenced by directors
11.	Captain Pipes Pvt. Ltd.	Companies / Entities owned / Significantly influenced by directors
12.	Capital Polyplast (Guj) Pvt Ltd	Companies / Entities owned / Significantly influenced by relatives of directors
13.	Jeel Polyplast Pvt Ltd.	Companies / Entities owned / Significantly influenced by relatives of directors
14.	Sanathra Pharmaceuticals Pvt Ltd.	Companies / Entities owned / Significantly influenced by relatives of directors
15.	Capital Polymers	Companies / Entities owned / Significantly influenced by relatives of directors
16.	Captain Ginning & Pressing Factory	Companies / Entities owned / Significantly influenced by relatives of directors
17.	Vaibhav Cold Storage	Companies / Entities owned / Significantly influenced by relatives of directors
18.	Newtech Enterprise	Companies / Entities owned / Significantly influenced by relatives of directors

\* ceased to be a director w.e.f. August 16, 2013.

(Amt in Rs.)

1. Transactions with Companies / Entities owned / significantly influenced by directors							
Sr. No	Nature of Transactions	For 6 months ended	For the year ended				
		30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>A</b>	<b>Transaction During the Year</b>						
	<b>Loans received</b>						
	Captain Plastic Pvt. Ltd.	0	0	0	3,500,000	0	0
	Captain Technocast Pvt. Ltd.	0	0	1,635,099	0	0	0
	Captain Pipes Pvt. Ltd.	0	0	0	1,793,942	6,900,000	0
	<b>Loans Repaid</b>						
	Captain Plastic Pvt. Ltd.	0	0	0	3,500,000	0	0
	Captain Technocast Pvt. Ltd.	0	0	1,635,099	0	0	0
	Captain Pipes Pvt. Ltd.	0	0	0	5,388,942	3,305,000	0
	<b>Advances Given</b>						
	Captain Pipes Pvt. Ltd.	0	0	0	10,606,058	0	0
	<b>Advances Received Back</b>						
	Captain Pipes Pvt. Ltd.	0	0	0	10,606,058	0	0
	<b>Purchases</b>						
	Captain Pipes Pvt. Ltd.	46,398,153	57,039,697	35,273,500	15,932,207	0	0
	<b>Sales</b>						
	Captain Technocast Pvt. Ltd.	0	0	0	4,715	0	0
	Captain Pipes Pvt. Ltd.	3143354	573,902	781,134	2,458,202	0	0
	<b>Services (Jobwork Income)</b>						
	Captain Pipes Pvt. Ltd.	0	1,157,228	0	0	0	0
	<b>Factory Expenses</b>						
	Captain Pipes Pvt. Ltd.	0	0	2,655	0	0	0
	<b>Shares Allotted</b>						
	Captain Pipes Pvt. Ltd.	0	1,250,000	0	0	0	0
	Captain Plastic Pvt. Ltd.	0	0	0	1,007,500	0	0
	<b>Share Premium</b>						
	Captain Pipes Pvt. Ltd.	0	3,750,000	0	0	0	0
	Captain Plastic Pvt. Ltd.	0	0	0	10,167,500	0	0
	<b>Investments In Equity Shares</b>						
	Captain Pipes Pvt. Ltd.	0	5,200,000	0	0	0	0
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>						
	<b>Trade Payables</b>						
	Captain Pipes Pvt. Ltd.	(25,866,511)	(8,411,712)	0	0	0	0
	<b>Loans Taken</b>						
	Captain Pipes Pvt. Ltd.	0	0	0	0	3,595,000	0
	<b>Share Capital</b>						
	Captain Pipes Pvt. Ltd.	0	1,250,000	0	0	0	0
	Captain Plastic Pvt. Ltd.	0	0	0	1,007,500	0	0
	<b>Share Premium</b>						
	Captain Pipes Pvt. Ltd.	0	3,750,000	0	0	0	0
	Captain Plastic Pvt. Ltd.	0	0	0	10,167,500	0	0

					0		
	<b>Non-Investments</b>						
	Captain Pipes Pvt. Ltd	0	5,200,000	0	0	0	0

2. Companies / Entities owned / significantly influenced by relatives of directors							
Sr. No	Nature of Transactions	For 6 months ended 30-Sep-13	For the year ended				
			31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>A</b>	<b>Transaction During the Year</b>						
	<b>Purchases</b>						
	Capital Polymers	17,845,593	24,154,443	0	3,537,067	8,236,719	2,934,319
	Newtech Enterprise	0	0	0	0	0	552,131
	<b>Sales</b>						
	Capital Polyplast (Guj) Pvt. Ltd	0	51,308	0	0	0	0
	Captain Ginning & Pressing Factory	0	0	5,149	0	0	0
	Capital Polymers	0	13,619,899	0	749,909	19,860,731	497,023
	<b>Rate Difference / Discount Recd.</b>						
	Capital Polymers	0	7,181,490	0	0	0	0
	<b>Advances Given</b>						
	Capital Polymers	0	0	1,735,000	0	0	0
	<b>Advances Received Back</b>						
	Capital Polymers	0	0	540,000	0	0	0
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>						
	<b>Advance for Purchases</b>						
	Capital Polymers	0	0	1,754,162	559,162	0	1,652,245
	<b>Trade Payables</b>						
	Capital Polymers	(10,265,879)	(468,756)	0	0	0	0
	<b>Trade Receivables</b>						
	Captain Ginning & Pressing Factory	5,149	5,149	5,149	0	0	0
	Capital Polyplast (Guj) Pvt. Ltd	51,308	51,308	0	0	0	0
	Capital Polymers	0	0	0	0	(2,481,590)	0

3. Transactions with key management personnel							
Sr. No	Nature of Transactions	For 6 months ended 30-Sep-13	For the year ended				
			31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>A</b>	<b>Transaction During the Year</b>						
	<b>Loans and Advances received</b>						
	Ramesh D. Khichadia	0	1,300,000	500,000	1,500,000	360,000	1,185,000
	Gopal D. Khichadia	5,300,000	0	0	2,100,000	215,000	655,000
	Kantilal M. Gedia	2,400,000	0	0	940,000	162,700	260,000
	Ashok K. Patel	4,500,000	0	0	1,000,000	133,000	250,000
	<b>Loans and Advances repaid</b>						
	Ramesh D. Khichadia	0	1,500,000	1,800,000	450,000	1,400,000	0
	Gopal D. Khichadia	4,400,000	0	2,200,000	1,711,000	1,120,000	220,000

	Kantilal M. Gedia	1,200,000	0	1,850,000	745,000	250,000	500,000
	Ashok K. Patel	2,200,000	0	2,074,000	150,000	0	90,000
	<b>Directors' Remuneration, Bonus &amp; Incentive</b>						
	Ramesh D. Khichadia	1,131,000	2,340,000	1,233,650	1,111,240	866,200	732,050
	Gopal D. Khichadia	0	0	713,590	552,020	499,180	417,930
	Kantilal M. Gedia	102,700	300,300	207,730	184,500	171,080	154,125
	Ashok K. Patel	134,500	228,800	296,480	255,160	248,160	191,150
	<b>Interest Paid</b>						
	Ramesh D. Khichadia	0	27,699	19,138	8,090	157,813	52,464
	Gopal D. Khichadia	0	59,871	75,794	243,035	305,867	247,169
	Kantilal M. Gedia	0	21,326	95,028	211,077	189,250	172,940
	Ashok K. Patel	0	68,838	126,934	168,966	155,943	126,357
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>						
	<b>For Loan Liability/Advance (including interest, if any)</b>						
	Ramesh D. Khichadia	(92,189)	(92,189)	(267,260)	(1,550,036)	(492,755)	(1,390,723)
	Gopal D. Khichadia	(1,452,810)	(552,810)	(498,926)	(2,630,711)	(2,022,980)	(2,652,700)
	Kantilal M. Gedia	(1,396,912)	(196,912)	(177,719)	(1,942,194)	(1,557,225)	(1,474,200)
	Ashok K. Patel	(2,935,604)	(635,604)	(573,650)	(2,533,409)	(1,531,340)	(1,257,991)
	<b>Salary Payable</b>						
	Ramesh D. Khichadia	0	(90,892)	0	(31,008)	(29,410)	(31,980)
	Gopal D. Khichadia	(13,350)	0	(35,397)	(26,050)	(33,018)	(11,633)
	Kantilal M. Gedia	0	(16,440)	(14,880)	(13,120)	(12,120)	(10,960)
	Ashok K. Patel	0	(21,390)	(16,136)	(7,967)	(13,559)	(5,800)

**4. Transaction with Relative of KMP**

Sr. No	Nature of Transactions	For 6 months ended		For the year ended			
		30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>A</b>	<b>Transaction During the Year</b>						
	<b>Sales</b>						
	Babu M. Gedia	0	0	42,690	378	16,501	0
	Kantilal M. Gedia	0	0	145,589	0	0	0
	Lilavantiben K. Gedia	0	0	66,101	0	0	0
	<b>Consultancy &amp; Installation Income</b>						
	Kantilal M. Gedia	0	0	2,046	0	0	0
	Lilavantiben K. Gedia	0	0	1,569	0	0	0
	<b>Shares Alloted</b>						
	Ritesh R. Khichadia	0	1,125,000	0	0	0	0
	<b>Share Premium</b>						
	Ritesh R. Khichadia	0	3,375,000	0	0	0	0
	<b>Salary &amp; Bonus</b>						
	Bhavesh K. Gedia	282,500	634,350	554,690	308,830	248,830	174,040
	Tansukh D. Khichadia	0	0	414,710	337,200	309,190	229,200
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>						
	<b>Share Capital</b>						

Ritesh R. Khichadia	0	1,125,000	0	0	0	0
<b>Share Premium</b>						
Ritesh R. Khichadia	0	3,375,000	0	0	0	0
<b>Salary Payable</b>						
Bhavesh K. Gedia	0	(27,101)	(26,957)	(7,866)	(15,120)	(9,390)
Tansukh D. Khichadia	0	0	(26,300)	(20,986)	(21,604)	(18,000)
<b>Trade Receivables</b>						
Arvind B. Khichadia	2,724	2,724	2,724	2,724	2,724	2,724
Babu M. Gedia	53,564	53,564	53,564	10,874	10,496	2,995
Kantilal M. Gedia	683	28,246	136,924	0	0	0
Lilavantiben K. Gedia	33,570	33,570	86,922	0	0	0

**ANNEXURE-Q**

**STATEMENT OF CAPITALISATION**

(Amt in Rs.)

Particulars	Pre-Issue		Post-Issue
	As on 30 September 2013	As on 31 March 2013	
Debt			
Short Term Debt	388044289	338583223	388044289
Long Term Debt	71542769	61556334	71542769
<b>Total Debt</b>	<b>459587058</b>	<b>400139557</b>	<b>459587058</b>
Shareholders' Fund (Equity)			
Share Capital	54835250	21934100	74635250
Reserves & Surplus	65998746	87829852	105598746
Less: Miscellaneous Expenses not w/off	0	0	0
<b>Total Shareholders' Fund (Equity)</b>	<b>120833996</b>	<b>109763952</b>	<b>180233996</b>
Long Term Debt/Equity	<b>0.59</b>	<b>0.56</b>	<b>0.40</b>
Total Debt/Equity	<b>3.80</b>	<b>3.65</b>	<b>2.55</b>

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on re stated statement of Assets and Liabilities of the Company as at 30.09.2013 and 31.03.13.

**ANNEXURE - R**

**STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(Amt in Rs.)

Particulars	As at					
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Face Value per equity Share(Rs.)	10	10	10	10	10	10
Earnings/ (losses) Per Share (in Rs.)						
i. Basic and Diluted Earnings/ (losses) Per Share [a/b]	2.02	5.01	2.45	0.82	1.31	0.79
ii. Return on Net Worth (in %) [a/d]	9.16%	24.26%	17.44%	7.01%	14.71%	12.51%
iii. Net Assets Value per Share (in Rs.) [d/c]	22.04	50.04	37.65	31.08	48.90	36.95
(a) Net profit available for appropriation (as restated)	11,070,044	26,624,590	12,840,507	4,262,584	6,674,662	3,962,495
(b) Weighted average numbers of equity shares for calculating Basic and diluted EPS.	5,483,525	5,312,600	5,246,025	5,177,025	5,101,741	5,005,467
(c) No. of equity shares outstanding at the end of the year.	5,483,525	2,193,410	1,955,910	1,955,910	927,580	857,580
(d) Net Worth as at the end of the period/year	120,833,996	109,763,952	73,639,362	60,798,855	45,361,271	31,686,609

**Notes:**

1. The above ratios are calculated as under:

a) Basic and Diluted Earning per Share =  $\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Weighted average number of equity shares outstanding during the year}}$

b) Return on Net Worth (%) =  $\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Net worth as at the year end}}$

c) Net Asset Value Per Equity Share =  $\frac{\text{Net Worth as at the end of the period/year}}{\text{Number of equity shares outstanding at the end of the Year}}$

2. Net Worth means 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;

3. Earnings Per Share (EPS) calculation are in accordance with the Accounting Standard 20 "Earnings Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.

4. The figures disclosed above are based on the restated financial information of the Company.

5. Basic and Diluted EPS for the period ended 30th September, 2013 are not annualised.

**STATEMENT OF SEGMENT REPORTING**

The company has identified two reportable segment viz. "Manufacturing of Pipes and Irrigation Items" & "Wind Power Generation".

Segment have been identified and reported taking into account nature of product and services and deferring risk and rewards from them. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies:

- a) Revenue and expenses have been identified to a segment on the basis of relationship to the corresponding segment. Revenue and expenses, which relate to enterprise as a whole and are not allocable to a segment on reasonable basis, have been deducted from total column.
- b) Segment assets and segment liabilities represents assets and liabilities in respective segments. Assets and liabilities that cannot be allocated to as segment on a reasonable basis have been disclosed as 'Unallocable'.

(1) Primary Segment Information:

(Figures in brackets shows previous year figures) (Amt in Rs.)

<b>FY 2010-2011</b>			
Particulars	Pipes & Irrigation Items	Wind Power Generation	Total
<b>Segment Revenue</b>	366,156,184	508,177	366,664,361
External Income	(Nil)	(Nil)	(Nil)
<b>Total Income</b>	366,156,184	508,177	366,664,361
	(Nil)	(Nil)	(Nil)
<b>Segment Result Before Interest and Taxes</b>	23,954,300	-1319022	22,635,278
	(Nil)	(Nil)	(Nil)
Less: Interest & Finance Charges	16,905,983	501,544	17,407,527
	(Nil)	(Nil)	(Nil)
Add: Interest Income			1,985,907
			(Nil)
Profit Before Exceptional, Extraordinary Items & Tax			7,213,658
			(Nil)
Exceptional & Extraordinary Items			0
			(Nil)
Profit Before Tax & After Exceptional Items			7,213,658
			(Nil)
Less: Tax Expenditure			2,951,073
			(Nil)
Profit After Tax			4,262,584
			(Nil)
<b>Other Information</b>			
Segment Assets	259,532,147	13,403,785	272,935,932
	(Nil)	(Nil)	(Nil)
Unallocated Assets			0
			(Nil)
Segment Liabilities	194,036,237	11,045,5767	205,081,813
	(Nil)	(Nil)	(Nil)
Unallocated Liabilities			7,055,264
			(Nil)
Capital Expenditure	9,631,334	14,529,167	24,160,501
	(Nil)	(Nil)	(Nil)
Depreciation	4,495,525	1,200,253	5,695,778
	(Nil)	(Nil)	(Nil)



Non cash expenses other than Depreciation			0
			(Nil)
<b>FY 2011-2012</b>			
<b>Segment Revenue</b>	512,433,692	1,391,289	513,824,981
External Income	(366,156,184)	(508,177)	(366,664,361)
<b>Total Income</b>	512,433,692	1,391,289	513,824,981
	(366,156,184)	(508,177)	(366,664,361)
<b>Segment Result Before Interest and Taxes</b>	48,267,786	-2476554	45,791,232
	(23,954,300)	(-1319022)	(22,635,278)
Less: Interest & Finance Charges	29,545,289	1509467	31,054,756
	(16,905,983)	(501,544)	(17,407,527)
Add: Interest Income			2,264,226
			(1,985,907)
Profit Before Exceptional, Extraordinary Items & Tax			17,000,702
			(7,213,658)
Exceptional & Extraordinary Items			0
			(Nil)
Profit Before Tax & After Exceptional Items			17,000,702
			(7,213,658)
Less: Tax Expenditure			4,160,195
			(2,951,073)
Profit After Tax As Restated			12,840,507
			(4,262,584)
<b>Other Information</b>			
Segment Assets	315,727,073	11,371,913	327,098,986
	(259,532,147)	(13,403,785)	(272,935,932)
Unallocated Assets			81,331
			(Nil)
Segment Liabilities	234,067,124	9,244,669	243,311,793
	(194,036,237)	(11,045,576)	(205,081,813)
Unallocated Liabilities			10,229,162
			(7,055,264)
Capital Expenditure	21,928,517	0	21,928,517
	(9,631,334)	(14,529,167)	(24,160,501)
Depreciation	6,566,483	2,043,323	8,609,806
	(4,495,525)	(1,200,253)	(5,695,778)
Non cash expenses other than Depreciation			0
			(Nil)
<b>FY 2012-2013</b>			
<b>Segment Revenue</b>	626,512,078	1,649,287	628,161,365
External Income	(512,433,692)	(1,391,289)	(513,824,981)
<b>Total Income</b>	626,512,078	1,649,287	628,161,365
	(512,433,692)	(1,391,289)	(513,824,981)
<b>Segment Result Before Interest and Taxes</b>	74,097,690	-1575178	72,522,512
	(48,267,786)	(-2476554)	(45,791,232)
Less: Interest & Finance Charges	34,370,651	1,173,881	35,544,532
	(29,545,289)	(1,509,467)	(31,054,756)
Add: Interest Income			2,911,137
			(2,264,226)
Profit Before Exceptional, Extraordinary Items & Tax			39,889,117
			(17,000,702)
Exceptional & Extraordinary Items			0

			(Nil)
Profit Before Tax & After Exceptional Items			39,889,117
			(17,000,702)
Less: Tax Expenditure			13,264,528
			(4,160,195)
Profit After Tax			26,624,590
			(12,840,507)
<b>Other Information</b>			
Segment Assets	463,564,693	45,942,478	509,507,170
	(315,727,073)	(11,371,913)	(327,098,986)
Unallocated Assets			5,723,206
			(81,331)
Segment Liabilities	348,716,500	35,601,750	384,318,250
	(234,067,124)	(9,244,669)	(243,311,793)
Unallocated Liabilities			21,148,175
			(10,229,162)
Capital Expenditure	10,596,431	36,277,291	46,873,722
	(21,928,517)	0	(21,928,517)
Depreciation	7,485,971	1,730,081	9,216,052
	(6,566,483)	(2,043,323)	(8,609,806)
Non cash expenses other than Depreciation			0
			(Nil)
<b>For The Period Ended 30th September, 2013</b>			
<b>Segment Revenue</b>	378,671,606	2,367,445	381,039,051
External Income	(626,512,078)	(1,649,287)	(628,161,365)
<b>Total Income</b>	378,671,606	2,367,445	381,039,051
	(626,512,078)	(1,649,287)	(628,161,365)
<b>Segment Result Before Interest and Taxes</b>	42,981,691	-3031776	39,949,915
	(74,097,690)	(-1575178)	(72,522,512)
Less: Interest & Finance Charges	19,556,130	2,054,312	21,610,442
	(34,370,651)	(1,173,881)	(35,544,532)
Add: Interest Income			1,008,215
			(2,911,137)
Profit Before Exceptional, Extraordinary Items & Tax			19,347,688
			(39,889,117)
Exceptional & Extraordinary Items			0
			(Nil)
Profit Before Tax & After Exceptional Items			19,347,688
			(39,889,117)
Less: Tax Expenditure			8,277,644
			(13,264,528)
Profit After Tax			11,070,044
			(26,624,590)
<b>Other Information</b>			
Segment Assets	539,435,905	43,764,938	583,200,843
	(463,564,692)	(45,942,478)	(509,507,170)
Unallocated Assets			5,724,493
			(5,723,206)
Segment Liabilities	416,285,360	34,877,023	451,887,110
	(348,716,500)	(35,601,750)	(384,318,250)
Unallocated Liabilities			16,204,231
			(21,148,175)

Capital Expenditure	28,887,200	800,000	29,687,200
	(10,596,431)	(36,277,291.00)	(46,873,722.00)
Depreciation	4,312,091	2,867,863	7,179,954
	(7,485,971)	(1,730,081)	(9,216,052)
Non cash expenses other than Depreciation			0
			(Nil)

The reportable segment is further described below:

- (i) Manufacturing of HDPE & PVC Pipes and Sprinkler & Drip Irrigation Items
- (ii) Power generation for captive consumption through installation of windmill.

(II) Secondary Segment Information:

The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosure are not applicable.

**ANNEXURE – T**

**STATEMENT OF TAX SHELTER**

(Amt. in Rs.)

Particulars	For 6 months ended	For the Year ended				
	30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
<b>Restated Profit before tax</b>	19,347,688	39,889,117	17,000,702	7,213,658	10,869,021	5,678,943
MAT rate including surcharge	18.50%	18.50%	18.50%	18.54%	16.995%	11.33%
Normal Tax rate including surcharge	32.45%	32.45%	32.45%	33.22%	30.90%	30.90%
Normal Tax on above	6,277,357	12,942,024	5,515,878	1,337,412	3,358,528	1,754,793
<b>Adjustments:</b>						
<b>Permanent Differences:</b>						
Exps. Inadmissible u/s. 40(a)/40(a)(ia)	40,549	19,962	19,614	3,264	3,606	55,382
Central Excise on Capital Goods	0	40,593	0	0	0	0
Late Payment of Employees Cont to PF	0	0	0	0	0	20,412
ROC fees for increase in authorized share capital	500,000	102,500	0	0	0	23,000
Donation (Net of 50% Allowable or 50% of actual receipts of donation)	2,000	161,500	84,500	0	282,625	2,500
Disallowable expense under Income Tax Act (Sec 43B)	104,000	129,050	199,660	0.00	0.00	0.00
Loss on sale of assets	0	0	19,988	0	0	10,846
Deduction Chapter VIA						
<b>Temporary Differences:</b>						
Sec 40a(ia) (Net off claimed of earlier years)	0	0	0	0	(45,272)	(182,980)
Difference between book depreciation & tax depreciation	(6,280,849)	1,037,552	(2,992,402)	0	(1,636,923)	138,349
Gratuity	109,238	156,442	281,068	0	95,341	536,482
<b>Other Adjustments:</b>						
Brought Forward Losses adjusted	0	0	3,624,488	0	0	0
<b>Total Adjustments</b>	<b>-5,525,062</b>	<b>1,647,599</b>	<b>-6,012,060</b>	<b>3,264</b>	<b>-1,300,623</b>	<b>603,991</b>
Tax expense/(saving) thereon	-1,792,606	534,563	-1,950,613	1,084	-401,893	186,633
<b>Total Tax Payable:</b>						
Tax Payable for the current year	4,484,751	13,476,588	3,565,265	1,338,496	2,956,635	1,941,427

**ANNEXURE-U**

**STATEMENT OF DIVIDEND DECLARED**

(Amt. in Rs.)

Particulars	For 6 months ended	For the Year ended				
		30-Sep-13	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
<b>Class of Shares</b>						
Equity Share Capital						
<b>Face Value (Rs.)</b>	10	10	10	10	10	10
<b>Rate of Dividend (%)</b>						
Interim Dividend	Nil	Nil	Nil	Nil	Nil	10%
Final Dividend	Nil	Nil	Nil	Nil	Nil	10%

**STATEMENT OF FINANCIAL INDEBTEDNESS**

Brief details on the financial indebtedness of the company as on November 14, 2013 is as under:

**A. Secured Loan**

(Amount in Rs. Lacs)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
<b>From Banks and Financial Institutions</b>							
State Bank of India	Working Capital (Cash Credit)	1,000.00	Base Rate + 3.75% i.e. presently 13.55% p.a.	<b>Primary Security</b> <b>On Cash Credit:</b> Hypothecation of Stocks, Receivables and all other current assets <b>On Term Loan:</b> Hypothecation of Pioneer Wincon Windmill & new machinery purchased <b>Collateral Security:</b> * As Per Note 1 <b>Personal Guarantee:</b> * As Per Note 2	On Demand	Nil	946.59
	Term Loan - I	80.00	Base Rate + 3.90 % i.e. presently 13.70% p.a.		Repayable in 60 months starting from October 2011	2 Months from 12.08.2011 (the date of disbursement)	38.53
	Term Loan - II	109.00	Base Rate + 3.90 % i.e. presently 13.70% p.a.		Repayable in 72 monthly installment starting from April 2011.	5 Months from 30.10.2010 (the date of disbursement)	61.00
	Term Loan - III	250.00	Base Rate + 3.85 % i.e. presently 13.65% p.a.		Repayable in 55 monthly installment starting from September 2013.	5 Months from 26.03.2013 (the date of disbursement)	236.35
Tata Capital Ltd. \$	Term Loan - Machinery	51.13	15% p.a.	Machinery	Repayable in 59 monthly installment starting from December 2011.	-	30.23

**Note 1**

Description	Land Area Sq. Mtrs.	Construction /Carpet Area/Built up Area Sq. Ft.
1. Equitable Mortgage (EM) of industrial property in the name of Captain Polyplast Ltd. situated at Survey No. 267 of Shapar, Plot No. 10/B, Shapar, Dist. Rajkot.	756.38	1965.00
2. EM of industrial property in the name of Captain Polyplast Ltd. situated at Survey No. 267 of Shapar, Plot No. 10/A, Shapar, Dist. Rajkot.	680.00	7060.00
3. EM of industrial property in the name of Captain Polyplast Ltd. situated at Survey No. 267 of Shapar, Plot No. 11, Shapar, Dist. Rajkot.	1000.00	4200.00
4. EM of open land in the name of Captain Polyplast Ltd. situated at Survey No. 270 of Shapar, Plot No. 6, Rajkot-Gondal Highway, Shapar, Dist. Rajkot.	1608.00	-
5. EM of residential property in the name of Mr. Kantibhai M. Gedia situated at "Shiv Apt", 1 <sup>st</sup> Floor, Flat No. 02, Mayani Chowk, Patel Park, Street No. 2, Dist. Rajkot.	-	525.00
6. EM of residential building in the name of Mr. Gopalbhai D. Khichadia situated on R. S. No. 39/p, T.P.S. No. 3, O.P. No. 9/p, F.P. No. 34/p, Plot No. 22/p of Nana Mava, Abhishek Bunglow, Dwarkadham Society, Nr. Indralok Residency, Satya Sai Hospital Road, Rajkot.	71.33	921.00
7. Hypothecation of all plant & machinery of Captain Polyplast Ltd. situated at Survey No. 270, Plot No. 10/A & 11, Shapar, Dist. Rajkot		-
8. Lien on STDR of Rs. 0.10 crore in the name of Shri Rameshbhai Khichadia		-

9. Industrial Land and Building situated at Survey No. 257, Plot No. 9, Rajkot-Gondal Highway, Shapar, Dist. Rajkot.	832.29	-
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**Note 2**

**Personal Guarantee of Directors/Promoters:**

- 1) Mr. Rameshbhai D. Khichadia
- 2) Mr. Gopalbhai D. Khichadia
- 3) Mr. Kantibhai M. Gedia#
- 4) Mr. Ashokbhai K. Patel

**B. Vehicle Loans**

(Amount in Rs.)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
HDFC Bank	Vehicle - Tata Indica	400,000	12.26% p.a.	Hypothecation of Vehicle financed	Payable in 36 EMIs (including principal & interest) of Rs. 13,200.	Nil	76,444
	Vehicle - Eco Maruti	300,000	11.58% p.a.	Hypothecation of Vehicle financed	Payable in 36 EMIs (including principal & interest) of Rs. 9,810.	Nil	56,922
	Vehicle - Indica Vista	400,000	10.00% p.a.	Hypothecation of Vehicle financed	Payable in 36 EMIs (including principal & interest) of Rs. 12,800.	Nil	3,74,400
	Vehicle - Indica Vista	400,000	10.00% p.a.	Hypothecation of Vehicle financed	Payable in 36 EMIs (including principal & interest) of Rs. 12,800	Nil	3,74,400
	Vehicle - Indica Vista	400,000	10.00% p.a.	Hypothecation of Vehicle financed	Payable in 36 EMIs (including principal & interest) of Rs. 12,800	Nil	3,74,400
ICICI Bank	Vehicle - Indica Vista	415,000	11.02% p.a.	Hypothecation of Vehicle financed	Payable in 31 EMIs (including principal & interest) of Rs. 13,467.	Nil	2,54,204
BMW Financial Services	Vehicle - BMW Car	3,500,000	8.99% p.a.	Hypothecation of Vehicle financed	Payable in 35 EMIs (including principal & interest) of Rs. 110,450.	Nil	30,36,638
Kotak Mahindra Prime Ltd	Vehicle - Innova Car	1,250,000	10.00% p.a.	Hypothecation of Vehicle financed	Payable in 36 EMIs (including principal & interest) of Rs. 40,125	Nil	8,27,913

**C. Unsecured Loans**

**a. From Banks and Financial Institutions**

(Amount in Rs.)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Re-payment	Moratorium	Outstanding amount
Kotak Mahindra Bank Ltd. (Rajkot)	Business Loan	5,700,000	17.00% p.a.	Payable in 12 EMIs (including principal & interest) of Rs. 515,900.	Nil	24,72,165
Religare Finvest Ltd.	Business Loan	5,000,000	18.00% p.a.	Payable in 36 EMIs (including principal & interest) of Rs. 180,763.	Nil	11,72,056
Tata Capital Financial Services Ltd.	Business Loan	5,000,000	18.00% p.a.	Payable in 36 EMIs (including principal & interest) of Rs. 180,750.	Nil	33,27,705

**b. From Directors**

(Amount in Rs.)

Name of Lender	Purpose	Rate of interest	Re-payment	Outstanding amount
Mr. Ramesh D. Khichadia	Business Loan	12.00% p.a.	On notice of three months.	92,189
Mr. Ashokbhai K. Patel	Business Loan	12.00% p.a.	On notice of three months.	2,935,604
Mr. Gopal D. Khichadia	Business Loan	12.00% p.a.	On notice of three months.	452,810
Mr. Kantilal M. Gedia <sup>#</sup>	Business Loan	12.00% p.a.	On notice of three months.	1,396,912

**c. Inter Corporate Deposits from Corporate**

(Amount in Rs.)

Name of Lender	Purpose	Rate of interest	Re-payment	Outstanding amount
Uttrani Distributors Pvt. Ltd.	Business Loan	6.00% p.a.	On notice of three months.	5,500,000
Muse Dealers Pvt. Ltd.	Business Loan	6.00% p.a.	On notice of three months.	7,000,000

<sup>§</sup> The lender has revised interest rate and repayment schedule vide its letter dt. November 21, 2011.

<sup>#</sup> Mr. Kantilal M. Gedia has ceased to be a Director w.e.f. September 12, 2013.

**Negative Covenants pertaining to facility of Working Capital and Term Loan:**

1. Effect any change in the company's capital structure; in all cases term loans, where a condition prohibiting disinvestments by promoters of their quota in the equity of the borrower company, without the prior approval of the Bank, all the promoters of the company should furnish an undertaking on the lines specified for this purpose. On the basis letter of undertaking, promoters should also furnish each year in the first week of April, the letters confirmation together with the Auditor's certificate as on 31<sup>st</sup> March every year for record of the Bank.
2. Formulate any scheme of amalgamation or reconstruction.
3. Undertake any new project, implement any scheme of expansion or acquire fixed assets except those indicted in the funds flow statement submitted to the Bank from time to time and approved by Bank.

4. Invest by way of the share capital in or lend or advance funds to or place deposits with any other concern(including group companies); normal trade credit or security deposits in the normal course of businesses or advances to employees can, however, be extended.
5. Enter to borrowing arrangement either secured or unsecured with any other bank, financial institution, and company or otherwise or accepts deposits apart for the arrangement indicate the fund flow statements submitted to the Bank from time to time and approved by the Bank.
6. Undertake any guarantee obligation on behalf of any other company (including group companies)
7. Declare the dividends of any year out of the profit relating to that year or of the previous years. It is however necessary for the borrower to ensure first that provisions are made and that no repayment obligations remain unmet at time of making the request for Bank approval for the declaration dividend.
8. Create the any charge, lien or encumbrance over its undertaking or any part thereof in favor of any financial institution, bank, company, firm or person.
9. Sell assign, mortgage or otherwise dispose off any of fixed assets charged to the Bank.
10. Enter into any contractual obligation of a long term nature or affecting the company financially to a significant extent.
11. Change the practice with regard to remuneration of the directors by means of ordinary remuneration or commission, scale of sitting fees, etc.
12. Undertake any trading activity other than the sale of product arising out of its own manufacturing operations.
13. Permit any transfer of controlling interest or make any drastic change in the management set-up.
14. Repay monies brought in by promoters/directors/principal of shareholders and their friends and relatives by the way of deposits /loans/advances. Further, the rate of interests, if any, payable of such deposits/loans/advances should be lower than the rate interest charged by the bank on its on term loan and payment on the such interest will be subject to regular repayment of installment under term loans granted/deferred payment guarantees executed by Bank or other obligations, if any due from company to the bank.
15. All unsecured loans/deposits raised by the company for financial project are always subordinate to the loans of the bank/financial institution and should be permitted to repaid only with the prior approval of the all the banks and financial institutions concerned.

**Note:** Our Company has received sanction letter from State Bank of India, Rajkot Branch, dt. October 19, 2013, whereby our banking facilities have been revised as follows:

Limits	Existing (Rs in Lacs)	Revised (Rs in Lacs)
Working Capital (Cash Credit) ^	1000.00	1400.00
Term Loan - IV	-	525.00 (Moratorium of 10 months and repayment will commence from September-2014)

^Our Company will avail the benefit of enhanced cash credit limit as sanctioned vide letter from State Bank of India, Rajkot Branch, dt. October 19, 2013 from April 1, 2014 only.

Except as disclosed above, we hereby confirm that there are no other Credit Facilities availed by us.



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

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in this Prospectus. You should also read the section entitled "Risk Factors" beginning on page 9 and "Forward Looking Statements" beginning on page 8, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated summary statements as of and for the fiscal years ended March 31, 2009, 2010, 2011, 2012, 2013 and 6 months stub period ended September 30, 2013, including the schedules and notes thereto and the reports thereon, which appear in the section titled "Financial Statements of the Company" on Page No. 146 of this Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

We are an ISO 9001:2008 certified company and are into business of manufacture and sale of quality Micro Irrigation Systems and allied products. We are in business for more than a decade and half and have in-depth knowledge of our products and industry in which we operate. Apart from manufacturing and selling of our products, we also undertake supply and installation of micro irrigation systems and provision of agronomical services to farmers.

Our Promoter and Founder, Mr. Ramesh Khichadia has more than two decades of experience in the field of marketing and manufacturing pipes and other irrigation related products and has been awarded Udyog Patra for self made industrialist in the year 2008 by Institute of Trade and Industrial Development and Indira Gandhi Priyadarshini Award in the year 2008 by All India National Unity Conference-New Delhi.

Our Product Range includes wide variety of products covering Pipes Fittings and Irrigation Equipments including Drip Irrigation Systems, Sprinkler Irrigation Systems, Disc Filters, Screen Filters, Hydro-Cyclone Filters, Sand (Gravel) Filters, Compression Fittings, Valves (Electric & Mechanical), Fertilizer Tanks, Digital Controllers, Pressure Gauges, HDPE Pipes etc.

We manufacture our products at our factory located at Shapar, Rajkot-Gujarat with existing capacity of 6750 MT per year .Our products comply with Indian as well as International standards and has been certified to confirm to the "Quality Management Systems Standard ISO 9001:2008" by International Certification Services. All our products are ISI marked.

We have been awarded Special Recognition Award for Manufacturing of Quality Plastic Extruded Products in 2008 by Ministry of Micro, Small & Medium Enterprise, Government of India.

We have entered into formal arrangements with 169 dealers and informal arrangements with a number of other dealers to market and sell our products in 6 states viz. Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab, and Maharashtra.

For the year ended March 31, 2013, our Company's Total Income and Restated Profit After Tax was Rs. 6310.72 Lacs and Rs. 285.91 Lacs respectively, compared to our Company's Total Income and Restated Profit After Tax of Rs. 5160.89 Lacs and Rs. 131.00 Lacs, representing an increase of 22.28 % in income and 118.25% Profit After Tax respectively over previous year. For the 6 months ended as on September 30, 2013, our Company's Total Income and Restated Profit After Tax was Rs. 3820.47 Lacs and Rs. 125.91 Lacs,, respectively.

**Our Competitive Strengths:**

1. **Diversified Product Portfolio:** Our Company has a varied product base to cater to the requirements of our customers. Our Product Portfolio includes diversified variety of Pipes and Micro Irrigation Systems which are used in various industries. Our products includes Pipes Fittings and Irrigation Equipments including Drip Irrigation Systems, Sprinkler Irrigation Systems, Disc Filters, Screen Filters, Hydro-Cyclone Filters, Sand (Gravel) Filters, Compression Fittings, Valves (Electric & Mechanical), Fertilizer Tanks, Digital Controllers, Pressure Gauges, HDPE Pipes etc. are widely used in Agriculture , Horticulture, Housing and Infrastructure Sector. Our range of products allows our existing customers to source most of their product requirements from a single vendor and also enables us to expand our business from existing customers, as well as address a larger base of potential new customers.
2. **Experienced Management Team:** Our qualified and experienced management team has substantially contributed to the growth of our business operations. Our Company is managed by a team of experienced and professional personnel with exposure in various aspects of Pipes & Irrigation industry. Our Promoter and Founder, Mr. Ramesh Khichadia, who is an Agricultural Engineer by training, has more than two decades of experience in the field of marketing and manufacturing pipes and irrigation related products and has been awarded Udyog Patra for self made industrialist in the year 2008 by Institute of Trade and Industrial Development and Indira Gandhi Priyadarshini Award in year 2008 by All India National Unity Conference-New Delhi.
3. **Robust and Scalable Business Model:** Our Micro Irrigation Business is dependent on Government Subsidy. We operate in both Open Market as well as the Project Market. In Open Market, we sell our products to channel partners or dealer who pays us upfront or with minimum credit period. Our Dealers turn sell it farmers and after completion of installation and verification, receive subsidy payment from government agencies. In Project Market, we directly get work orders from nodal agencies of various states after loan tie ups/Contribution by farmers and determination of subsidy eligibility by the nodal agencies. MIS is installed only after receipt of the work order from the nodal agencies which enables us to secure release of payments under the project market. At present we operate on project market basis in states of Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab, and Maharashtra.
4. **Strong Marketing and Distribution network:** Our success depend upon our strong Marketing and distribution network in Project Market where we directly approach to farmers for installation of MIS after analyzing and studying their requirements. In the Open Market, we access direct and indirect sales channels for marketing of our products. Presently, we have 169 dealers, distributors and agents covering 6 states viz. Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab, and Maharashtra.

**Our Business Strategy:** We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

1. **Expansion of Existing Capacities:** Our company started its operation in the year 1997 with initial capacity of 250 MT and subsequently increased to current capacity. As on date we have and capacity of 6750 MT and considering the future demand potential, we intend to increase our existing capacity to 8200 MT.
2. **Introduction of New Product Line:** Currently we are manufacturing products which are covered under Drip Line Irrigation and Cylindrical Dripper category. With our expansion plans and installation of new machineries, we will be able manufacture products which are covered Flat Drip Line Irrigation Category which has advantages over our existing product line. Following are advantages of Flat Dripper Line Irrigation:
  - a. Flat Dripper Line products can be used for all sizes (12mm, 16mm & 20mm)
  - b. With Flat Dripper Line products wall thickness of 0.2mm, 0.3mm & 0.4mm
3. **Increasing Geographical Presences:** Currently we are operation in 6 states viz. Gujarat, Rajasthan, Madhya Pradesh, Haryana, Punjab and Maharashtra. Through our dealer/distributor /agents network in future, we intend to enter and capture new markets in the states of Chhattisgarh, Himachal Pradesh, Karnataka & Andhra Pradesh and increase our geographical presence and thereby increase our customer base.
4. **Providing Value Added Services:** We believe that growth of business will further depend upon the value added services to our customers who are basically farmers. Currently we do provide after sale services and

agronomy services. Moving forward, we intend to provide other value added services and train and educate our customers regarding benefits and advantages of MIS and thereby adding value.

5. **Research and Development:** We have a well qualified team with wide experience in pipes and irrigation industry who are constantly focusing on innovations. Our products conform to various test requirements conducted independent bodies to meet industry standards. Our Research and Development team constantly studies different industry verticals to identify product inefficiencies and innovate strategies in areas in which we could add value.
6. **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 raw material procurement policy and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

**Our Marketing Strategy:**

We intend to focus on following marketing strategies

1. Increasing our Geographical reach by entering new states for marketing of our products
2. Appointment of Dealers & Agents in new market
3. Emphasizing on providing Value Added Services
4. Direct marketing to the agriculture sector

**Key factors affecting our results of Operation**

1. Disruption in our manufacturing facilities
2. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
3. Changes in laws and regulations relating to the industries in which we operate;
4. Disruption in supply of Raw Materials
5. Increased in prices of Fuel and Power
6. Increase in Prices of Raw Material
7. Realisation of Contingent Liabilities
8. Occurrence of Environmental Problems & Uninsured Losses
9. Increased competition in industries/sector in which we operate;
10. Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
11. Our ability to meet our capital expenditure requirements;
12. Fluctuations in operating costs;
13. Our ability to attract and retain qualified personnel;
14. Changes in technology;
15. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
16. The performance of the financial markets in India and globally; and
17. Any adverse outcome in the legal proceedings in which we are involved.

**Our Significant Accounting Policies:**

Our significant accounting policies are described in the section entitled "***Financial Information of the Company***" on page 146 of this Prospectus.

**SUMMARY OF THE RESULTS OF OPERATION**

The following table sets forth select financial data from standalone restated profit and loss accounts for the stub period ended September 30, 2013 & Financial Year 2013, 2012, 2011 & 2010 and the components of which are also expressed as a percentage of total income for such periods.

(Rs. in Lacs)

Particulars	for 6 months period ended		For the Year ended							
	30-Sept-13	% of Total In-come	31-Mar-13	% of Total In-come	31-Mar-12	% of Total In-come	31-Mar-11	% of Total In-come	31-Mar-10	% of Total In-come
<b>Revenue from Operations:</b>										
Revenue from sale of product	3736.87	97.81	6211.72	98.43	5076.18	98.36	3625.45	98.34	3723.09	99.09
Revenue from sale of Services	49.42	1.29	53.05	0.84	47.79	0.93	35.77	0.97	17.94	0.48
Other Operating Income	23.67	0.62	16.49	0.26	13.91	0.27	5.08	0.14	0.00	0.00
Total Revenue from Operations	3809.96	99.72	6281.26	99.53	5137.88	99.56	3666.31	99.45	3741.03	99.57
Other Income	10.51	0.28	29.46	0.47	23.01	0.45	20.19	0.55	16.40	0.44
Total Revenue	3820.47	100	6310.73	100	5160.89	100	3686.50	100	3757.43	100
<b>Expenses:</b>										
Cost of material & stores consumed	2801.18	73.32	4438.35	70.33	3485.87	67.54	2840.20	77.04	2863.29	76.20
Change in inventories of finished goods, WIP	(138.48)	(3.62)	(34.07)	(0.54)	168.84	3.27	(166.72)	(4.52)	(54.65)	(1.45)
Employee benefits expense	153.10	4.01	243.06	3.85	178.69	3.46	137.29	3.72	113.91	3.03
Finance costs	216.10	5.66	355.45	5.63	310.55	6.02	174.08	4.72	109.12	2.90
Depreciation and amortization expense	71.80	1.88	92.16	1.46	86.10	1.67	56.96	1.55	35.32	0.94
Preliminary Expenses written off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other expenses	523.29	13.70	816.88	12.94	760.84	14.74	572.57	15.53	581.74	15.48
Total Expenses	3627.00	94.94	5911.83	93.68	4990.89	96.71	3614.37	98.04	3648.74	97.11
Net Profit before tax, exceptional & extraordinary items:	193.48	5.06	398.89	6.32	170.01	3.29	72.14	1.96	108.69	2.89
Exceptional & extraordinary items:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Profit before tax</b>	<b>193.48</b>	<b>5.06</b>	<b>398.89</b>	<b>6.32</b>	<b>170.01</b>	<b>3.29</b>	<b>72.14</b>	<b>1.96</b>	<b>108.69</b>	<b>2.89</b>
Provision for Tax										
- Current Tax	44.85	1.17	134.77	2.14	35.65	0.69	13.38	0.36	29.57	0.79
- Fringe Benefit Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax adjustment for prior years	7.25	0.19	(2.80)	(0.04)	0.08	0.00	6.67	0.18	7.61	0.20
-Deferred Tax Liability / (Asset)	15.47	0.40	(19.00)	(0.30)	3.27	0.06	24.02	0.65	3.11	0.08
MAT credit entitlement	0.00	0.00	0.00	0.00	0.00	0.00	(13.03)	(0.35)	0.00	0.00
Tax Expenses for the year:	67.57	1.77	112.97	1.79	39.00	0.76	31.04	0.84	40.29	1.07
<b>Restated profit after tax</b>	<b>125.91</b>	<b>3.30</b>	<b>285.92</b>	<b>4.53</b>	<b>131.00</b>	<b>2.54</b>	<b>41.10</b>	<b>1.11</b>	<b>68.40</b>	<b>1.82</b>

## **KEY COMPONENTS OF OUR PROFIT AND LOSS STATEMENT**

### **Revenue from Operations**

Revenue from operations primarily consists of the sale of products, sale of services and other operating income.. Sale of products includes the sale of Pipe Fittings, Valves, Drip Irrigation System, Sprinkler System, Mini Sprinkler.

### **Other income**

Other income primarily comprises interest income, profit of trading of shares and currency hedging.

### **Expenses**

Our expenses majorly consist of cost of material and stores consumed, purchases of stock in trade, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

### **Cost of Material And Stores Consumed:**

Cost of material and stores consumed comprise the cost of raw material and components used in the manufacturing of our products.

### **Changes in inventories of finished goods, WIP and stock-in-trade**

Changes in inventories of finished goods, WIP and stock-in-trade consist of the difference between the inventory at the beginning of the period and inventory at the end of the period.

### **Employee benefits expense**

Employee benefit expense includes salaries and wages, Company's contribution to Provident Fund and other Employee benefit funds, staff welfare expenses, bonus and performance incentive.

### **Finance Costs**

Finance cost comprises interest on indebtedness, interest on late payment to suppliers, bank and other Finance charges.

### **Depreciation and amortization expense**

We recognize depreciation and amortization expense on a Written down value method as per the rates set forth in the Companies Act except for some items for which depreciation is charged as per our accounting policy.

### **Other expenses**

Other expenses consist primarily of various charges like electricity charges, sales promotion expenses, repairs and maintenance expenses, dealer conference expenses, I.S.I marking fee and other, rent, rates and taxes, legal, professional and consultancy charges. Other items in this category include travelling expenses, conveyance expenses, postage and courier charges, communication expenses, auditors' remuneration, insurance charges, vehicle expenses, office expenses, printing and stationery expenses.

## **FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE 6 MONTHS PERIOD ENDED SEPTEMBER 30, 2013**

### **Revenue from Operations:**

Our income from operations during the 6 months period ended September 30, 2013 was Rs. 3809.96 Lacs. The operating revenue mainly comprised of revenue from sale of product amounting to Rs. 3736.87 Lacs which was 97.80% of our Total Revenue, revenue from sale of services amounting to Rs. 49.42 Lacs.

### **Other Income:**

Other income of the Company was Rs. 10.51 Lacs which primarily consists of Interest income comprising 95.94% of the total other Income.

### **Total Expenses:**

The total expenditure during the 6 months period ended September 30, 2013 was Rs. 3627.00 Lacs. The total expenditure represents 94.94% of the total revenue for the period. The total expenses is majorly represented by cost of material and stores consumed, employee benefits expense, finance costs, depreciation expense, other expenses for administrative and selling and distribution. The main constituent of total expenditure is cost of material and stores consumed, which is Rs. 2801.18 Lacs.

### **Profit after tax:**

Our restated net profit during the 6 months period was Rs. 125.91 Lacs representing 3.30% of the total revenue of our Company. Our provision of current taxes for 6 months period ended September 30, 2013 was Rs. 44.85 Lacs.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2013 WITH FISCAL 2012****Revenue from Operations:**

During the F.Y. 2013 the total income of the Company increased to Rs. 6281.26 Lacs as against previous financial year Rs 5137.88 Lacs. The income from sale of products increased to Rs. 6211.72 Lacs from Rs. 5076.18 Lacs, an increase of 22.25%. This increase was mainly due to increase in sale of products.

**Other Income:**

Other income of the Company for F.Y. 2013 was Rs. 29.46 Lacs in comparison with 23.01 Lacs for F.Y. 2012, which primarily consists of Interest income.

**Total Expenses:**

Total expenditure for the F.Y. 2013 increased to Rs 5911.83 Lacs from Rs 4990.89 Lacs, compared to the previous financial year, increasing by 18.45%. This was due to surge in volume of business, which resulted in increase in expenses viz. consumption of materials, direct expenses and employees benefit expenses.

**Cost of material & stores consumed:**

Cost of material & stores consumed for the F.Y. 2013 amounted to Rs 4438.35 Lacs as against Rs 3485.87 Lacs compare to previous financial year. In percentage terms it amounted to 70.33% of the total income as against 67.54% in the previous year. Increased in cost of material & stores consumed was attributable to our increased demand in F.Y 2013, compared to the previous financial year.

**Change in inventories of finished goods, WIP:**

Inventories in F.Y 2013 were Rs (37.07) Lacs as against Rs 168.84 Lacs for previous year, which was 0.54% of the total income as against 3.27% of total income in the previous year.

**Employee benefits expense:**

Employee benefits expense increased to Rs 243.06 Lacs from Rs 178.69 Lacs in the year F.Y 2013 i.e. 36.03%. This was also due to increase in business activities and rise in revenue of the Company.

**Finance costs:**

Finance costs increase to Rs 355.45 Lacs in F.Y 2013 as compare to F.Y 2012 in which it was Rs 310.55 Lacs. Increase in amount was due to increased borrowing in pursuit of procurement of Wind mills.

**Depreciation and amortization expense:**

Depreciation and amortization expense increased to Rs 92.16 Lacs from 86.10 Lacs compare to previous year.

**Other expenses:**

Other expenses for the F.Y 2013 stood at Rs 816.88 Lacs, the same was Rs 760.84 Lacs in previous financial year increasing by 7.37%.

**Net Profit before tax:**

Net Profit before tax for the F.Y 2013 increased to Rs 398.89 Lacs as against Rs 170.01 Lacs of the previous year. The increase in profit was due to growth in revenue.

**Restated profit after tax:**

The Restated profit after tax for the F.Y 2013 stood at Rs 285.92 Lacs, compare to F.Y 2012 it was Rs 131.00 Lacs. All the factors stated above had the cumulative effect on and our profit after tax increased by 118.25%.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2012 WITH FISCAL 2011****Revenue from Operations:**

During the F.Y. 2012 the total income of the Company increased to Rs. 5137.88 Lacs as against previous financial year Rs 3666.31 Lacs., increase of 40.14%. This is majorly due to increase in revenue from sale of products amounted to Rs. 5076.18 Lacs from Rs. 3625.45 Lacs, an increase of 40.01%.

**Other Income:**

Other income of the Company was Rs. 23.01 Lacs in F.Y. 2012 which primarily consists of Interest income, in comparison with 20.19 Lacs for F.Y. 2011.

**Cost of material & stores consumed:**

Cost of material & stores consumed amounted to Rs 3485.87 Lacs for F.Y. 2012 as against Rs 2840.20 Lacs in F.Y. 2011. In percentage terms, it amounted to 67.54% of the total income as against 77.04% in the previous year.

**Change in inventories of finished goods, WIP:**

Inventories in F.Y 2012 were Rs 168.84 Lacs as against Rs (166.72) Lacs for previous year. This was 3.27% of the total income as against 4.52% of total income in the previous year.

**Employee benefits expense:**

Employee benefits expense increased to Rs 178.69 Lacs from Rs 137.29 Lacs in the F.Y. 2012 i.e. 30.16%. This was due to surge in volume of business, which resulted in increased expenses.

**Finance costs:**

Finance costs increase to Rs 310.55 Lacs in F.Y. 2012 as compare to F.Y. 2011 in which it was Rs 174.08 Lacs. The huge rise in finance cost is attributable to increased borrowing in the nature of term loans for procurement of machineries.

**Depreciation and amortization expense:**

Depreciation and amortization expense increased to Rs 86.10 Lacs in F.Y. 2012 from 56.96 Lacs compare to previous year. The increase was due to addition to fixed assets during the fiscal 2012.

**Other expenses:**

Other expenses for the F.Y. 2012 stood at Rs 760.84 Lacs where as in F.Y. 2011 the same was Rs 572.57 Lacs.

**Total Expenses:**

Total expenditure for the F.Y. 2012 increased to Rs 4990.89 Lacs from Rs 3614.37 Lacs, compare to previous financial year, increase of 38.08%. This was due to surge in volume of business, which resulted in increase in expenses viz. consumption of materials, direct expenses, employees provision and administration expenses.

**Net Profit before tax:**

Net Profit before tax for the F.Y 2012 increased to Rs 170.01 Lacs as against Rs 72.14 Lacs of the previous year.

**Restated profit after tax :**

The Restated profit after tax for the F.Y 2012 stood at Rs 131.00 Lacs, compare to F.Y 2011 it was Rs 41.10 Lacs.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2011 WITH FISCAL 2010**

**Revenue from Operations:**

During the F.Y. 2011 the total income of the Company decreased to Rs. 3666.31 Lacs as against previous financial year Rs 3741.03 Lacs., increase of 2.00%. This is majorly due to decrease in revenue from sale of products amounted to Rs. 3625.45 Lacs from Rs. 3723.09 Lacs, a decrease of 2.62%.

**Other Income:**

Other income of the Company was Rs. 20.19 Lacs in F.Y. 2011 as against Rs. 16.40 Lacs in F.Y. 2010.

**Cost of material & stores consumed:**

Cost of material & stores consumed for the F.Y. 2011 amounted to Rs 2840.20 Lacs as against Rs 2863.29 Lacs in previous financial year. It amounts to 77.04% of the total income as against 76.20% in the previous year.

**Change in inventories of finished goods, WIP:**

Inventories in F.Y 2011 were Rs (166.72) Lacs as against Rs 54.65 Lacs for previous year. This was 4.52% of the total income as against 1.45% of total income in the previous year.

**Employee benefits expense:**

The employee benefits expense increased to Rs 137.29 Lacs from Rs 113.91 Lacs in the F.Y. 2011 i.e. 20.52%.

**Finance costs:**

Finance costs increase to Rs 174.08 Lacs in F.Y. 2011 as compare to F.Y. 2010 in which it was Rs 109.12 Lacs. Increase in amount was due to increased borrowing in pursuit of capital expansion.

**Depreciation and amortization expense:**

The Depreciation and amortization expense increased to Rs 56.96 Lacs in F.Y. 2011 from 35.32 Lacs compare to previous year. The increase was due to addition to fixed assets during the fiscal year 2011.

**Other expenses:**

Other expenses for the F.Y. 2011 stood at Rs 572.57 Lacs where as in F.Y. 2010 the same was Rs 581.74 Lacs.

**Total Expenses:**

Total expenditure for the F.Y. 2011 increased to Rs 3614.37 Lacs from Rs 3648.74 Lacs, compare to previous financial year, increase of 0.94%. This was due to surge in volume of business, which resulted in increase in expenses viz. consumption of materials, direct expenses, employees provision and administration expenses.

**Net Profit before tax:**

Net Profit before tax for the F.Y 2011 decreased to Rs 72.14 Lacs as against Rs 108.69 Lacs of the previous year.

**Restated profit after tax:**

The Restated profit after tax for the F.Y 2011 stood at Rs 41.10 Lacs, compare to F.Y 2011 it was Rs 68.40 Lacs.

**Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. Unusual or infrequent events or transactions**

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

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

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**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 "**Risk Factors**" beginning on page 9 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**

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by raw material suppliers.

**5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices**

Increases in revenues are by and large linked to increases in volume of business. Our Company intends to introduce new line of products such as flat line drip irrigation products.

**6. Status of any publicly announced New Products or Business Segment**

Our Company has not announced any new product or business segment.

**7. Seasonality of business**

Our Company's business is not seasonal in nature.



**8. Dependence on a single or few customers/ clients**

The % of contribution of our Company's top 10 customers/clients & top 10 suppliers for FY 2013 are as follows:

**Our Major Customers/ Clients for the financial year ended March 31, 2013**

Name of the Clients	Amount (in Rs.)	As % of total Sales
Gujrat Green Revolution Co. Limited	533778019.00	83.97
Capital Polymers	13117507.00	2.07
Green Biotech	9491090.00	1.49
Bhavani Irrigation	8855156.00	1.39
Hari Om Irrigation Company	8400216.00	1.32
Shree Balaji Traders	7128005.00	1.21
Shakti Irrigation	7066072.00	1.11
Automat Industries Private Limited	6809705.00	1.07
Crops Corporation	5564922.00	0.88
Shree Ram Irrigation System	3076064.00	0.48
<b>Total</b>	<b>603286756.00</b>	<b>94.90</b>

**Our Major Suppliers for the financial year ended March 31, 2013**

Name of the Supplier	Amount (in Rs.)	As % of total Purchase
Muscat Polymers Private Limited	84933872.00	19.19
Reliance Industries Limited	65588545.00	14.82
Captain Pipes Private Limited	56794847.00	12.84
Haldia Petrochemicals	52215853.00	11.80
Indian Oil Corporation Limited	13459545.00	3.04
Capital Polymers	24154443.00	5.46
Shivam Engineer's	15109395.00	3.41
Automat Irrigation Private Limited	13869000.00	3.13
Samay Irrigation (P) Limited	8923950.00	2.02
Som Shiva (Impex) Limited	9288238.00	2.10
<b>Total</b>	<b>344337688.00</b>	<b>77.82</b>

**Competitive conditions**

Competitive conditions are as described under the Chapters "**Industry Overview**" and "**Our Business**" beginning on pages 79 and 90, respectively of the Prospectus.

**Details of material developments after the date of last balance sheet i.e. September 30, 2013**

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

Our company has received sanction letter from State Bank of India, Rajkot Branch, dated October 19, 2013, whereby our banking facility has been revised, as follows:

(Amt in Rs. Lacs)

Limits	Existing	Revised
Working Capital (Cash Credit)	1000.00	1400.00
Term Loan - IV	0.00	525.00

Except as disclosed in Statement of Financial Indebtness on page no. 187 as on date of this Prospectus, we hereby confirm that we have not availed any other credit facilities.

**SECTION VI – LEGAL AND OTHER INFORMATION**

**OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

There are no outstanding litigations, defaults etc. pertaining to matter likely to effect operations and finances of the Company including Prosecution under any enactment in respect of schedule 13 (in roman) of the Companies Act, 1956 (1 of 1956) except as provided below.

No disciplinary action/investigation has been taken by SEBI/ Stock Exchanges against the Company, its directors, promoters and their own business ventures (irrespective of the fact whether or not they fall under the purview of Section 370 (1B) of the Companies Act, 1956.

Except as provided below there are no other outstanding litigations including statutory dues, commercial disputes, patent disputes, etc. No Criminal Proceedings have been launched against the Company or any of the Directors for any of the offences under the enactment specified in paragraph 1 of schedule 13 (XIII) of the Companies Act, 1956 (1 of 1956).

The Company has not defaulted in any economic dues, Bank dues, institutional dues and any dues to instrument holders of Debentures.

**PART 1: CONTINGENT LIABILITIES OF OUR COMPANY –**

As of September 30, 2013 our contingent liabilities as indicated in our restated summary statements were as follows:

Particulars	Amt (Rs in Lacs)
	30-Sep-13
Income Tax and Central Excise Matters under dispute & under adjudication	85.00
Guarantees given by bank on behalf of the company	768.42
Letter of Credits issued by bank	684.53
<b>Total</b>	<b>1537.95</b>

**PART 2: LITIGATION RELATING TO OUR COMPANY**

**A. FILED AGAINST OUR COMPANY**

**1. Litigation Involving Civil Laws:**

NIL

**2. Litigation Involving Criminal Laws.**

NIL

**3. Litigation involving Securities and Economic Laws**

NIL

**4. Litigation involving Statutory Laws**

NIL

**5. Litigation involving Labour Laws**

NIL

## 6. Litigation involving Taxation

### 1. In respect of Assessment Year 2005-06

Our Company is engaged in manufacturing and trading of Sprinkler and Drip Irrigation System which are sold to farmers through agents and our Company pays Commission to agents for their work. In the normal course of business, on August 30, 2005 our company filed its Annual Return including Profit & Loss account, Balance Sheet, Audit Report under section 44AB of Income Tax Act, 1961 (hereinafter referred to as "IT Act") and as per Company Law, Audit Report in Form 10CCB to claim under section 801B of the IT Act and other related documents showing total income of Rs. 4,21,560/- for Assessment year 2005-06 before the Income Tax Department, Rajkot. The said Annual return was processed under section 143(1) of the IT Act. The said annual return was selected for scrutiny under section 143(3) of the IT Act and a notice dated June 6, 2006 under section 143(2) of the IT Act was issued to our Company. Thereafter, questionnaire cum notice dated September 5, 2007 under section 142(2) of the IT Act was issued to our Company, subsequent to which our case was assigned to Income Tax officer of Ward 5(1) as the Assessing officer (hereinafter referred to as "IT officer or AO"), who issued another notice dated October 29, 2007 under section 142(2) of the IT Act.

In response to the said notice our Company's Director Mr. Ashokbhai Patel along with Mr. Ghanshyambhai Kathrotia, C. A., and Mr. Kaushik Mori, Accountant attended the said AO and furnished details and produced books of accounts as called for. During the course of the said assessment proceedings, our company filed its written submission stating details of comparative trading results of present year as well as proceeding year, GP Chart. On verification of Audit Report, the AO noticed that our Company has debited Sale Commission expenses, hence, vide letter dated October 29, 2007 he called upon our company to prove the genuineness of the same along with documentary evidence like complete address, contra account and income tax particulars of the receiver of the said commission. In response to the same, on November 19, 2007 our Company submitted its contra account for sales commission along with evidences stating payment of Total Rs.27,35,764/- as Sales Commission Expenses to its agent K.R. Enterprises, Aditya marketing, Dineshchandra N. Parekh and Syncom formulation Ltd. Thereafter, the AO concluded that our Company failed to submit any details in the case and issued a Show Cause Notice dated November 28, 2007 calling upon our Company to show cause why the said sales commission of Rs.27,35,764/- is not to be treated as Bogus Expenditure and should not be disallowed under section 37 (1) of the IT Act. In response to the same our Company submitted its written submission along with list of goods sold, accounts, banks statements reflecting payments made, written agreements with agents, claims of agents and details of cheques paid to Syncom Formulations Ltd and thereby denied the allegations in the show cause notice. During pendency of the said proceeding, on December 17, 2007 our company also filed its revised return for Assessment year 2005-06 before the AO under section 139(5) of IT Act surrendering its additional income of Rs. Rs.23,57,200.

On December 24, 2007, the said AO passed an Assessment order in the said proceeding concluding that our company has not submitted any details/documents in respect of sale commission paid to Syncom formulation Ltd. of Rs.23,57,200, and that our company has debited sales commission of Rs.23,57,200 in the fictitious name of Syncom formulation Ltd. and treated the same as not genuine and bogus sales commission and disallowed the same; this was done only on the ground of statement given by Mr. Purswami engaged in the business of cheque discounting, that the cheque of Syncon Formulation Ltd. was discounted by him to unknown person. Therefore, the AO determined total income of Rs.20, 71,600/- after deduction under section 801B of the IT Act and issued a notice of Demand for Rs.21, 308/-

Penalty proceedings under section 271(1)(c) of the IT Act was initiated by the Assistant Commissioner of Income Tax (hereinafter referred to as "Asst. CIT") against our Company vide notice under section 274 read with section 271 of the IT Act. In response to the same our company filed its written reply on March 5, 2008 denying the allegation and charges and requested to drop the proceedings on the ground that the AO has decided genuineness of the said sales commission on the basis of the statement given by the person engaged in discounting cheques and also relied upon certain judgments. However, on June 26, 2008, the Asst. CIT passed an order holding that the our company has concealed the income and furnished inaccurate particulars of income by showing bogus payment of commission to fictitious parties and thereby imposed a penalty of Rs.6,03,793/- under section 271 (1)(c) of the IT Act and accordingly issued a demand notice dated.

Our Company has paid the said penalty of Rs. 6,03,793/- vide challan dated March 9, 2010. The amount of Rs. 21,308/- demanded under Section 143 (3) is payable.

## 2. In respect of Assessment Year 2007-08

In the normal course of business, on October 29, 2007, our company filed its Annual Return including Profit & Loss account, Balance Sheet, Audit Report and other documents which was processed under section 143 (1) of Income Tax Act, 1961 (hereinafter referred to as "the Act") without any modification to the income returned by our Company. Subsequently the case was reopened under section 147 of the Act by issuing notice dated March 25, 2011 under section 148 of the Act. Subsequently notices under section 143(2) and 142(1) both dated July 21, 2011 was also issued required our company to furnish certain details. Our company submitted its written submissions dated November 12, 2011 and November 22, 2011 along with details regarding sale, purchase, expenses incurred confirmations of depositors and creditors and produces books of accounts etc. The Assistant Commissioner of Income Tax (hereinafter referred to as "Asst. CIT or AO") on verification of audited books of account and audit report submitted during the course of reopened proceeding found that our company has claimed expenses of Rs.21,17,570/- towards sale commission paid to 39 different persons. The AO passed an order disallowing the payment of sales commission of Rs.8,40,790/- paid to 8 persons on the basis that the said commission claimed during the present year includes the payment to following 8 persons in whose respect payments were disallowed by the AO in the Assessment order for AY 2008-09 as the same was found to be bogus. Hence, for the same reason, Show cause notice dated November 16, 2011 to disallow the said commission to 8 persons. Our Company filed its reply dated November 22, 2011 on the ground that the said commission paid in present year were paid directly to the parties and are paid by account payee cheques on which tax has been deducted and paid to the government exchequer and that the principle of res judicata is not applicable in the income tax proceedings. It was contended that in AY 2008-09 the payment of said 8 person (sub dealers) was not direct but was made through sales network and routed through M/s. Dishman Pharmaceuticals and Chemicals Ltd. (DPCL), Whereas the commission of Rs.9,20,281/- paid directly to 8 parties were allowed. Hence, prayed that the commission to said 8 person be allowed.

On December 12, 2011, the said AO vide its Assessment order denied our company's contentions and grounds in our reply and concluded that the commission paid in AY 2008-09 were paid to DPCL for their work of appointing sub dealers and supervising them, however, the said sub dealers were the same persons who were already working in preceding years for our company as sub dealers and that our company inflated its commission to reduce its profit and in the year under consideration our company has paid to those persons, hence, AO denied to allow the said commission of Rs.8,40,790/- and determined total income of Rs.17,67,400/- after deduction under section 801B of the IT Act. Accordingly a demand notice for Rs.4,75,670/- was issued to us.

Our Company has filed an Appeal before the Commissioner of Income Tax (Appeals)-IV, Rajkot challenging the said order dated December 12, 2011 imposing penalty of Rs.4,75,670/-, which is pending for hearing and disposal. However, our Company has paid an amount of Rs.1,43,000/- vide challan dated March 5, 2012. An amount of Rs.3,32,670/- is payable in terms of the aforesaid Demand Notice.

## 3. In respect of Assessment Year 2008-09

On September 26, 2008 our company filed its Annual Return in the normal course of business showing a total income of Rs.36,26,550/- for Assessment year 2008-09 before the Income Tax Department, Rajkot. Notices dated September 25, 2009 and June 14, 2010 under section 143(2) of the Income Tax Act, 1961 (hereinafter referred to as "the Act") were issued to our Company. Thereafter, questionnaire cum notice dated July 26, 2010 under section 142(1) of the Act was issued to our Company, by the Income Tax officer/Assessing officer (hereinafter referred to as "IT officer or AO"). In response to the same our Company's Chartered Accountant Mr. Ghanshyam Kathrotia and JC Ranpura attended AO and furnished details and submitted books of accounts, vouchers and other documentary evidences. Upon verification of the same by the AO, it was observed that our company has claimed deduction under section 801B of the Act to the tune of Rs.15,54,236/- and upon verification of the FORM 10CCB submitted by our company it was observed that our company has been claiming deduction under section 801B of the Act from AY 1998-99 whereas the said claim is allowable only for 10 year which has expired in the AY 2007-08. It was further observed by the AO that commission in AY 2008-09 our company has paid total commission of Rs.1,31,63,023/- out of which Rs.7763,539/- is paid to M/s. Dishman Pharmaceuticals and Chemicals Ltd. (DPCL), it was observed that the said commission was paid to DPCL for their work of appointing sub dealers and supervising them, however, AO observed that the said sub dealers were the same persons who were already working in preceding years for our company as sub dealers and that our company inflated its commission to reduce its profit.

Accordingly a Show Cause Notice dated December 8, 2010 was issued calling upon our Company to show cause why the said deduction of Rs.15,54,236/- under section 801B of the Act should not be disallowed and added back to total

income and not to disallow the sale commission of Rs.8,59,163/- out of total commission of Rs.47,25,126/-. Our Company filed its reply dated December 16, 2010 agreeing for the disallowance of deduction under section 801B of the Act to the tune of Rs.15,54,236/- and also filed affidavits of its commission sub dealers on December 29, 2010 and further sought direction of Addl. Commissioner of Income Tax vide Application dated December 29, 2010.

Thereafter, the AO passed an order dated December 31, 2010 disallowing the said deduction of Rs.15,54,236/- and added back to total income, further on the basis of direction dated December 31, 2010 of Addl. Commissioner of Income Tax, the sale commission of Rs.8,59,163/- out of total commission of Rs.47,25,126/- was disallowed and added back to total income and on the basis of the same AO determined total income of Rs.60,39,649/- and issued a demand for Rs.10,03,800/-.

Our Company has filed an Appeal before the Commissioner of Income Tax (Appeals)-IV, Rajkot, challenging the said order dated December 31, 2010 imposing penalty of Rs.10,03,800/-, which is pending for hearing and disposal. However, our Company has paid an amount of Rs.6,50,000/- vide challan dated February 10, 2011. An amount of Rs.3,53,800/- is payable in terms of the aforesaid Demand Notice.

#### **4. In respect of Assessment Year 2009-10**

In the normal course of business, on September 3, 2009 our company filed its Annual Return showing total income of Rs.65,37,841/- for Assessment year 2009-10 before the Income Tax Department, Rajkot. Notices dated August 19, 2010 under section 143(2) of the Income Tax Act, 1961 (hereinafter referred to as "the Act") and Notice dated July 4, 2011 under section 143(2) of the Act were issued to our Company calling upon various details from our company. In response to the same our Company's Chartered Accountant Mr. Jayesh M. Popat attended Income Tax officer/Assessing officer (hereinafter referred to as "IT officer or AO") and furnished details and submitted written submission dated July 27, 2011, September 19, 2011 and December 16, 2011 and submitted books of accounts, bills, vouchers and other documentary evidences. It was observed by AO that our Company has claimed a expenses of Rs.1,15,81,041/- towards sale commission paid to different persons for which particulars were furnished to AO. However, the AO issued a Show Cause notice dated December 9, 2011 to show cause why not to disallow the payment of sales commission of Rs.18,80,952/- paid to 8 persons on the basis that the said commission claimed during the present year includes the payment to following 8 persons in whose respect payments were disallowed by the AO in the Assessment order for AY 2008-09 as the same was found to be bogus. Our Company filed its reply dated December 12, 2011 on the ground that the said commission paid in year under consideration were paid directly to the parties and are paid by account payee cheques on which tax has been deducted and paid to the government exchequer and that the principle of res judicata is not applicable in the income tax proceedings. It was contended that in AY 2008-09 the payment of said 8 person (sub dealers) was not direct but was made through sales network and routed through M/s. Dishman Pharmaceuticals and Chemicals Ltd. (DPCL), Whereas the commission of Rs.9,20,281/- paid directly to 8 parties were allowed. Hence, prayed that the commission to said 8 person be allowed.

On December 26, 2011, the said AO passed an Assessment order denied our company's contentions and grounds in our reply and concluded that the commission paid in AY 2008-09 were paid to DPCL for their work of appointing sub dealers and supervising them, however, the said sub dealers were the same persons who were already working in preceding years for our company as sub dealers and that our company inflated its commission to reduce its profit and in the year under consideration our company has paid to those persons, hence, AO denied to allow the said commission of Rs.18,80,952/-. Further, AO upon verification of records observed that our company raised new share capital aggregating to Rs.7,00,000/- with a premium of Rs.63,00,00/- which was allotted to four unlisted entities namely (1) M/s. Bhumidev Credit Corporation Ltd. (Rs.20,00,000), (2) M/s Jay Durga Tradelink P. Ltd (Rs.20,00,000), (3) M/s. Jay Adhayshakti Marketing Ltd. (Rs.10,00,000), and (4) M/s. Ideal Fertilizers P Ltd. (Rs.20,00,000), and it was further observed by AO that the first three entities within a short span of 6 month transferred their said entire share in favour of Mr. Rameshbhai D. Khichadia (Managing Director) and Mr. Gopalbhai D. Khichadia (Director) for a consideration of Rs.90/- per share to an astonishing loss of Rs.45,00,000/- on September 25, 2009 and therefore, overall Rs.70,00,000/- was credited to our company's account, further, AO observed that our company has no explanation/documentary evidence about the genuineness of the transaction of share subscription money of Rs.20,00,000/- received from fourth entity.

The said order also records that a Show cause notice dated December 19, 2011 had been issued to our Company to show cause why an amount of Rs.71, 40,000/- (Share capital of Rs.70,00,000/- + 1,40,000 as commission payment) not be treated as income for year under consideration, upon which a written submission dated December 19, 2011 was filed by our company on several ground along with documentary evidences as more specifically stated in the said reply. However, On December 26, 2011, the said AO vide its Assessment order denied our company's

contentions and grounds in our reply on the observation that our company has introduced its own unaccounted money in the guise of the receipt of the share capital money and added Rs.71,40,000/- in our company's income of the year under consideration and determined total income of Rs.1,55,58,790/- after deduction under section 80G of the IT Act and issued a Demand notice for Rs.43,92,530/- under section 143 (3) of the IT Act.

Our Company has filed an Appeal before the Commissioner of Income Tax (Appeals)-IV, Rajkot on challenging the said order dated December 26, 2010 which is pending for hearing and disposal. However, our Company has paid a total of Rs.18,17,800 on various dates against the said demand and an amount of Rs.25,74,730 remains payable.

#### **5. In respect of Assessment Year 2010-11**

Our Company filed its Annual Return showing total income of Rs.93, 28,535/- for Assessment year 2010-11 before the Income Tax Department, Rajkot. Notices dated August 26, 2011 under section 143(2) of the Income Tax Act, 1961 (hereinafter referred to as "the Act") and Notice dated January 11, 2012 under section 142(1) of the Act were issued to our Company calling upon various details from our company. In response to the same our Company's Chartered Accountant Mr. Jayesh M. Papat attended Income Tax officer/Assessing officer (hereinafter referred to as "IT officer or AO") and furnished details and submitted written dated January 27, 2012, September 7, 2012, December 6, 2012, December 12, 2012 and March 19, 2013. AO from the submission and audit report observed that the share application money and share premium to the tune of Rs.70,00,000/- was received by our company on single day, hence called our company to produce shareholders and members registers, which was produced by the Company. He observed that (1) Shatnam Stock Trading Pvt. Ltd. (Rs.18,00,000/-) (2) Chandrababhu Commodities Pvt. Ltd. (Rs.36,00,000/-) and (3) Brahma Buildcare Pvt. Ltd. (Rs.9,00,000/-) bought the share at high premium of 900% aggregating to Rs.63,00,000/- total value of transaction Rs.70,00,000/- alleged to be bogus company and no returns were paid to these investors as per records. Our Company was served with a show cause notice dated February 22, 2013 to which reply dated March 28, 2013 along with Shareholder's and member's register with due explanation upon the share capital and premium thereon.

However, the AO in his order dated March 29, 2013 came to conclusion that the said transfers were not made by genuine investor and were just a mean to launder own unaccounted money under the guise of share premium and therefore ordered for addition of Rs.70,00,000/- as the same in credited in the book of company allegedly without any suitable explanation and further ordered to add Rs.3,50,000/- being compensatory payment of an equal amount of money in cash with commission payment at the rate of 5% on Rs.70,00,000/- as alleged and determined total income of Rs.1,66,78,535/-. Accordingly a demand notice for a sum of Rs.38, 59,320/- was issued.

Our Company has filed an Appeal before the Commissioner of Income Tax (Appeals)-IV, Rajkot on challenging the said order dated March 29, 2013 which is pending for hearing and disposal. However, our Company has paid an amount of Rs.4, 82,415/- vide challan dated July 20, 2013 and an amount of Rs.33, 76,905 remains payable against the aforesaid Demand Notice.

#### **B. Proceedings under the Central Excise Act, 1944**

Our Company is engaged in manufacturing and trading of Sprinkler and Drip Irrigation System which are sold to farmers through agents and our Company pays Commission to agents for their work. On the basis of information of intelligence, a Show Cause Notice dated January 22, 2013 was issued by Addl. Commissioner, Central Excise stating that HDPE pipe and fitting of CETSH 39172190 was cleared by our company without payment of central excise duty by wrongly classifying it under CETSH 84248100 and availing benefit of notification No.3/2005-CE dated February 24, 2005, as amended, therefore enquiry was conducted in the matter whereupon statements of our company's Managing Director was recorded.

It was alleged in the said notice that our Company cleared the High Density Polyethylene Pipes (HDPE) and fitting thereof to M/s. Gujarat Agro Industries Corporation Ltd. Ahmedabad without payment of Central Excise duty of total value of Rs.2,11,63,875 during period September 2009 to March 2010 by wrongly availing benefit of notification No.3/2005-CE and by wrongly classifying them under chapter sub heading No. 84248100, however, in the present case it appeared that the said pipes were required to be classified under sub heading No.39172190. Hence, it was alleged that our company indulged in evasion of Central Excise duty by wrongly availing benefit under said notification and classifying it under different chapter as aforesaid and has cleared the goods without paying central excise duty of Rs.18,40,897/- and that therefore our company has contravened the provision of Rule 6, 8 and 12 of Central Excise Rules, 2002. It is also alleged that the said acts of contravention of our company have been committed with sole intention of evading the payment of central excise duty our company was well aware of the same and order that the same is recoverable from our Company. Therefore vide the said Show Cause Notice, the

Addl. Commissioner, Central Excise called upon our company to show cause why central excise of Rs.18,40,897/- including Education Cess and Secondary and Higher Education Cess should not be demanded and recovered from our company under section 11A of the Central Excise Act, 1944 and an amount of Rs.3,40,000/- already paid by our company should not be appropriated for the same. The said notice also asked us to show cause why interest be not recovered under section 11Ab of the Central Excise Act, 1944 and penalty be not imposed upon our company under section 11AC r/w Rule 25 of Central Excise, Act of 1944 and Rules of 2002.

Our Company submitted a reply to the said Show Cause Notice vide letter dated July 24, 2013 and denied the allegations made therein on several grounds which are more specifically stated therein and the same is the subject matter before the Addl. Commissioner, Central Excise. The said proceeding against our company under the said Show Cause Notice dated January 22, 2013 is pending for hearing and disposal.

**C. CASES FILED BY OUR COMPANY**

**1. Litigation involving Civil Laws:**

NIL

**2. Litigation Involving Criminal Laws:**

NIL

**3. Litigation Involving Securities and Economic Laws:**

NIL

**4. Litigation Involving Statutory Laws:**

NIL

**5. Litigation Involving Labour Laws:**

NIL

**6. Litigation Involving Taxation:**

NIL

**PAST PENALTIES**

NIL

**PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES**

As on the date of this Prospectus the Company does not have any subsidiaries.

**PART 4: LITIGATION RELATING TO OUR DIRECTORS**

**A. LITIGATION AGAINST OUR DIRECTORS**

**1. Litigation involving Civil Laws:**

NIL

**2. Litigation Involving Criminal Laws:**

NIL

**3. Litigation Involving Securities and Economic Laws:**

NIL

**4. Litigation Involving Statutory Laws:**

NIL

**5. Litigation Involving Labour Laws:**

NIL

**6. Litigation Involving Taxation:**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS**

**1. Litigation involving Civil Laws:**

NIL

**2. Litigation Involving Criminal Laws:**

NIL

**3. Litigation Involving Securities and Economic Laws:**

NIL

**4. Litigation Involving Statutory Laws:**

NIL

**5. Litigation Involving Labour Laws:**

NIL

**6. Litigation Involving Taxation:**

NIL

**C. PAST PENALTIES**

NIL

**PART 5: LITIGATION RELATING TO OUR PROMOTERS**

**A. LITIGATION AGAINST OUR PROMOTERS**

**1. Litigation involving Civil Laws:**

NIL

**2. Litigation Involving Criminal Laws:**

NIL

**3. Litigation Involving Securities and Economic Laws:**

NIL



4. **Litigation Involving Statutory Laws:**

NIL

5. **Litigation Involving Labour Laws:**

NIL

6. **Litigation Involving Taxation:**

NIL

**B. LITIGATION FILED BY OUR PROMOTERS**

1. **Litigation involving Civil Laws:**

NIL

2. **Litigation Involving Criminal Laws:**

NIL

3. **Litigation Involving Securities and Economic Laws:**

NIL

4. **Litigation Involving Statutory Laws:**

NIL

5. **Litigation Involving Labour Laws:**

NIL

6. **Litigation Involving Taxation:**

NIL

**C) PAST PENALTIES**

NIL

**PART 6: LITIGATION RELATING TO OUR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

1. **Litigation involving Civil Laws:**

NIL

2. **Litigation Involving Criminal Laws:**

NIL

3. **Litigation Involving Securities and Economic Laws:**

NIL

4. **Litigation Involving Statutory Laws:**

NIL

**5. Litigation Involving Labour Laws:**

NIL

**6. Litigation Involving Taxation:**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES**

**1. Litigation involving Civil Laws:**

NIL

**2. Litigation Involving Criminal Laws:**

NIL

**3. Litigation Involving Securities and Economic Laws:**

NIL

**4. Litigation Involving Statutory Laws:**

NIL

**5. Litigation Involving Labour Laws:**

NIL

**6. Litigation Involving Taxation:**

NIL

**C. PAST PENALTIES**

NIL

**PART 7: LEGAL NOTICES**

**1. Legal notices issued to our Company**

NIL

**2. Legal Notices issued by our Company**

NIL

**3. Legal Notices issued to our Subsidiaries**

NIL

**4. Legal Notices issued by our subsidiaries.**

NIL

**5. Legal Notices issued to our Group Companies.**

NIL

6. Legal Notices issued by our Group Companies.

NIL

**PART 8: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

There are no outstanding dues payable to Small scale industries and other creditors amounting to Rs. 1 lakh or more which are pending for more than 30 (thirty) days from the due date.

**PART 9: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as stated in the chapter titled *“Management’s Discussion and Analysis of Financial Conditions and Results of Operations”* beginning on page 191 of the Prospectus, and our Financial Statements included herein, no material developments have taken place after September 30, 2013, the date of the latest balance sheet that would materially adversely affect the performance of prospectus of our Company. In accordance with SEBI requirements, our Company and the Lead Manager shall ensure that investors are informed of material developments until such time as the grant of listing and Trading permission by the SME Platform of BSE.

## **GOVERNMENT AND OTHER APPROVALS**

*We have received the necessary consents, licenses, permissions and approvals from the Government and various Governmental agencies required for our present business (as applicable on date of this Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business. In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.*

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.

The following statement sets out the details of licenses, permissions and approvals taken by us under various Central and State laws for carrying out business.

### **1. Approvals for the Issue**

1. The Board of Directors have, pursuant to Section 81 & 81(1A) of the Companies Act, by a resolution passed at its meeting held on September 09, 2013 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant Section Section 81 & 81(1A) of the Companies Act, by a Special Resolution passed in the Annual General Meeting held on September 11, 2013 authorized the Issue.
3. Our Company has obtained in-principle listing approval from the SME platform of the BSE dated November 07, 2013
4. A copy of resolution passed at the meeting of Board of Directors held on October 22, 2013, and November 15, 2013 for approving Draft Prospectus and Prospectus respectively.

### **2. Incorporation and other Details**

- a. Certificate of Incorporation dated March 27, 1997 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Havelli ("RoC") in the name of "Captain Polyplast Limited".
- b. Certificate of Commencement of Business dated April 02, 1997 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Havelli ("RoC") in the name of "Captain Polyplast Limited".
- c. The Corporate Identity Number (CIN) of the Company is U25209GJ1997PLC031985.
- d. The Company registration number is: 04-31985

### **3. APPROVALS OBTAINED BY OUR COMPANY**

Our Company requires various approvals to carry on its business in India. The approvals acquired by our Company include the following:

- a. Our Company's PAN (Permanent Account Number) issued by the Income Tax Department, Government of India is AAACC8608F.
- b. Our Company's TAN (Tax Deduction Allocation Number) issued by the Income Tax Department, Government of India under the Income Tax Act, 1961 is RKT000209G.

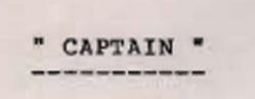

- c. Certificate of Central Excise Registration bearing registration no. AAACC8608FXM001 dated May 04, 2005 issued by the Assistant Commissioner of Central Excise, Rajkot designating our Company as a manufacturer of Excisable Goods as per rule 9 of the Central Excise Rules, 2002.
- d. Certificate of Service Tax Registration bearing registration no. AAACC8608FST001 dated May 09, 2007 issued by the Assistant Commissioner of Central Excise, Rajkot designating our Company as a provider of taxable Service as per Service Tax Rules, 1994.
- e. Certificate of Acknowledgement (Entrepreneurs Memorandum no. 24-009-12-01125) dated July 30, 2012 from General Manager, District Industries Center, Rajkot, for the manufacture of HDPE Pipes, Sprinkler Irrigation Systems, Drip Pipe For Gas Supply, Silicon Coated Pipe for Teleduct, Rigid PVC Pipe, Drip Irrigation Systems, MOPE Pipes for Gas Supply, Emitting Pipes for capacity of 6750 MT p.a.
- f. License to operate a factory (Registration no. 436/25209/2001) with Factory License No. 1791 dated August 03, 2001 under the Factories Act, 1948 from the Director of Industrial Health and Safety, Gujarat in respect of our manufacturing unit at Shapar, Rajkot. The license is currently valid till December 31, 2013.
- g. Employees' Provident Fund registration certificate (no. GJ/SRO/RJT/42281/IW/221) dated June 01, 2005 (w.e.f. April 01, 2005) allocating us the code GJ/RJT/42281 under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 from the Regional Provident Fund Commissioner Gujarat.
- h. Certificate of Enrolment (P.T.E.Cno.99022053209P) dated July 4, 2013 under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.
- i. Release Order of Additional Load of 75 KVA during day and Night for Unit at Shapar, Kotda Sangani, Rajkot, Gujarat to raise CD from 400 KVA to 475 KVA (Conditional) dated October 3, 2011 from Paschim Gujarat Vij Company Ltd., Rajkot
- j. Certificate of Importer Exporter Code with IEC No. 2403000591 issued by Office of Jt. Director General foreign Trade, Ministry of Commerce
- k. **We have the following Sales Tax Registrations under the Central Sales Tax (Registration and Turnover Rules), 1957:**

Sr. No	Registration Number	Location	Date of Issue
1.	27740994470C/MH01C796632	Nashik, Maharashtra, India	June 21, 2013
2.	24592500545	Rajkot, Gujarat, India	July 17,1997
3.	06121112285	Bhiwani, Haryana, India	September 24,2012
4.	08061765677	Jaipur, Rajasthan, India	April 16, 2009

**l. We have the following Value Added Tax (VAT)registrations:**

Sr. No	Registration Number/TIN	Provision	Location	Date of Issue
1.	27740994470V/ MH01V958190	Maharashtra Value Added Tax Act, 2002	Nashik, Maharashtra, India	July 10, 2013
2.	24092500545	Gujarat Value Added Tax Act, 2003	Rajkot, Gujarat, India	October 04, 2010
3.	23260803225	Madhya Pradesh Value Added Tax Act, 2002	Indore, Madhya Pradesh, India	November 19, 2009
4.	06121112285	Haryana Value Added Tax Act, 2003	Bhiwani, Haryana, India	August 29, 2012
5.	08061765677	Rajasthan Value Added Tax Act, 2003	Jaipur, Rajasthan, India	April 15 , 2009

**m. We have the following intellectual property registrations:**

Sr. No.	Approval Granted	Date of Issue	Details of Approval	Authority	Validity
1.	Trade Mark Registration	August 14, 2003	Word Mark: CAPTAIN Registration No.269020 Trade Mark No.750546-B Application Date - May 7, 1997 J. O.1286 (S-III) Class-17 In respect of H.D.P.E. Pipes  Trade Mark Image:-  	Registrar of Trade Marks, Mumbai	Valid till May 7, 2014 Renewable
2.	Trade Mark Registration	August 27, 2013	Word Mark : CAPTAIN Registration No. 1114499 Trade Mark No.1943498 Application Date - March 30, 2010 J. No.1543-0 Journal Date :-July 2, 2012 Class-17 In respect of HDPE Pipes, PVC Pipes, Rigid PVC Pipes, UPVC Pipes, CPVC Pipes, PVC Column Pipes, PVC Plumbing Pipes, Drip and Sprinkler Irrigation system, Micro Irrigation System and fittings. Trade Mark Image :-  	Registrar of Trade Marks, Mumbai	Valid till March 30, 2020 Renewable

**n. We have the following registrations under various subsidy schemes offered by the states in which we operate;**

Sr. No	Notification/ Registration No	State	Date of Notification/ Registration	Nature
1.	GGRC/MIS Supplier/WO/2013-14	Gujarat	March 22, 2013	Supply & Installation of Micro Irrigation System(MIS)

**o. List of Award and Approval**

**i. Awards & Recognition**

Sr. No.	Approval Granted	Date of Issue	Details of Approval	Authority	Validity
1.	Special Recognition Award under National Award 2008 for Quality products in Micro &	August 28, 2009	For Manufacturing Outstanding Quality Products	Addl. Secretary & Development Commissioner, Ministry of Micro, Small & Medium	N A

	Small Enterprises			Enterprises.	
2.	Indira Gandhi Priyadarshini Award	November 19, 2008	For Outstanding services, achievements and contribution	General Secretary, All India National Unity Conference, New Delhi	N A
3.	Udyog Patra Award for Self Made Industrialist	December 20, 2008	For Successful establishment of Industrial unit	Institute of Trade and Industrial Development	N A

**ii. Business Approval**

Sr. No.	Approval Granted	Date of Issue	Details of Approval	Authority	Validity
1.	License under Bureau of Indian Standards Act, 1986 For Survey No.267, Plot No.11, N. H. No.8-B, Shapar (Veraval), Behind Jain Manufacturing, National Highway, Kitda, Rajkot-360002, Gujarat	February 4, 2000	License No.CM/L-7246572 IS NO.: IS 4984:1995  License for use of Standard Mark For High Density Polyethylene Pipes for water Supply.	Deputy Director General, Bureau of Indian Standards, Rajkot	Valid till January 27, 2014
2.	License under Bureau of Indian Standards Act, 1986 For Survey No.267, Plot No.10A & 11, N. H. No.8-B, Shapar (Veraval), Behind Jain Manufacturing, National Highway, Kitda, Rajkot-360002, Gujarat	March 7, 2010	License No.CM/L-3612652 IS NO.: IS 4985:2000  License for use of Standard Mark For Unplasticized PVC pipes for potable water supplies.	Head, Bureau of Indian Standards, Rajkot	Valid till March 3, 2014
3.	License under Bureau of Indian Standards Act, 1986 For Survey No.267, Plot No.11, N. H. No.8-B, Shapar (Veraval), Behind Jain Manufacturing, National Highway, Kitda, Rajkot-360002, Gujarat	July 10, 2000	License No.CM/L-7270367 IS NO.: IS 12786:1989  License for use of Standard Mark For Irrigation equipment-polyethylene pipes for irrigation laterals	Deputy Director General, Bureau of Indian Standards, Rajkot	Valid till July 4, 2014
4.	License under Bureau of Indian Standards Act, 1986 For Survey No.267, Plot No.11, N. H. No.8-B, Shapar (Veraval), Behind Jain Manufacturing, National Highway, Kitda, Rajkot-360002, Gujarat	June 9, 1998	License No.CM/L-7173672 IS NO.: IS 14151 (Part 1):1994 License for use of Standard Mark For Irrigation equipment-sprinkler pipes-part 1:Polyethylene pipes	Deputy Director General, Bureau of Indian Standards, Rajkot	Valid till June 8, 2014
5.	License under Bureau of Indian	October 25, 2012	License No.CM/L-3775276 IS NO.: IS 13487:1992	Deputy Director General, Bureau of	Valid till June 8, 2014

	Standards Act, 1986 For Survey No.267, Plot No.10A & 11, N. H. No.8-B, Shapar (Veraval), Behind Jain Manufacturing, National Highway, Kitda, Rajkot- 360002, Gujarat		License for use of Standard Mark For Irrigation equipment- Emitters	Indian Standards (Western Region), Mumbai.	
6.	License under Bureau of Indian Standards Act, 1986 For Survey No.267, Plot No. 11, N. H. No.8-B, Shapar (Veraval), Behind Jain Manufacturing, National Highway, Kitda, Rajkot- 360002, Gujarat	January 5, 2006	License No.CM/L-7580079 IS NO.: IS 13488:1992 License for use of Standard Mark For Emitting pipes system	Head (Rajkot)/Dy./Addl Director General, Bureau of Indian Standards, Rajkot	Valid till January 2, 2014

**iii. Quality Certifications & Empanelment & Registration**

Sr. No	Approval Granted	Date of Issue	Details of Approval	Authority	Validity
1.	ISO Certificate (Registration for Quality Management System	June 11, 2002 Reassessment Date:-July 21, 2005 Renewed on July 30, 2008	ISO 9001:2008  Reg. No.: RQ91/833	International Certification Services Pvt. Ltd., Mumbai	Valid till July 29, 2014  Renewable
2.	List of Renewal of Sprinkler Manufactures BIS License & validity under Micro Irrigation Scheme 2012-13	August 21, 2012	Make : HDPE  QCPE Pipe - IS-14151(Part II) License No.7285481/ 4-10- 12 Nozel – IS-12232 (Part-I)- 1996 License No.8205260/30-6- 2012 Auto Licence No.8528587/15-2- 13; Tirupati Sanction No. 1661-1960 Date – July 14, 2011	Directorate of Horticulture, Rajasthan, Jaipur	2013-14
3.	List of Renewal of Drip Manufactures BIS License & validity under Micro Irrigation Scheme 2012-13	August 21, 2012	Inline & Outline Lateris – IS 12786:1989 License No.7270367/4-7-12 Emitter-IS 13487:1992 License No.3775276/20-11- 12 Emitting Pipe System-IS 13488:1992 License No.7580079/2-1-13 PVC Pipes- IS 4985:2000 License No.3612652/3-3-13 & 3747877/2-8-12; Captain Pipes  Strainer Types Filters-IS 12785:1994 License No.3006128/21-2-	Directorate of Horticulture, Rajasthan, Jaipur	2013-14



			13 Auto & 7714781/1-3-13; Kimplas Hydro Cyclone Separators-IS 14743:1999 License No.3795989/22-1-13; Sivam Nozel for Mini Sprinkler-IS 12232 (Part-1):1996 License No.8939410/11-6-13 Automat & 8528587/15-2-13;Tirupati Sanction No. 1661-1960 Date - July 14, 2011		
4.	Order renewing the registration to undertake micro irrigation installation works in Haryana under National Mission on Micro Irrigation during year 2013-14	May 1, 2013	Ref. No. NMMI/2013-14/Hort-APO/MI-4/VIII/Circular No.1	Horticulture Department, Haryana	July 15,2015

**iv. Ratings**

CARE Ratings	1-2-13	Rating for long term Bank facilities of Rs.11.29 Cr. (Enhanced from Rs.8.89 Cr.) and Short term Ban facilities of Rs.16 Cr. (Enhanced from Rs.8 Cr.)	Credit Analysis & Research Ltd.
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**p. List of Pending Approval**

**i. Bureau of Indian Standards**

Sr. No	Certificate No	Description	Quality Standard	Date of Application	Status
1	License No.CM/L-7285481  IS NO.: IS 14151 (Part 2):1999  License for use of Standard Mark For Irrigation equipment-sprinkler pipes-part 2:quick coupled polyethylene pipe	License under Bureau of Indian Standards Act, 1986 For Survey No.267, Plot No.10A & 11, N. H. No.8-B, Shapar (Veraval), Behind Jain Manufacturing, National Highway, Kitda, Rajkot-360002, Gujarat	IS 14151: Part 2 : 1999	September 17, 2013	Pending

ii. Intellectual Property

Sr. No.	Approval Granted	Date of Issue	Details of Approval	Authority	Validity
1.	Trade Mark Registration	NA	<p>Word Mark : CAPTAIN                      Registration No.: Pending                      Trade Mark No.2572510                      Application Date – July 30, 2013                      J. No. NA                      Journal Date :- NA                      Class-7                      In respect of Submersible pumps, Mono set pumps, Open-well pumps, Domestic self priming pumps, Inbuilt electric motors, Alternators, chemical pumps, Fluid pumps, Mud pumps and turbine pumps                      Trade Mark Image :-</p> 	Registrar of Trade Marks, Mumbai	NA
2.	Trade Mark Registration	NA	<p>Word Mark : CAPTAIN                      Registration No. Pending                      Trade Mark No.2572511                      Application Date – July 30, 2013                      J. No. NA                      Journal Date :- NA                      Class-9                      In respect of PVC WIRES AND CABLES (ELECTRICAL)                      Trade Mark Image :-</p> 	Registrar of Trade Marks, Mumbai	NA
3.	Trade Mark Registration	NA	<p>Word Mark : CAPTAIN                      Registration No.: Pending                      Trade Mark No.2068612                      Application Date – December 15, 2010                      J. No.1586-0                      Journal Date :-April 29, 2013                      Class-17                      In respect of HDPE Pipes, PVC Pipes, Rigid PVC Pipes, UPVC Pipes, CPVC Pipes, PVC Column Pipes, PVC Plumbing Pipes, Drip and Sprinkler Irrigation system, Micro Irrigation System and fittings.                      Trade Mark Image :-</p>	Registrar of Trade Marks, Mumbai	NA

					
4.	Trade Mark Registration	NA	<p>Word Mark : CAPTAIN                      Registration No. Pending (Objected)                      Trade Mark No.2187063                      Application Date – August 8, 2011                      J. No._ NA                      Journal Date :- NA                      Class-17                      In respect of HDPE Pipes, PVC Pipes, Rigid PVC Pipes, UPVC Pipes, CPVC Pipes, PVC Column Pipes, PVC Plumbing Pipes, Drip and Sprinkler Irrigation system, Micro Irrigation System and fittings.</p> <p>Trade Mark Image :-</p> 	Registrar of Trade Marks, Mumbai	Valid till NA_
5.	Trade Mark Registration	NA	<p>Word Mark :Vajra with device of hammer and word Captain                      Registration No. Pending (Objected)                      Trade Mark No.2307329                      Application Date – March 28, 2012                      J. No-NA                      Journal Date :-NA                      Class-17                      In respect of HDPE Pipes, PVC Pipes, Rigid PVC Pipes, UPVC Pipes, CPVC Pipes, PVC Column Pipes, PVC Plumbing Pipes, Drip and Sprinkler Irrigation system, Micro Irrigation System and fittings.</p> <p>Trade Mark Image :-</p> 	Registrar of Trade Marks, Mumbai	NA

- q. Application no. SAN 00306737 dated October 18, 2013 for registration under the Employees' State Insurance Act, 1948 from the Assistant Regional Director in respect of our manufacturing unit at Shapar, Rajkot.

## **SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

The Issue has been authorised by a resolution of the Board dated, September 9, 2013. The shareholders have authorised the Issue by a special resolution passed pursuant to section 81 & 81(1A) of the Companies Act at the AGM of our Company held on September 11, 2013.

Our Company has obtained in-principle approval from the SME Platform of BSE for using its name in the Prospectus pursuant to letter dated November 07, 2013. BSE is the Designated Stock Exchange.

### **Prohibition by SEBI or other Governmental Authorities**

There is no prohibition on our Company, Promoters, Promoters Group, Directors, Group Companies for accessing the Capital Market for any reason by the Board or any other Authorities.

Our Company, our Promoters, our Promoter Group, our Directors have not been debarred from accessing or operating in the capital market by the Board (SEBI) or any other regulatory or governmental authority. The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

Neither of our Promoters, Promoter Group, Directors has ever been part of Promoters, Promoter Group, Directors of any other Company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI) or any other regulatory or governmental authority.

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

### **Prohibition by RBI**

Neither our Company, our Promoters, our Promoter Group, our Group Companies, relatives of our Promoters (as defined under the Companies Act), our Directors and companies with which our Directors are associated as directors or promoters have not been declared as willful defaulters by RBI / government authorities and there are no violations of securities laws committed by them in the past and no proceedings are pending against them.

### **Association with Securities Market**

We confirm that none of our Directors are associated with the Securities Market in any manner except for trading on day to day basis for the purpose of investment.

### **Eligibility for the Issue**

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

Our Company is eligible for the Issue in accordance with Regulation 106(M)(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is less than Rs. 10 Crores and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ( in this case being the "SME Platform of BSE").

We confirm that:

- a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is hundred percent underwritten and that the Lead Manager to the Issue Shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to "**General Information – Underwriting**" on page 38 of this Prospectus.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, that the total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 39 of the Companies Act, 2013.

- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that have entered into an agreement with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to “**General Information – Details of the Market Making Arrangements for this Issue**” on page 39 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Exchange / Platform BSE circular dated April 19, 2012, which states as follows:  
<http://www.bsesme.com/aboutpublicissue.aspx>

1. Net Tangible Assets of at least Rs. 1 Crore as per the latest audited financial results (as restated)

(Rs. in Lacs)

Particulars	As at			
	30.09.2013	31.03.2013	31.03.2012	31.03.2011
<b>Non-current assets</b>				
Tangible Fixed assets (Net Block) excluding Revaluation Reserve, if any	115,064,371	57,362,152	58,641,299	45,886,990
Capital Work in Progress	3,741,844	38,936,817	0	0
Non-current investments	5,724,493	5,723,206	81,331	0
Long-term loans and advances	5,356,295	5,758,350	3,798,590	3,994,401
Other non-current assets	0	0	0	0
<b>Current Assets</b>				
Inventories	82,530,998	54,358,607	50,925,157	78,155,556
Trade Receivables	309,271,755	292,274,183	173,775,534	108,887,572
Cash & Bank Balances	45,217,908	37,303,228	25,736,627	25,187,058
Short Term Loans & Advances	12,236,939	14,621,387	9,829,082	5,635,248
Other Current Assets	9,780,733	8,892,447	4,392,697	5,189,107
<b>Total Non-current &amp; Current Assets (A)</b>	<b>588,925,336</b>	<b>515,230,376</b>	<b>327,180,317</b>	<b>272,935,932</b>
<b>Non Current Liabilities</b>				
Long-term borrowings	54,873,897	45,099,860	24,155,993	17,754,170
Long-term provisions	1,408,397	1,299,159	1,142,717	861,649
<b>Current liabilities</b>				
Short-term borrowings	98,045,410	107,617,832	67,611,533	61,882,247
Trade payables	229,997,691	189,775,920	125,608,289	111,761,542
Other current liabilities	68,970,112	41,824,638	25,935,978	13,683,854
Short-term provisions	7,699,948	15,821,307	5,126,417	2,820,220
<b>Total Non-Current Liabilities and Current Liabilities (B)</b>	<b>460,995,455</b>	<b>401,438,716</b>	<b>249,580,927</b>	<b>208,763,683</b>
<b>Net Tangible Assets (A-B)</b>	<b>127,929,881</b>	<b>113,791,661</b>	<b>77,599,390</b>	<b>64,172,249</b>

Net tangible assets are defined as the sum of all net assets of the Company, excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India. As is evident, our Company has Net Tangible Assets of over Rs. 1 Crore.

2. Net worth (excluding revaluation reserves) of at least Rs. 1 Crore as per the latest audited financial results (as restated)

(Rs in Lacs)

Particulars	30.09.2013	31.03.2013	31.03.2012	31.03.2011
Share Capital	54,835,250	21,934,100	19,559,100	19,559,100
Add: Reserves & Surplus	65,998,746	87,829,852	54,080,262	41,239,755
Less: Preliminary Expenses to the extent written off	0	0	0	0
<b>Net Worth</b>	<b>120,833,996</b>	<b>109,763,952</b>	<b>73,639,362</b>	<b>60,798,855</b>

Net worth includes Equity Share Capital and Reserves (excluding revaluation reserves), Miscellaneous Expenditure not written off, if any. & Debit Balance of Profit and Loss Account not written off, if any. As is evident, our Company has a Net Worth of over Rs.1 Crore.

3. Track record of distributable profits in terms of Section 205 of Companies Act, 1956 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least Rs. 3 Crores.

The Company has distributable profits in terms of sec. 205 of Companies Act, 1956(as restated), as detailed below:

(Rs in Lacs)

Particulars	30.06.2013	31.03.2013	31.03.2012	31.03.2011
Net Profit (as restated)	11,070,044	26,624,590	12,840,507	4,262,584

4. The post-issue paid up capital of the Company shall be at least Rs. 1 Crore. As detailed in Chapter Capital Structure of this Prospectus, our Company will have a post issue capital of over Rs. 1 Crore.
5. The Company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.-The Company/The Registrar to the Issue has entered into such agreements with the Central Depository Services Limited (CDSL) and the National Securities Depository Limited (NSDL) on October 4, 2013 and October 9, 2013
6. The Company shall mandatorily have a website - The Company has a website viz. <http://captainpolyplast.com/>
7. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
8. There is no winding up petition against the Company that has been accepted by a Court.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE.

#### DISCLOSURE

Neither the Company nor its Promoters, Group Companies, Relatives (as defined under Companies Act, 1956) of Promoters and Group Companies have been identified as willful defaulters by the Reserve Bank of India or any other Authority.

#### Disclaimer Clause of SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF PROSPECTUS 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 PROSPECTUS. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS 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 PROSPECTUS, THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED 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, HEM SECURITIES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 18, 2013 WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
  - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 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 PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE
10. WE CERTIFY ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE 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.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

THE FILING OF THIS PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT (SECTION 34 OR SECTION 36 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 MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.



**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.
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.

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No.	Issuer Name	Issue size (Rs. in cr.)	Issue price (Rs.)	Listing Date	Opening price on listing date (Rs.)	Closing price on listing date (Rs.)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day (Rs.)	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day (Rs.)	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day (Rs.)	Benchmark index as on 30th calendar days from listing day (Closing)
1.	Shekhawati Poly-Yarn Ltd.	36.00	30.00	12-1-2011	32.50	47.50	58.33	19,534.10	24.00	19,151.28	25.45	18,022.22	24.30	17,728.61
2.	Tijaria Polypipes Ltd.	60.00	60.00	14-10-2011	62.00	18.10	(69.83)	17,082.69	15.05	16,939.28	11.97	17,481.93	16.28	17,118.74
3.	Samruddhi Realty Ltd.	2.60	12.00	12-04-2013	13.00	13.65	13.75	18,242.56	17.25	19,169.83	22.60	19,735.77	22.90	19,691.67

Financial Year	Total no. of IPOs	Total Funds raised (Rs. in cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2013-14	1	2.60	-	-	-	-	-	1	-	-	-	1	-	-
2012-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2011-12	1	60.00	1	-	-	-	-	-	1	-	-	-	-	-
2010-11	1	36.00	-	-	-	1	-	-	-	-	1	-	-	-
2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Note:**

- In case the 10th, 20th and 30th calendar day from the date of listing is a holiday, the share price and benchmark index is taken for the immediately following working day.
- BSE SENSEX has been considered as the benchmark index.

**Note:**

The filing of this Prospectus does not, however, absolve our Company from any liabilities under section 34 and section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead manager any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Gujarat in terms of sections 56 of the Companies Act, 1956 and Section 33(1) and (2) of the Companies Act, 2013, Section 60 of the Companies Act, 1956.

**Caution - Disclaimer from our Company and the Lead Manager**

Our Company, our Directors, and the Lead Manager accept no responsibility for statements made otherwise than in the Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site <http://captainpolyplast.com/> 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 MOU entered into between the Lead Manager Hem Securities Limited and our Company dated October 21, 2013, and the Underwriting Agreement dated October 21, 2013 entered into between the Underwriters (Hem Securities Limited) and our Company and the Market Making Agreement dated October 21, 2013 entered into among the Market Maker and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

**Note:**

Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

**Disclaimer in respect of Jurisdiction**

This Issue is being made in India to Persons resident in India (including Indian nationals resident in India), who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and 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 authorised under their constitution to hold and invest in shares, public financial institutions as specified in section 4A of the Companies Act, state industrial development corporations, Venture Capital Funds (VCFs) registered with SEBI, Insurance Companies registered with Insurance and Regulatory Development Authority, Provident Funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lacs and pension funds with minimum corpus of Rs. 2,500 Lacs, and to permitted non residents including FIIs, eligible NRIs, multilateral and bilateral development financial institutions, foreign venture capital investors registered with SEBI and eligible foreign investors provided they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to or purchase 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 is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Rajkot, Gujarat, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**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 under 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 outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

**Filing**

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). However, a copy of the Prospectus shall be filed with SEBI at the Regional office, SEBI Western Regional Office, Unit No; 002., Ground Floor, Sakar I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad - 380 009

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at Registrar of Companies, Gujarat, Dadra & Nagar Haveli. RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India.

**Disclaimer Clause of the SME Platform of BSE**

BSE Limited ("BSE") has given vide its letter dated November 07, 2013, permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for granting the aforesaid permission to this company. BSE does not in any manner:-

- Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- Warrant that this company's securities will be listed or will continue to be listed on BSE; or
- Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

It is distinctly understood that the permission given by BSE Limited ("BSE") should not in any way be deemed or construed that the prospectus has not been cleared or approved by BSE nor does it certify the correctness or

completeness of any of the contents of the Prospectus. The investors are advised to refer to the Prospectus for the Full Text of the Disclaimer Clause of the BSE.

### **Listing**

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In- Principle approval of the SME Platform of BSE. However, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at the rate of 15% per annum on application money, as prescribed under Section 39 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

### **Impersonation**

#### **Any person who:**

Makes or abets making of an application in a fictitious name, to the Company for acquiring or subscribing for, any shares therein, or

Makes or abets making of multiple applications to the Company in different names or in combination of his name or surname for acquiring or subscribing for its securities; or

Otherwise induces directly or indirectly to the Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.

Any such person as described above shall also be liable to action under Section 447 of the Companies Act, 2013.

### **Consents**

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Head Finance & Accounts, the Statutory Auditors, the Peer Review Auditors, the Banker(s) to the Company; and (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue, Underwriters and Market Maker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the ROC, Section 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. P. Ghanshyam, Chartered Accountants, Statutory Auditor, SVK & Associates, Chartered Accountants, Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their report dated October 21, 2013 on restated financial statements and Statement of Possible Tax Benefits dated October 19, 2013 relating to the possible tax benefits, as applicable, which may be available to the Company and its shareholders, included in this Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus.

### **Experts Opinion**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received consent a) from the Statutory Auditors of the Company to include their name as an expert under Section 58 of the Companies Act, 1956 in this Prospectus / Prospectus in relation to the 'Statement of Tax

Benefits' dated October 19, 2013 b) from the Peer reviewed Auditors in relation to the Re-stated Auditors report dated October 21, 2013 to be included in this Prospectus / Prospectus and such consent has not been withdrawn as of the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

### Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. 30.00 Lacs. The expenses of this Issue include, among others, underwriting and management fees, SCSB's commission/fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. All expenses with respect to the Issue would be paid by our Company.

#### The estimated Issue expenses are as under:

Activity	Expenses (Rs .in Lacs)
Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other out of pocket expenses	23.00
Printing and Stationery and postage expenses	2.00
Advertising and Marketing expenses	2.00
Regulatory fees and expenses	3.00
<b>Total Estimated Issue Expenses</b>	<b>30.00</b>

### Fees Payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the (i) Memorandum of Understanding dated October 21, 2013 with the Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated October 21, 2013 with Underwriter Hem Securities Limited and (iii) the Market Making Agreement dated October 21, 2013 with Market Maker Hem Securities Limited, a copy of which is available for inspection at our Registered Office.

### Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as the per the MoU between our Company and the Registrar to the Issue dated August 16, 2013.

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 them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

### Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the Initial Public Offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our incorporation.

### Previous Rights and Public Issues

We have not made any previous rights and public issues in India or abroad in the five years preceding the date of the Prospectus.

### Previous issues of shares otherwise than for cash

Except as stated in the chapter titled "*Capital Structure*" beginning on page 42 of the Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

### Companies under the same management

Except as stated in the section titled “Our Promoter and “Our Promoter Group and Group Companies / Entities” beginning on page 131 and 134 respectively of this Prospectus, there are no companies under the same management within the meaning of former section 370 1B) of the Companies Act. No Company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years and hence there are no pending investor grievances.

### Promise vis-à-vis objects - Public/ Rights Issue of our Company and/ or listed group companies, subsidiaries and associates of our Company

Our Company and Promoter Group have not made any previous rights and public issues.

### Outstanding Debentures, Bond Issues, or Preference Shares

Our Company does not have any outstanding debentures, bonds or preference shares as of the date of the Prospectus.

### Stock Market Data for our Equity Shares

This being an Initial Public Offering of our Company, the Equity Shares of our Company are not listed on any stock exchanges.

### Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three 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 Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Applicants.

Our Board by a resolution on September 18, 2013 constituted a Shareholders/Investors Grievance Committee. The composition of the Shareholders/Investors Grievance Committee is as follows:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Dhanjibhai R. Padmani	Chairman	Non Executive-Independent Director
Mr. Harshadrai L. Patel	Member	Non Executive-Independent Director
Mr. Arvind B. Ranpariya	Member	Non Executive-Independent Director

For further details, see section titled “Our Management” beginning on 119 of this Prospectus.

We have also appointed Mr. Sumit Mutha as the Compliance Officer for this Issue and he may be contacted at the Registered Office of the Company. His contact details are as follows:

**Name:** Mr. Sumit Mutha  
**Address:** Upper Level - 25, Royal Complex, Dhebar Road, Bhutkhana Chowk, Rajkot- 360002, Gujarat, India.  
**Tel No.:** +91 - 281-2226361,  
**Fax No.:** +91 - 2827-252056  
**Email:** [compliance@captainpolyplast.in](mailto:compliance@captainpolyplast.in)

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Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders

#### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

#### **Change in Auditors**

There has been no change in the statutory auditors of our Company for the last three years from the date of this Prospectus.

#### **Capitalisation of Reserves or Profits**

Our Company has not capitalised our reserves or profits during the last five years, except as stated in the chapter titled "*Capital Structure*" beginning on page 42 of the Prospectus.

#### **Revaluation of Assets**

Our Company has not revalued its assets in the last five years.

#### **Purchase of Property**

Other than as disclosed in "**Our Business**" Section on page 90 of the Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Prospectus, other than property, in respect of which:

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made thereunder.

#### **Servicing Behavior**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

#### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

**Except as disclosed in chapter titled "Related Party Transactions" beginning on page 176 of the Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.**



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## **SECTION VIII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of the Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note the Listing Agreement to be entered into with the SME Exchange and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

#### **Authority for the Issue**

The present Initial Public Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on September 09, 2013 and was approved by the Shareholders of the Company by passing Special Resolution at the Annual General Meeting held on September 11, 2013 in accordance with the provisions of Section 81 & 81(1A) of the Companies Act, 1956.

#### **Ranking of Equity Shares**

The Equity Shares being offered / issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to "**Main Provisions of the Articles of Association of the Company**" on page 257 of this Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SME Listing Agreement and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to "**Dividend Policy**" on page 145 of this Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of Rs. 10 each are being offered in terms of this Prospectus at the price of Rs. 30 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**" on page 69 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, 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 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;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SME Listing Agreement with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please refer to Section titled "**Main Provisions of Articles of Association of the Company**" beginning on page 257 of this Prospectus.

#### **Minimum Application Value, Market Lot and Trading Lot**

As per the provisions of the Depositories Act, 1996 and Section 29 of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialised form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only.

The trading of the Equity Shares will happen in the minimum contract size of 4,000 Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 4,000 Equity Shares subject to a minimum allotment of 4000 Equity Shares to the successful applicants.

#### **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of issue.

#### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### **Nomination Facility to Investor**

In accordance with Section 109A of the Companies Act, 1956 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, 1956 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, 1956 any Person who becomes a nominee by virtue of Section 109A of the Companies Act, 1956 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Notwithstanding anything stated above, since the allotment of Equity Shares in the Issue 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**

<b>ISSUE OPENS ON</b>	Tuesday, November 26, 2013
<b>ISSUE CLOSES ON</b>	Thursday, November 28, 2013

**Minimum Subscription**

Though the issue is 100% Underwritten, if our Company does not receive the minimum subscription of 90% of the Issue Size, including the devolvement of the Underwriters, if any, within 60 days from the date of the closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is any delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 of the Companies Act, 2013.

*In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Prospectus and shall not be restricted to the minimum subscription level.*

*Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty) and the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

**Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of 4,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer sub-heading "Main Provisions of the Articles of Association of the Company" on page 257 of this Prospectus.

**Option to receive Equity Shares in Dematerialized Form**

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

**Migration to Main Board**

Our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid up Capital of the Company is likely to increase above Rs. 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

If the Company satisfy the eligibility criteria as specified in 26(1) of SEBI (ICDR) Regulations, 2009 either at the time of initial listing on SME platform or at the time of seeking migration to Main Board. However, same will not be applicable where the Company had sought listing on SME platform by following the process and requirements prescribed in 26(2) (a) of SEBI (ICDR) Regulations, 2009.

### Market Making

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "**General Information - Details of the Market Making Arrangements for this Issue**" on page 39 of this Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto Rs. 20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### Underwriting Agreement

Underwriting Agreement dated October 21, 2013 has been entered into between our Company, the LM and the Underwriter, who is also the Market Maker in this Issue. This issue is 100% underwritten. However, it may be noted that with regard to the Market Maker Reservation Portion, it is compulsory that the Market Maker i.e. the LM subscribes to the specific portion of the Issue set aside as "Market Maker Reservation Portion" as it needs to be subscribed in its OWN account in order to claim compliance with the requirements of Regulation 106 V(4) of the SEBI (ICDR) Regulations, 2009, as amended. Accordingly, the LM shall ensure that its portion of 1,04,000 equity shares are subscribed in its OWN account prior to the closure of the Issue.

### New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

### Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

### Withdrawal of the issue

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- 
- The final listing and trading approvals of the SME Platform of BSE, which the Company shall apply for after Allotment and
  - The final RoC approval of the Prospectus after it is filed with the RoC.
  - In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue in the same newspapers where the pre-issue advertisement had been published.

If the Company withdraws the Issue after the Issue Closing Date and thereafter determines that it shall proceed with an initial public offering of its Equity Shares, it shall file a fresh Prospectus with the SME Exchange

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Rajkot, Gujarat, India.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with 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.

### 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 Rs. 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 SME Platform of BSE). 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 231 and 238 of this Prospectus.

Following is the issue structure:

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	18,76,000 Equity Shares of Face Value Rs. 10/-	1,04,000 Equity Shares of Face Value Rs. 10/-
Percentage of Issue Size available for allocation	94.75 % of the Issue Size  (50% to Retail Individual Investors and the balance 50% to other investors).	5.25 % of the Issue Size  Firm allotment
Basis of Allotment	Proportionate subject to minimum allotment of 4000 Equity Shares and further allotment in multiples of 4000 Equity Shares each.  For further details please refer to " <b>Issue Procedure - Basis of Allotment</b> " on page 244 of this Prospectus.	Firm Allotment
Mode of Application	For QIB Applicants and Non-Institutional Applicants the application must be made compulsorily through the ASBA Process.  The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	For QIB and NII:  Such number of Equity Shares in multiples of 4000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/-  For Retail Individuals:  4000 Equity Shares	1,04,000 Equity Shares of Face Value Rs. 10/-
Maximum Application Size	<b>For Other Investors:</b>  For other investors the maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.  <b>For Retail Individuals:</b>  Such number of Equity Shares in multiples of 4000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.	1,04,000 Equity Shares of Face Value Rs. 10/-
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Trading Lot	4000 Equity Shares	4000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to **"Issue Structure"** on page 236 of this Prospectus.

\*As per 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 investors; 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 retail individual investor category is entitled to more than fifty per cent. on proportionate basis, Accordingly the retail individual investors shall be allocated that higher percentage.*

#### Withdrawal of the Issue

Our Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before Allotment. If our Company withdraws the Issue, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

<b>ISSUE OPENING DATE</b>	Tuesday, November 26, 2013
<b>ISSUE CLOSING DATE</b>	Thursday, November 28, 2013

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time).

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

### **Fixed Price Issue Procedure**

The Issue is being made under Regulation 106(M) (1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.**

**Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.**

### **Application Form**

Applicants shall only use the specified Application Form bearing the stamp of the Bankers to the Issue for the purpose of making an Application in terms of this Prospectus. The application form shall contain space for indicating number of specified securities subscribed for in dematerialised form. Upon completing and submitting the Application Form to the Bankers to the Issue, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA Application as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

**The prescribed color of the Application Form for various categories is as follows:**

<b>Category</b>	<b>Colour</b>
Indian Public / NRI's applying on a non-repatriation basis (ASBA and Non-ASBA)	White
Non-Residents including eligible NRI's, etc. applying on a repatriation basis (ASBA and Non-ASBA)	Blue

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues with effect from May 1, 2010 all the investors can apply through ASBA process and with effect from May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.



**Who can apply?**

1. Indian nationals resident in India who are not minors in single or joint names (not more than three);
2. 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;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity Shares;
4. Mutual Funds registered with SEBI;
5. 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;
6. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applicants portion;
9. Venture Capital Funds registered with SEBI;
10. FVCIs registered with SEBI;
11. Eligible QFIs;
12. Multilateral and bilateral development financial institutions;
13. State Industrial Development Corporations;
14. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in Equity Shares;
15. Scientific and/or industrial research organizations authorized to invest in Equity Shares;
16. Insurance Companies registered with Insurance Regulatory and Development Authority;
17. Provident Funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to hold and invest in Equity Shares;
18. Pension Funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to hold and invest in Equity Shares;
19. National Investment Fund;
20. Nominated Investor and Market Maker;
21. Insurance funds set up and managed by the army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;

23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them as under Indian laws.

**Applications not to be made by:**

- a. Minors
- b. Partnership firms or their nominations
- c. Foreign Nationals (except NRIs)
- d. Overseas Corporate Bodies
- e. FIIs
- f. FVCIs
- g. Other Foreign Investors

**Participation by Associates of LMs**

Except for the Market Making and the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

**Availability of Prospectus and Application Forms**

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com).

**Option to Subscribe in the Issue**

- a. Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialized form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**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 Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

**Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

**No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.**

**In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.**

### **Applications by Eligible NRIs/FII's on Repatriation Basis**

Application Forms have been made available for Eligible NRIs at our Registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's.

### **Applications by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors**

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds:

The SEBI (Venture Capital) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI.

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund. Further, Venture Capital Funds can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The Category I and II AIFs cannot invest more than 25% of their respective corpus in one Investee Company. A category III AIF cannot invest more than 10% of its corpus in one Investee Company. A venture capital fund - 634 - registered as a category I AIF, as defined in the SEBI (Alternate Investment Funds) Regulations, 2012, 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 (Alternate Investment Funds) Regulations, 2012 shall continue to be regulated by the VCF Regulations.

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 number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

### **MAXIMUM AND MINIMUM APPLICATION SIZE**

#### **1. For Retail Individual Applicants**

The Application must be for a minimum of 4000 Equity Shares and in multiples of 4000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

## 2. For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 4000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

### Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended ("**LLP Act**") a certified copy of certificate of registration issued under the LLP Act must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

### Applications by Insurance Companies

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form or the ASBA Application Form, as the case may be. Failing this, our Company in consultation with the LM, reserve 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, are broadly set forth below:

- a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and
- c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

**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 filing of this Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Prospectus.**

### Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, 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 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 reason thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the 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 reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority 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 reason thereof.

#### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of Rs. 25 crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 crore a certified copy of 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 any Application in whole or in part, in either case, without assigning any reason thereof.

**The Company in its absolute discretion, reserve 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 LM may deem fit.**

#### **Information for the Applicants:**

- a. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b. The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our registered office or from the corporate office of the LM.
- d. Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e. Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f. Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

#### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand payable at Mumbai.

#### **Applicant's Depository Account and Bank Details**

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 LMs or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with SME Platform of BSE (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 4,000 Equity Shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 4000 Equity Shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 4000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 4000 Equity Shares subject to a minimum allotment of 4000 Equity Shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 4,000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below

**As per 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 investors; and**
- b) Remaining to Individual applicants other than retail individual investors; and 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.**

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-.

Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE. *If the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, Accordingly the retail individual investors shall be allocated that higher percentage.*

The Executive Director / Managing Director of the SME Platform of BSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

**REFUNDS:**

**In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund order Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LMs shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.**

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

**Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Applicants who remit money through Indian Rupee s purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for NRIs and they will be treated on the same basis with other categories for the purpose of allocation.**

**TERMS OF PAYMENT / PAYMENT INSTRUCTIONS**

The entire Issue price of Rs. 30/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by Cheque, or Demand Draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation Cheques/ Demand Draft drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such Cheques/ Demand Draft are liable to be rejected.

**Cash/ Stock Invest/ Money Orders/ Postal orders will not be accepted.**

A separate Cheque or Demand Draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /.Demand Draft/ Outstation Cheques will not be accepted and

applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a Cheque or Demand Draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
  - Indian Public including eligible NRIs applying on non-repatriation basis: "**CAPTAIN POLYPLAST LIMITED - PUBLIC ISSUE - R**".
  - In case of Non-Resident Retail Applicants applying on repatriation basis: "**CAPTAIN POLYPLAST LIMITED - PUBLIC ISSUE - NR**"
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee, Demand Drafts purchased abroad or cheques or Demand Drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by Drafts should be accompanied by bank certificate confirming that the Draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay in Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 15 days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

#### **Payment by Stock invest**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of Cheques or Demand Draft for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### **Payment mechanism for ASBA Applications**

All investors other than retail individual investors are required to make their application using ASBA process only.

The ASBA applicants shall specify the bank account number in the Application Form and the SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Application or receipt of instructions from the Registrar to the Issue to unblock the Application Amount. In the event of withdrawal or rejection of the Application Form or for unsuccessful -Application Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal of the Application by the ASBA Applicant, as the case may be.

In case of Applications by Eligible NRIs applying on repatriation basis, a NRE Account or a FCNR Account, maintained with banks authorized to deal in foreign exchange in India, should be mentioned in the Application Form for blocking of funds, along with documentary evidence in support of the remittance.

In case of Applications by Eligible NRIs applying on a non-repatriation basis, a NRE Account or a FCNR Account maintained with banks authorized to deal in foreign exchange in India or a NRO Account, should be mentioned in the Application Form for blocking of funds, along with documentary evidence in support of the remittance.



## **GENERAL INSTRUCTIONS**

### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

## **OTHER INSTRUCTIONS**

### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **Multiple Applications**

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Please note that Central or State Government and the officials appointed by the courts and investors residing in the State of Sikkim are exempted from specifying their PAN subject to the Depository Participants' verifying the veracity of such claims of the investors in accordance with the conditions and procedures under this section on Issue Procedure.

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the LMs 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.

#### **Grounds 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 4,000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;

- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 5.00 pm on the Issue Closing Date;
- Applications by OCBs, FIIs, FVCIs and other foreign investors (except NRIs);

**APPLICANTS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **Impersonation**

**Any person who:**

**Makes or abets making of an application in a fictitious name, to the Company for acquiring or subscribing for, any shares therein, or**

**Makes or abets making of multiple applications to the Company in different names or in combination of his name or surname for acquiring or subscribing for its securities; or**

**Otherwise induces directly or indirectly to the Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.**

Any such person as described above shall also be liable to action under Section 447 of the Companies Act, 2013.

#### **Signing of Underwriting Agreement**

Vide an Underwriting agreement dated October 21, 2013 this issue is 100% Underwritten.

#### **Filing of the Prospectus with the RoC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, the Company, 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 Marathi newspaper with wide circulation.

### Designated Date and Allotment of Equity Shares

1. Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Applicant's depository account will be completed within 12 Working Days of the Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.
2. In accordance with section 29(1) of the Companies Act, 2013, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
3. Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act and the Depositories Act.

**Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account pursuant to this Issue.**

### PAYMENT OF REFUND

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LMs shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

### Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

1. ***NECS (National Electronic Clearing System)*** - Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
2. ***Direct Credit*** - Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
3. ***RTGS (Real Time Gross Settlement)*** - Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds Rs. 2.00 Lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. ***NEFT (National Electronic Fund Transfer)*** - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR number. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demands drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demands at other centres will be payable by the Applicants.

#### **Mode of making refunds for ASBA Applicants**

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 9 (nine) working days from the Issue Closing Date.

#### **DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment of Equity Shares shall be made within 12 (twelve) days of the Issue Closing Date;
2. Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Issue Closing Date would be ensured; and
3. The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 15 (fifteen) days time.

#### **UNDERTAKINGS BY OUR COMPANY**

The Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by us expeditiously;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment;
3. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;

4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That the certificate of the securities / refund orders to the non-resident Indians shall be dispatched within specified time; and
6. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
7. The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
8. Adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

#### **UTILIZATION OF ISSUE PROCEEDS**

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
2. Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

#### **WITHDRAWAL OF THE ISSUE**

Our Company, in consultation with the LMs reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, QIB Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

#### **EQUITY SHARES IN 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. Agreement dated October 09, 2013 between NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated October 04, 2013 between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. INE536P01013

We are in process of converting our physical Shares into Dematerialize

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.

- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis a vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors

## COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and Cheque or Draft number and issuing bank thereof and a copy of the acknowledgement slip.

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

## ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

**This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

### ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA

Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account.

In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

#### **Who can apply?**

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

#### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by Cash, Draft, Money Order, Postal Order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

#### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.



### **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GOI and FEMA. The Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI (“DIPP”) by Circular 1 of 2012, with effect from April 10, 2012 (“Circular 1 of 2012”), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP and is currently applicable to all FDI matter.

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.

The Consolidated FDI Policy dated April 10, 2012, permits foreign investment up to 100% is in the Company under the automatic route subject to the following:

1. Minimum area to be developed under each project would be as under:
  - a. In case of development of serviced housing plots, a minimum land area of 10 hectares;
  - b. In case of construction-development projects, a minimum built-up area of 50,000 square meters;
  - c. In case of a combination project, any one of the above two conditions would suffice.
2. Minimum capitalization of US\$10 million for wholly owned subsidiaries and US\$ 5 million for joint ventures with Indian partners provided that the funds are brought in within 6 (six) months of commencement of business of the Company.
3. Original investment i.e. the entire amount brought in as FDI cannot be repatriated before a period of 3 (three) years from completion of minimum capitalization. The lock-in period of three years shall commence from the date of receipt of each installment/tranche of FDI or from the date of completion of minimum capitalization, whichever is later. However, the investor may be permitted to exit earlier with prior approval of the Government through the FIPB.
4. At least 50% of each such project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor/investee company would not be permitted to sell undeveloped plots. Further, the investor will also be required to obtain a completion certificate from the concerned authorities prior to disposal of serviced housing plots.
5. The project shall conform to the norms and standards, including land use requirements and provision of community amenities and common facilities, as laid down in the applicable building control regulations, bye-laws, rules, and other regulations of the concerned authorities.
6. The investor/investee company shall be responsible for obtaining all necessary approvals and for complying with all other requirements as prescribed under applicable rules/bye-laws/regulations of the State Government/ Municipal/Local Body concerned.
7. The State Government/ Municipal/ Local Body concerned, which approves the building / development plans, would monitor compliance of the above conditions by the developer.

It is pertinent to note that the conditions at (1) to (4) above do not apply to hotels and tourism, hospitals, Special Economic Zones (SEZs), the education sector, old age homes and investment by NRIs. Also, FDI is not allowed in Real Estate Business.

Therefore, only NRIs are permitted to invest in this Issue and foreign investors including FIIs, FVCIs and foreign multilateral and bilateral development financial institutions are not eligible to invest in this Issue.

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As per the existing policy of the Government of India, OCBs also cannot participate in any Public Issue. No approvals of the FIPB or the RBI are required for such Allotment of Equity Shares under this Issue. Our Company will be required to make certain filings with the RBI after the completion of the Issue.

The Equity Shares have not been and will not be registered under the US Securities Act or any state securities laws in the USA and may not be offered or sold within the USA or to, or for the account or benefit of persons (as defined in the U.S. Securities Act). Our Company, LM and the Issue Management Team will is not making any selling efforts in any jurisdiction outside India.

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

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

**SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

Article no.	Heading	Description
5	<b>Authorized Capital</b>	The Authorised Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The Company may increase the Authorised Capital which may consist of Equity and/or Preference Shares as the Company in General Meeting may determine in accordance with the law for the time being in force relating to Companies with power to increase or reduce such capital from time to time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the Capital for the time being into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents.
6	<b>Increase, Reduction and Alteration of Capital</b>	<p>The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient.</p> <p>On what conditions the new shares may be issued</p> <p>(a) Subject to the provisions of sections 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the general meeting creating the same as shall be directed and if no direction be given as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of the said sections with special or without any right of voting and subject to the provisions of Section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.</p> <p>Further Issue of Shares</p> <p>(b) Where at any time after time expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares then:</p> <p>(i) Sch further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;</p> <p>(ii) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;</p> <p>(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;</p> <p>(iv) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company.</p>

		<p>(c) Notwithstanding anything contained in sub clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.</p> <p>(i) If a special resolution to that effect is passed by the companin general meeting, or</p> <p>(ii) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the company.</p> <p>(d) Nothing in sub-clause (c) of (1) hereof shall be deemed:</p> <p>(i) To extend the time within which the offer should be accepted; or</p> <p>(ii) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.</p> <p>(e) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued by the company:</p> <p>(i) To convert such debentures or loans into shares in the company; or</p> <p>(ii) To subscribe for shares in the company</p> <p>PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:</p> <p>(i) Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and</p> <p>(ii) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in General Meeting before the issue of the loans.</p> <p>Directors may allot shares as fully paid up</p> <p>(f) Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partially paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.</p> <p>Same as original capital</p> <p>(g) Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender,</p>
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		voting and otherwise
9	<b>Reduction of capital</b>	<p>The Company may from time to time by special resolution, subject to confirmation by the court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its share capital and any Capital Redemption Reserve Account or premium account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may be :</p> <ol style="list-style-type: none"> <li>a. extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;</li> <li>b. either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or</li> <li>c. either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.</li> </ol>
10	<b>Division, Sub-Division, Consolidation, Conversion and Cancellation of Shares</b>	<p>Subject to the provisions of Section 94 of the Act, the Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may:</p> <ol style="list-style-type: none"> <li>(a) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;</li> <li>(b) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares.</li> <li>(c) convert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination.</li> <li>(d) cancel, shares which at the date of such general meeting have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.</li> </ol>
11	<b>Notice to Registrar of Consolidation of Share Capital, Conversion of shares into stocks etc.</b>	<ol style="list-style-type: none"> <li>(a) If the Company has : <ol style="list-style-type: none"> <li>i. consolidated and divided its Share Capital into shares of larger amount than its existing shares;</li> <li>ii. converted any shares into stock;</li> <li>iii. reconverted any stock into shares;</li> <li>iv. sub-divided its share or any of them;</li> <li>v. redeemed any redeemable preference shares; or</li> <li>vi. cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act,</li> </ol> <p>The Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.</p> </li> <li>(b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.</li> </ol>
12	<b>Modifications of rights</b>	<p>If at any time the share capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up,</p>

		be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Article 102 is not present, those persons who are present shall be quorum.
<b>SHARES AND CERTIFICATES</b>		
<b>13</b>	<b>Issue of further shares not to affect right of existing share holders</b>	The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise be deemed to be varied or modified or affected by the creation or issue of further shares ranking <i>pari passu</i> therewith.
<b>14</b>	<b>Provisions of Sections 85 to 88 of the Act to apply</b>	The provisions of Sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company.
<b>15</b>	<b>Register of Members and Debenture holders</b>	<p>(a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture holders in accordance with Section 157 of the Act.</p> <p>(b) The Company shall also comply with the provisions of Sections 159 and 161 of the Act as to filling of Annual Returns.</p> <p>(c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, Indexes, copies of Annual Returns and giving inspection thereof and furnishing copies thereof.</p>
<b>16</b>	<b>Commencement of business</b>	The Company shall comply with the provisions of Section 149 of the Act.
<b>17</b>	<b>Restriction on allotment</b>	The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.
<b>18</b>	<b>Shares to be numbered progressively and no shares to be subdivided</b>	The shares in the Capital shall be numbered progressively according to the several denominations and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
<b>19</b>	<b>Shares at the disposal of the Directors</b>	Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares 'and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.
<b>20</b>	<b>Every share</b>	(i) The shares or other interest of any member in the Company shall be a

	<b>transferable etc</b>	<p>movable property, transferable in the manner provided by the Articles.</p> <p>(ii) Each share in the Company shall be distinguished by its appropriate number.</p> <p>(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.</p>
<b>21</b>	<b>Application of premium received on issue of shares</b>	<p>(a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "the share premium account" and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the share premium account were paid-up share capital of the Company.</p> <p>(b) The share premium account may, notwithstanding, anything in clause (a) above, be applied by the Company.</p> <p>(i) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;</p> <p>(ii) in writing off the preliminary expenses of the Company;</p> <p>(iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or</p> <p>(iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company.</p>
<b>INTEREST OUT OF CAPITAL</b>		
<b>29</b>	<b>Interest out of Capital</b>	Where any shares are issued for the purposes of raising money to defray the expenses of the construction of any works or building or the provisions of any plant, which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of cost of construction of the work or building or the provision of the plant.
<b>UNDERWRITING COMMISSION AND BROKERAGE</b>		
<b>30</b>	<b>Power to pay certain commission and prohibition of payment of all other commission discounts etc.</b>	<p>A. The Company may pay a commission to any person in consideration of :</p> <p>(i) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section (4A) of Section 76 of the Act, or</p> <p>(ii) his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in or debentures of the Company, if the following conditions are fulfilled, namely :</p> <p>a. the commission paid or agreed to be paid does not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debentures are issued;</p> <p>b. the amount or rate percent of the commission paid or agreed to be paid on shares or debentures offered to the public for subscription, is disclosed in the Prospectus, and in the case of shares or debentures not offered to the public for subscription, is disclosed in the Statement in lieu of Prospectus and filed before the payment of the commission with the Registrar, and where a circular or notice, not being a Prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;</p>

		<p>c. the number of shares or debentures which such persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid and\</p> <p>d. a copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.</p> <p>B. Save as aforesaid and save as provided in Section 75 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of :</p> <p>(i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or;</p> <p>(ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company or the money be paid out of the nominal purchase money or contract price, or otherwise.</p> <p>C. Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.</p> <p>D. A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.</p> <p>E. The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash, or in shares, debentures or debenture-stocks of the Company.</p>
<b>LIEN</b>		
44	<b>Company's lien on Shares/Debentures</b>	The company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-Up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.
45	<b>As to enforcing lien by sale</b>	For the purpose of enforcing such lien, the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and/or debentures and may authorise one of their member or appoint any officer or agent to execute a transfer thereof on behalf of and in the name of such member/debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice



		in writing of the intention to sell shall have been served on such member and/or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
46	<b>Application of proceeds of sale</b>	<p>a. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and/or debentures at the date of the sale.</p> <p>Outsiders lien not to affect Company's lien</p> <p>b. The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.</p>
<b>FORFEITURE</b>		
47	<b>If call or installment not paid notice must be given</b>	<p>If any member or debenture holder fails to pay the whole or any part of any call or installment or any money due in respect of any share or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any installment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.</p> <p>Form of Notice</p> <p>a. The notice shall name a day not being less than One Month from the date of the notice and a place or places, on and at which such call, or installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of nonpayment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or installment or such part or other moneys is or are payable will be liable to be forfeited.</p>
48	<b>In default of payment shares or debentures to be forfeited</b>	<p>If the requirements of any such notice as aforesaid are not complied with any share/debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the company, in respect of the payment of any such money, shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actually paid before the forfeiture.</p>
49	<b>Entry of forfeiture in Register of members/debenture holders</b>	<p>When any shares/debenture shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of members or</p>

		debenture holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid
50	<b>Forfeited share/debenture to be property of Company and may be sold</b>	Any share or debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.
51	<b>Power to annual forfeiture</b>	The Directors may, at any time, before any share or debenture so forfeited shall have been sold, re-allotted or otherwise disposed of, annual forfeiture thereof upon such conditions as they think fit.
52	<b>Shareholders or Debenture holders still liable to pay money owing at time of forfeiture and interest</b>	Any member or debenture holder whose shares or debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, interest expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.
53	<b>Effect of forfeiture</b>	The forfeiture of a share or debenture 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 or debenture and all other rights incidental to the share or debenture, except only such of those rights as by these Articles are expressly saved.
56	<b>Cancellation of share/debenture Certificate in respect of forfeited shares/debentures</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member or debenture holder) stand cancelled and become null and void and be of no effect, and the directors shall be entitled to issue a duplicate certificate/s in respect of the said share or debentures to the person/s entitled thereto.
<b>TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES</b>		
59	<b>Register of transfers</b>	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 share.
60	<b>Instrument of transfer</b>	The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies ACT, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
61	<b>Instrument of transfer to be executed by transferor and transferee</b>	Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.
62	<b>Directors may refuse to register transfer</b>	Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
63	<b>Transfer of shares</b>	a. An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such

		<p>application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.</p> <p>b. For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.</p> <p>c. It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company along with the Certificate relating to the shares and if no such Certificate is in existence, along with the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.</p> <p>d. Nothing in clause (c) above shall prejudice any power of the company to register as share holder any person to whom the right to any share has been transmitted by operation of law.</p> <p>e. The company shall accept all applications for transfer of shares/debentures, however, this condition shall not apply to requests received by the company;</p> <p>A. for splitting of a share or debenture certificate into several scripts of very small denominations;</p> <p>B. proposals for transfer of shares/debentures comprised in a share/debenture certificate to several parties involving, splitting of a share/debenture certificate into small denominations and that such split/transfer appears to be unreasonable or without any genuine need.</p> <p>(i) transfer of Equity shares/debentures made in pursuance of any statutory provision or an order of a competent court of law;</p> <p>(ii) the transfer of the entire Equity shares/debentures by an existing shareholder/debenture holder of the Company holding under one folio less than 10 (ten) Equity Shares or 10 (ten) debentures (all relating to the same series) less than in market lots by a single transfer to a single or joint transferee.</p> <p>(iii) the transfer of not less than 10 (ten) Equity shares or 10 (ten) debentures (all relating to the same series) in favour of the same transferee(s) under two or more transfer deeds, out of which one or more relate(s) to the transfer of less than 10 (ten) Equity Shares/10 (ten) debentures.</p>
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		<p>(iv) the transfer of less than 10 (ten) Equity shares or 10 (ten) debentures (all relating to the same series) to the existing share holder/debenture holder subject to verification by the Company.</p> <p>(v) Provided that the Board may in its absolute discretion waive the aforesaid conditions in a fit and proper case(s) and the decision of the Board shall be final in such case(s)</p> <p>f. Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share</p>
74	<b>No fee on transfer or transmission</b>	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document
75	<b>The Company not liable for disregard of a notice prohibiting registration of transfer</b>	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.
<b>BORROWING POWERS</b>		
78	<b>Restriction on powers of the Board</b>	<p>The Board of Directors shall not, except with the consent of the Company in general meeting and subject to Article 172 of the Articles of Association of the Company:</p> <ol style="list-style-type: none"> <li>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.</li> <li>b. remit, or give time for the repayment of any debt due by a Director.</li> <li>c. invest, otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition alter the commencement of this Act, of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it can not be carried on or can be carried on only with difficulty or only after a considerable time.</li> <li>d. borrow monies where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose.</li> <li>e. contribute, to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent, of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.</li> </ol> <p>Explanation: Every resolution passed by the Company in general meeting in relation to the exercise of the power referred to in clause (d) or in clause (e)</p>

		shall specify the total amount upto which money may be borrowed by the Board of Directors under clause (d) or as the case may be, the total amount which may be contributed to charitable and other funds in any financial year under clause (e).
85	<b>Registration of charges</b>	<p>The provisions of the Act relating to registration of charges shall be complied with.</p> <ol style="list-style-type: none"> <li>a. In the case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 125 of the Act shall also be complied with.</li> <li>b. Where a charge is created in India but comprises property outside India, the instrument creating or purporting to create the charge under Section 125 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situate, as provided by Section 125 of the Act.</li> <li>c. Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.</li> <li>d. In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of the Act shall be complied with.</li> <li>e. The Company shall comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holders pari passu.</li> <li>f. The Company shall comply with the provisions of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.</li> <li>g. The provisions of Section 133 of the Act as to endorsement of Certificate of registration on debenture or Certificate of debenture stock shall be complied with by the Company.</li> <li>h. The Company shall comply with the provisions of Section 134 of the Act as regards registration of particulars of every charge and of every series of debentures.</li> <li>i. As to modification of charges, the Company shall comply with the provisions of Section 135 of the Act.</li> <li>j. The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creating charge at the registered officer of the Company and comply with the provisions of Section 137 of the Act in regard to entering in the register of charges any appointment of Receiver or Manager as therein provided.</li> <li>k. The Company shall also comply with the provisions of Section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.</li> <li>l. The Company shall keep at its registered office a Register of charges and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the company giving in each case: <ol style="list-style-type: none"> <li>a. a short description of the property charged;</li> <li>b. the amount of the charge; and</li> <li>c. except in the case of securities to bearer, the names of persons entitled to the charge..</li> </ol> </li> </ol> <p>Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of charges in accordance with and subject to the provisions of</p>

		Section 144 of the Act.
<b>SHARE WARRANTS</b>		
	<b>Powers to issue share warrants</b>	The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 of the Act and accordingly, the Board may, in its discretion, with respect to any share which is fully paid upon application in writing signed by the persons registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
<b>GENERAL MEETINGS</b>		
<b>93</b>	<b>Annual General Meeting</b>	<p>Subject to the provisions contained in Sections 166 and 210 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the Notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.</p> <p>Provided that if the Registrar for any special reason, extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period.</p> <p>Summary of Annual General Meeting</p> <p>The Company may in any one general meeting fix the place for its any annual general meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor. At every annual general meeting of the Company, there shall be laid on the table, the Director's report, the audited statements of accounts and auditor's report (if any, not already incorporated in the audited statements of accounts). The proxy registered with the Company and Register of Director's Share holdings of which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to prepare the Annual list of members, summary of Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.</p>
<b>94</b>	<b>Time and place of Annual General Meeting</b>	Every annual general meeting shall be called at any time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate, and the notice calling the meeting shall specify it as the annual general meeting.
<b>95</b>	<b>Sections 171 to 186 of the Act shall apply to meetings</b>	Sections 171 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed shall apply with respect to meetings of any class of members or debenture holders of the Company in like manner as they apply with respect to general meetings of the Company.
<b>96</b>	<b>Powers of Director's to call Extraordinary General Meeting</b>	The Directors may call an extraordinary general meeting of the Company whenever they think fit.
<b>97</b>	<b>Calling of Extra Ordinary General Meeting on requisition</b>	<p>a. The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extraordinary general meeting of the Company.</p> <p>b. The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company.</p> <p>c. The requisition may consist of several documents in like form, each</p>

		<p>signed by one or more requisitionists.</p> <p>d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one tenth of such of the paid up share capital of the Company as at that date carried the right of voting in regard to that matter.</p> <p>e. Where two or more distinct matters are specified in the requisition the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.</p> <p>f. If the Board does not, within twenty one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called:</p> <p style="padding-left: 40px;">i. by the requisitionists themselves;</p> <p style="padding-left: 40px;">ii. by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of such of the paid-up share capital of the Company as is referred to in clause (d) above, whichever is less.</p> <p>Explanation: For the purpose of this clause, the Board shall in the case of a meeting at which resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section 189 of the Act.</p> <p style="padding-left: 20px;">a. A meeting, called under clause (f) above, by the requisitionists or any of them:</p> <p style="padding-left: 60px;">(i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board; but</p> <p style="padding-left: 60px;">(ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.</p> <p>Explanation: Nothing in clause (g) (ii) above, shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.</p> <p style="padding-left: 20px;">b. Where two or more persons hold any shares or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some of them shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.</p> <p style="padding-left: 20px;">c. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p>
<p>98</p>	<p><b>Length of notice for calling meeting</b></p>	<p>a. A general meeting of the Company may be called by giving not less than twenty one days' notice in writing.</p> <p>b. A general meeting of the Company may be called after giving shorter notice than that specified in clause (a) above, if consent is accorded</p>

		<p>thereto;</p> <ol style="list-style-type: none"> <li>i. in the case of an annual general meeting by all the members entitled to vote thereat: and</li> <li>ii. in the case of any other meeting, by members of the Company holding not less than 95 (ninety five) per cent of such part of the paid up capital of the Company as gives a right to vote at the meeting;</li> </ol> <p>Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.</p>
99	<b>Contents and manner of service of notice and persons on whom it is to be served.</b>	<ol style="list-style-type: none"> <li>a. Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.</li> <li>b. Notice of every meeting of the Company shall be given: <ol style="list-style-type: none"> <li>i. to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act;</li> <li>ii. to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title or representatives of the deceased or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;</li> <li>iii. to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of any member of members of the Company and</li> <li>iv. to all the Directors of the Company</li> </ol> </li> </ol> <p>Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.</p> <ol style="list-style-type: none"> <li>a. The accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.</li> </ol>
100	<b>Explanatory statement to be annexed to notice</b>	<ol style="list-style-type: none"> <li>1. For the purpose of this Article : <ol style="list-style-type: none"> <li>a. in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to <ol style="list-style-type: none"> <li>a. the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors.</li> <li>b. the declaration of a dividend;</li> <li>c. the appointment of Directors in the place of those retiring, and</li> <li>d. the appoint of and the fixing of the remuneration of the auditors, and</li> </ol> </li> <li>b. in the case of any other meetings, all business shall be deemed special.</li> </ol> </li> </ol>



		<p>2. Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern or interest, if any, therein of every Director, and the manager, if any.</p> <p>Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates, to or affects, any other company, the extent of shareholding interest in that other Company of any such person shall be set out in the circumstances specified in the provision to sub-section (2) of Section 173 of the Act.</p> <p>3. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.</p>
<b>101</b>	<b>Quorum for meeting</b>	<p>a. Five members personally present shall be the quorum for a general meeting of the company.</p> <p>b. If quorum not present meeting to be dissolved or adjourned</p> <p>i. If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand dissolved.</p> <p>ii. In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place, as the Board may determine.</p> <p>Adjourned meeting to transact business</p> <p>c. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.</p>
<b>102</b>	<b>Presence of quorum</b>	<p>a. No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business. Business confined to election of chairman whilst chair vacant.</p> <p>b. No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.</p> <p>Chairman of general meeting</p> <p>c. (i) The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting. If there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be the Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Directors present be willing to take the chair, the members present shall choose one of themselves to be the Chairman.</p> <p>(ii) If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice Chairman of the Board or by a Director at the expiration of 15 (fifteen) minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their members to be the Chairman of the meeting.</p>

		<p>Chairman with consent may adjourn the meeting</p> <p>d. The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place in the city, town or village where the registered office of the Company is situate.</p> <p>Business at adjourned meeting</p> <p>e. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.</p> <p>Notice of adjourned meeting</p> <p>f. When a meeting is adjourned only for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting.</p> <p>In what cases poll taken with or without adjournment</p> <p>g. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith, save as aforesaid, any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.</p>
<p><b>103</b></p>	<p><b>Proxies</b></p>	<p>a. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in the case of joint holders all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting.</p> <p>Provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.</p> <p>b. In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.</p> <p>c. The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty eight) hours before the meeting in order that the appointment may be effective thereat.</p> <p>d. The instrument appointing a proxy shall :</p> <p>(i) be in writing, and</p> <p>(ii) be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.</p> <p>Form of proxy</p> <p>e. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form.</p> <p>f. An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by these Articles.</p>

		<p>g. Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.</p>
<b>VOTES OF MEMBERS</b>		
<b>104</b>	<b>Restrictions on exercise of voting rights of members who have not paid calls</b>	<p>a. 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 and has exercised any right of lien.</p> <p>b. Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 187 B of the Act.</p>
<b>105</b>	<b>Restriction on exercise of voting right in other cases to be void</b>	A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 104.
<b>106</b>	<b>Equal rights of share holders</b>	Any shareholder whose name is entered in the Register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.
<b>107</b>	<b>Voting to be by show of hands in first instance</b>	At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands.
<b>108</b>	<b>No voting by proxy on show of hands</b>	<p>a. Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.</p> <p>b. No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Sections 187 or 187A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.</p> <p>How members non compos minutes and minor may vote</p> <p>c. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.</p> <p>Votes in respect of shares of deceased or insolvent members etc.</p> <p>d. 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.</p> <p>Custody of Instrument</p>

		<p>e. If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.</p> <p>Validity of votes given by proxy notwithstanding death of members etc.</p> <p>f. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.</p> <p>Time for objections for vote</p> <p>g. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose of such meeting or poll whatsoever.</p> <p>Chairman of any meeting to be the judge of any vote</p> <p>h. 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.</p>
<p>122</p>	<p><b>Minutes of proceedings of general meeting and of Board and other meetings.</b></p>	<p>a. 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 that purpose with their pages consecutively numbered.</p> <p>b. 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>(i) 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>(ii) 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>(i) the names of the Directors present at the meetings, and</p> <p>(ii) in the case of each resolution passed at the meeting, the</p>

		<p>names of the Directors, if any dissenting from or not concurring in the resolution.</p> <p>g. 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>(i) is or could reasonably be regarded, as defamatory of any person (ii) is irrelevant or immaterial to the proceedings; or (iii) is detrimental to the interests of the Company.</p> <p>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> <p>Minutes to be considered to be evidence</p> <p>h. The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.</p>
124	<b>Inspection of Minutes Books of General Meetings</b>	<p>a. The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <p>(i) be kept at the registered office of the Company, and (ii) 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>b. 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 thirty seven paise for every one hundred words or fractional part thereof required to be copied.</p>
125	<b>Publication of reports of proceeding of general meetings</b>	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 193 of the Act to be contained in the Minutes of the proceedings of such meeting.
<b>MANAGERIAL PERSONNEL</b>		
126	<b>Managerial Personnel</b>	The Company shall duly observe the provisions of Section 197A of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.
<b>BOARD OF DIRECTORS</b>		
134	<b>Appointment of Additional Directors</b>	Subject to the provisions of Section 260 of the Act, the Board of Directors shall have power at any time to appoint any person as an additional Director to the Board, but so that the total number of Directors shall not exceed the maximum number fixed by these Articles. Any Director so appointed shall hold the office only up to the next annual general meeting of the Company and shall then be eligible for re-appointment.
138	<b>Remuneration of Directors</b>	<p>a. Subject to the provisions of the Act, a Managing Director or a Director who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.</p> <p>b. Subject to the provisions of the Act, a Director, who is neither in the whole time employment nor a Managing Director may be paid remuneration either :</p> <p>(i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or (ii) by way of commission if the Company by a special resolution has authorised such payment.</p>

		<p>c. The fee payable to Directors (other than Managing or Whole time Director, if any) for attending each meeting of the Board or Committee thereof shall be such sum as may be prescribed by the Act or the Central Government from time to time.</p>
141	<b>Increase in remuneration of Directors</b>	<p>a. Any provision relating to the remuneration of any Director including a Managing or Joint Managing or Whole time Director or any amendment thereof, which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, whether that provision is contained in the Company's Memorandum or its Articles, or in an agreement entered into by it, or any resolution, passed by the Company in general meeting or by the Board of Directors, shall require the approval of the Central Government unless it is in accordance with Sections 198, 269, 309, 310, 311 Schedule XIII and other applicable provisions of the Companies Act, 1956, and their amendment from time to time.</p> <p>Increase in remuneration of Managing Director on re-appointment or appointment</p> <p>b. If the terms of any re-appointment of a Managing or Joint Managing or Whole time Director, purport to increase or have the effect of increasing, whether directly or indirectly, the remuneration which the Managing or Joint Managing or Whole time Director, as the case may be was receiving immediately before such reappointment or appointment shall require the approval of the Central Government unless they are in accordance with Sections 198, 269, 309, 310, 311 Schedule XIII and other applicable provisions of the Companies Act, 1956, and their amendment from time to time.</p>
149	<b>Directors etc. not to hold office or place of profit</b>	<p>The provisions of Section 314 of the Act shall be complied with when applicable in regard to holding of office or place of profit under the Company or under any subsidiary of the Company by any person mentioned in the said section. The words office or place of profit shall have the meaning assigned to them by Section 314 of the Act.</p>
150	<b>Loans to Directors</b>	<p>The Company shall observe the restrictions imposed on the Company in regard to granting of loans to Directors and other persons as provided in Section 295 and other applicable provisions, if any of the Act.</p>
152	<b>Board resolution at a meeting necessary for certain contract</b>	<p>a. Except with the consent of the Board of Directors of the Company and with the previous approval of the Central Government a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company;</p> <p>i. for the sale, purchase or supply of any goods materials or services, or</p> <p>ii. for underwriting the subscription of any shares in, or debentures of the Company.</p> <p>b. Nothing contained in the foregoing sub-clause (a) shall affect:</p> <p>(i) the purchase of goods and materials from the Company or the sale of goods and materials to the Company, by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or</p> <p>(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other side for sale, purchase, or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company as the case</p>

		<p>may be, regularly trades or does business:</p> <p>Provided that such contract or contracts do not relate to goods and materials the value of which, or service cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.</p> <p>c. Notwithstanding anything contained in the foregoing sub-clause (a) and (b) a Director, relative, firm, partner of private company as aforesaid, may in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods, materials or services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.</p> <p>d. Every consent of the Board required under this clause shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under sub-clause (a) above shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.</p> <p>e. If consent is not accorded to any contract under this clause, anything done in pursuance of the contract shall be voidable at the option of the Board.</p> <p>f. The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.</p> <p>g. The Company shall also comply with such other provision of Section 297 of the Act, as may be applicable.</p>
<b>ROTATION OF DIRECTORS</b>		
<b>153</b>	<b>Rotation of Directors</b>	<p>Not less than two thirds of the total number of Directors shall</p> <p>a. be persons whose period of office is liable to determination by retirement of Directors by rotation, and</p> <p>b. save as otherwise expressly provided in the Act, be appointed by the Company in general meeting.</p> <p>The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company, in general meeting.</p>
<b>154</b>	<b>Ascertainment of Directors retiring by rotation and filling up vacancies</b>	<p>At every annual general meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearer to one-third, shall retire from office.</p> <p>The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.</p> <p>At the annual general meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.</p> <p>a. If the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time</p>

		<p>and place, or if that day is a public holiday, till the succeeding day which is not a public holiday, at the same time and place.</p> <p>b. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless</p> <p>c. at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;</p> <p>d. the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;</p> <p>e. he is not qualified or is disqualified for appointment;</p> <p>f. a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or</p> <p>g. The proviso to sub-section (2) of Section 263 of the Act is applicable to the case.</p> <p>h. Explanation: In this Article and Article 156 the expression 'Retiring Director' means Director retiring by rotation.</p>
<b>POWERS OF DIRECTORS</b>		
<p><b>170</b></p>	<p><b>Certain powers to be exercised by the Board only at meeting</b></p>	<p>a. 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>(i) The power to make calls on shareholders in respect of money unpaid on their shares;</p> <p>(ii) The power to issue debenture;</p> <p>(iii) The power to borrow moneys otherwise than on debentures;</p> <p>(iv) The power to invest the funds of the Company, and</p> <p>(v) The power to make loans.</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 (iii), (iv) and (v) to the extent specified in clauses (b), (c) and (d) respectively on such condition as the Board may prescribe.</p> <p>b. Every resolution delegating the power referred to in sub-clause (iii) of clause (a) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate.</p> <p>c. Every resolution delegating the power referred to in sub-clause (iv) of clause (a) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>d. Every resolution delegating the power referred to in sub-clause (v) of clause (a) shall specify the total amount upto which loans may be made by the delegates, the purpose for which the loans may be made and the maximum amount upto which loans may be made for each such purpose in individual cases.</p>



		e. 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 sub-clauses (i), (ii), (iii), (iv) and (v) of clause (a) above.
<b>MANAGING DIRECTORS</b>		
174	<b>Power to appoint Managing or Wholetime Directors</b>	<p>a. Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Whole time Directors and/or Special Director like Technical Director, Financial Director, etc. 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 or Managing Directors/Whole time Director(s), Technical Director(s) Financial Director(s) and Special Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. the remuneration of 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. The Directors may whenever they appoint more than one Managing Director, designate one or more of them as "Joint Managing Director" or "Joint Managing Directors" or "Deputy Managing Directors" as the case may be Appointment and payment of remuneration to Managing or Whole time Director</p> <p>c. Subject to the provisions of Sections 198, 269, 309, 310 and 311 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>THE SECRETARY</b>		
175	<b>Secretary</b>	Subject to the provisions of Section 383A of the Act, the Directors may, from time to time, appoint and, at their discretion remove any individual (hereinafter called 'the Secretary') who shall have such qualifications as the authority under the Act may prescribe to perform any functions, which by the Act or these Articles are to be performed, by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Director. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.
<b>SEAL</b>		
176	<b>The seal its custody and use</b>	<p>a. The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Directors or a Committee of the Directors previously given, and in the presence of one Director at the least, who shall sign every instrument to which the Seal is so affixed in his presence. Seal abroad</p> <p>b. The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act for use in any territory, district or place outside India and such powers shall accordingly be vested in the Directors.</p>
<b>INTEREST OUT OF CAPITAL</b>		
177	<b>Interest may be paid out of Capital</b>	Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the

		provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period and at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provisions of plant.
<b>DIVIDENDS</b>		
<b>178</b>	<b>Division of Profits</b>	The profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.
<b>179</b>	<b>Dividend payable to registered holder</b>	No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.
<b>180</b>	<b>Time for payment of dividend</b>	Where a dividend has been declared by the Company it shall be paid within the period provided in Section 207 of the Act.
<b>181</b>	<b>Capital paid up in advance and interest not to earn dividend</b>	Where the Capital is paid up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest confer a right to dividend or to participate in profits.
<b>182</b>	<b>Dividends in proportion to amount paid up</b>	<p>a. The Company shall pay dividends in proportion to the amounts paid up or credited as paid up on each share, when a larger amount is paid up or credited as paid up on some shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.</p> <p>b. Provided always that any Capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share.</p>
<b>183</b>	<b>Company in Annual General Meeting may declare dividends</b>	The Company in Annual general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.
<b>184</b>	<b>Power of Directors to limit dividends</b>	No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.
<b>185</b>	<b>Dividends only to be paid out of profits</b>	<p>No dividend shall be declared or paid by the Company otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for the payment of dividend in pursuance of the guarantee given by that Government provided that:</p> <p>a. If the Company has not provided for depreciation for any previous financial year or years, it shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years;</p> <p>b. If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.</p> <p>Provided further that, no dividend shall be declared or paid for any</p>

		financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section Nothing contained in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.
186	<b>Directors' declaration as to net profits conclusive</b>	The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
187	<b>Interim Dividends</b>	The Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies
188	<b>Retention of Dividend until completion of transfer under Article</b>	The Directors may retain the Dividends payable upon shares in respect of which any person is under the Transmission clause of these Articles entitled to become a member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.
189	<b>No member to receive Dividend whilst indebted to the Company and Company's right to reimbursement therefrom</b>	Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.
190	<b>Transferred shares must be registered</b>	A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
191	<b>Dividend how remitted</b>	Unless otherwise directed any dividend may be paid by cheque or warrant or a pay-slip or receipt having the force of a cheque or warrant sent through ordinary post to the registered address of the member or person entitled or in the case of joint holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the registered holder of shares or to his order or to his bankers. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost, to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.
192	<b>Unpaid Dividend or Unclaimed Dividend</b>	<p>a. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called "_____ Unpaid Dividend Account"</p> <p>b. 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 205C of the Act.</p> <p>c. The Board shall forfeit no unclaimed or unpaid dividend.</p> <p>Resolution to be passed by the Directors</p> <p>d. Resolved that at the time of the next General Meeting of the Company, the following items be included in agenda as special business:</p> <p>"To consider and pass the following resolution: "Resolved that Articles of</p>

		<p>Association of the Company be altered in the manner following:                      Note: The entire Article with the alterations suggested by us should be incorporated in the Resolution.                      Further Resolved that Directors do hereby undertake that pending the amendment of the Articles of Association of the Company at the next General Meeting as hereinbefore mentioned the Directors of the Company will act in consonance with the terms of the proposed amendments to the Articles of the Company.</p>
193	<b>Dividend and call together</b>	Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.
194	<b>Dividend to be payable in cash</b>	No dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profit or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.
<b>CAPITALISATION</b>		
195	<b>Capitalisation</b>	<p>a. Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys' investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalised. Any such amount (excepting the amount standing to the credit of the Share Premium Account and/or the Capital Redemption Reserve Account) may be capitalised:</p> <ol style="list-style-type: none"> <li>i. by the issue and distribution as fully paid shares, debentures, debenture stock, bonds or obligations of the Company or</li> <li>ii. by crediting the shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.</li> </ol>
<b>ACCOUNTS</b>		
201	<b>Statements of Accounts to be furnished to General Meeting</b>	The Board of Directors shall lay before each annual general meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date, which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.
202	<b>Balance Sheet and Profit and Loss Account</b>	<ol style="list-style-type: none"> <li>a. Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the forms set out in parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit. There shall be annexed to every Balance Sheet a statement showing the bodies corporate (indicating separately the bodies corporate in the same group) in the shares of which investments have been made by it (including all investments, whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.</li> <li>b. So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 212 and other applicable provisions of the Act.</li> <li>c. If in the opinion of the Board, any of the current assets of the</li> </ol>

		Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.
203	<b>Authentication of Balance Sheet and Profit &amp; Loss Account</b>	<p>a. Save as provided by item (ii) of this sub-clause every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Manager or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director, if any.</p> <p>b. When only one of the Directors of the Company is for the time being in India, the Balance Sheet and the Profit and Loss Account shall be signed by such Director, but in such a case, there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason for non compliance with the provisions of the above item (i).</p> <p>c. The Balance Sheet, and the Profit and Loss Account, shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the auditors for their report thereon.</p>
204	<b>Profit and Loss Account to be annexed and Auditors' Report to be attached to the Balance Sheet</b>	The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' Report including the Auditors' separate, special or supplementary report, if any, shall be attached thereto.
205	<b>Board's Report to be attached to Balance Sheet</b>	<p>a. Every Balance Sheet laid before the Company in general meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs; the amounts, if any which it proposes to carry to any reserves in such Balance Sheet, the amount, if any, which it recommends to be paid by way of dividends and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.</p> <p>b. The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business in which the Company has an interest.</p> <p>c. The Board shall also give the fullest information and explanations in its Report or in cases falling under the proviso to Section 222 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report.</p> <p>d. The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub-clause (a) and (b) of Article 203.</p> <p>e. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a)</p>

		<p>and (c) of this Article are complied with.</p> <p>f. Every Balance Sheet and Profit and Loss Account of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards any matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by shareholders at a subsequent general meeting.</p>
206	<b>Right of Members to copies of Balance Sheet and Auditor's Report</b>	A copy of every Balance Sheet (including the Profit and Loss Account, the Auditor's Report and every other document required by Law to be annexed or attached as the case may be, to the Balance Sheet) which is to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of twenty one days before of the meeting.
207	<b>Three copies of Balance Sheet etc. to be filed with Registrar</b>	After the Balance Sheet and Profit and Loss Account have been laid before the Company at the annual general meeting, three copies of the Balance Sheet and Profit and Loss Account duly signed as provided under Section 220 of the Act together with three copies of all documents, which are required to be annexed thereto shall be filed with the Registrar, so far as the same be applicable to the Company.
<b>WINDING UP</b>		
219	<b>Distribution of Assets</b>	<p>a. Subject to the provisions of the Act, if the company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital paid-up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.</p> <p>b. But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.</p> <p>Subject to the provisions of the Act.</p>
<b>SECURITY CLAUSE</b>		
222	<b>Secrecy Clause</b>	<p>a. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p> <p>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 detail of the Company's trading, or any matter which may relate to the conduct of the business of the Company and which in the opinion of the</p>

		Directors, it would be inexpedient in the interest of the Company to disclose.
<b>INDEMNITY AND RESPONSIBILITY</b>		
223	<b>Directors and others rights to indemnity</b>	<p>a. Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Whole time Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, losses and expenses (including travelling expense) which such Director, Manager, Secretary and Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Manager, Secretary, Officer or Servant or in any way in the discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims.</p> <p>b. Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other officer and employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.</p>

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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 the Company or entered into more than two years before the date of this Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of this Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered & Corporate office of the Company from 11.00 a.m. to 5.00 p.m. on working days from the date of this Prospectus until the Issue Closing Date.

**A. Material Contracts for the Issue**

1. Memorandum of Understanding dated October 21, 2013 between the Company and the Lead Manager.
2. Memorandum of Understanding dated August 16, 2013 between the Company and the Registrar to the Issue.
3. Escrow Agreement dated November 12, 2013 between the Company, the LM, Escrow Collection Bank(s), Refund Bank and the Registrar to the Issue.
4. Underwriting Agreement dated October 21, 2013 between the Company, the LM and the Underwriter.
5. Market Making Agreement dated October 21, 2013 between the Company, the LM and the Market Maker.
6. Tripartite Agreement between the NSDL, the Company and the Registrar dated October 09, 2013.
7. Tripartite Agreement between the CDSL, the Company and the Registrar dated October 04, 2013.

**B. Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated March 27, 1997 and Certificate of Commencement of Business date April 02, 1997.
3. Board Resolutions and Shareholders Resolution dated September 09, 2013 and September 11, 2013 respectively authorising the Issue and other related matter.
4. Peer Review Auditors' Report dated October 21, 2013 for Restated Financial Statements as mentioned in the Prospectus.
5. Copies of Annual Reports of the Company for the years ended March 31, 2013, 2012, 2011, 2010, 2009 and for the 6 months period ending September 30, 2013.
6. Consents of Statutory Auditors, Peer Review Auditor, Bankers to the Company, Lead Manager, Registrar to the Issue, Escrow & Refund Bankers, Legal Advisor to the Issue, Directors of the Company, Head – Finance & Accounts, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
7. Approval dated November 07, 2013 from the SME Platform of BSE.
8. Due Diligence Certificate issued by Lead Manager, Hem Securities Limited dated October 22, 2013 filed with BSE and dated November 18, 2013 to be submitted to SEBI along with the filing of the Prospectus.
9. Statement of Possible Tax Benefits dated October 19, 2013.
10. Special Resolution dated September 11, 2013 for the detailed terms of appointment of Mr. Ramesh Khichadia as Managing Director, Mr. Gopal Khichadia WTM Director & Mr. Ashok Patel, WTM Director.



**DECLARATION**

We hereby certify and declare that all relevant provisions of the Companies Act, 1956/ Companies Act, 2013 (to the extent notified) the guidelines issued by the Government of India or the Regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified) the Securities and Exchange Board of India Act, 1992, each as amended or the rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the statements in this Prospectus are true and correct:

**SIGNED BY THE DIRECTORS OF THE COMPANY:**

<b>Mr. Ramesh D. Khichadia</b> Chairman & Managing Director	Sd/-
<b>Mr. Gopal D. Khichadia</b> Whole Time Director	Sd/-
<b>Mr. Ashok Patel</b> Whole Time Director	Sd/-
<b>Mr. Arvind B. Ranparia</b> Non Executive Independent Director	Sd/-
<b>Mr. Harshadray L. Patel</b> Non Executive Independent Director	Sd/-
<b>Mr. Dhanji R. Padmani</b> Non Executive Independent Director	Sd/-

**SIGNED BY -**

<b>Mr. Kaushik Mori</b> Head - Finance & Accounts	Sd/-
<b>Mr. Sumit Mutha</b> Company Secretary & Compliance Officer	Sd/-

**Place: Rajkot**

**Date: November 18, 2013**