

**DRAFT INFORMATION DOCUMENT**

[For Listing on Institutional Trading Platform (ITP) of (NSE - EMERGE)]

Dated: March 27, 2015

[In accordance with SEBI (Listing of Specified Securities  
on Institutional Trading Platform) Regulations, 2013]



**ELITE CONDUCTORS LIMITED**

Our Company was incorporated as “Elite Conductors Private Limited” under the Companies Act, 1956 vide Certificate of Incorporation dated March 20, 2006 bearing Registration No 047953 in Ahmedabad, Gujarat. Our Company was converted from Private Limited to a Public Limited company vide shareholders resolution dated March 10, 2015 and consequently the name of our Company was changed to “Elite Conductors Limited”. The Corporate Identification Number (CIN) of our Company is U31909GJ2006PTC047953.

**Registered Office:** 18, 19, ChangodarIndustrail Estate Part II, Sarkhej Bavla Highway,  
Changodar, Ahemdabad, Gujarat. India

**Tel:** + (91)-(2717)-250703; **Fax:** + (91)-(2717)-250702

**Website:** eliteconductors.co.in; **E-mail id:** elitecm@hotmail.com

**Company Secretary and Compliance Officer:** Mr. Ankitkumar Bharatbhai Patel

**NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS DRAFT INFORMATION DOCUMENT.**

**Promoters:**, Mr. Dharmesh Kanubhai Shah, Mrs. Amita Dharmesh Shah and  
Mr. Kanubhai Shantilal Shah

THIS DRAFT INFORMATION DOCUMENT IS IN TERMS OF THE CHAPTER XC OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME AND WE PROPOSE TO LIST OUR **1,095,000** EQUITY SHARES ON INSTITUTIONAL TRADING PLATFORM OF (NSE - EMERGE)

**Absolute Responsibility of Elite Conductors Limited**

**Elite Conductors Limited** having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Information Document contains all information with regard to the Company, which is material, that the information contained in this Draft Information Document 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 Draft Information Document as a whole or any of such information or the expression of any such opinions are intentions misleading in any material respect.



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## GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, the following terms have the meanings given below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

In this Draft Information Document, unless the context otherwise indicates, all references to “ECL”, “the Company”, “our Company” are to **Elite Conductors Limited**, a company incorporated in India under the provisions of Companies Act, 1956 (the “Companies Act”) having its Registered Office at 18,19,Changodar Industrial Estate Part II, Sarkhej Bavla Highway, Changodar, Ahmedabad - 382213, Gujarat, India. Furthermore, all references to the terms “we”, “us” and “our” are to **Elite Conductors Limited**.

#### Company Related Terms

Terms	Description
Act/Companies Act	The Companies Act, 1956 as amended and The Companies Act, 2013 to the extent of such provisions as have come into effect vide Ministry of Corporate Affairs’ Notifications till date.
Articles/ Articles of Association/AOA	The Articles of Association of <b>Elite Conductors Limited</b> .
Board of Directors / Board/Director(s) / Our Board	The Board of Directors of our Company or a duly constituted committee thereof.
Company Secretary and Compliance Officer	Ankitkumar Bharatbhai Patel
Depositories	NSDL and CDSL.
Director(s)	The director(s) of our Company, unless otherwise specified.
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 10/-each fully paid up, unless otherwise specified in the context thereof.
EMERGE-ITP Platform of NSE/Stock Exchange	The EMERGE-ITP platform of NSE for listing of equity shares offered under Chapter X-C of the SEBI (ICDR) Regulations.
ITP	Institutional Trading Platform.
Listing Agreement	The listing agreement to be entered into by our Company with the Stock Exchange.
Memorandum of Association / Memorandum / MOA	Memorandum of Association of our Company, as amended from time to time.
NSE	National Stock Exchange of India Limited.
Promoters / Our Promoters	Promoters of our Company, being, Mr. Dharmesh Kanubhai Shah, Mrs. Amitaben Dharmesh Shah and Mr. Kanubhai Shantilal Shah
Registered office	The Registered Office of our Company situated at 18&19,Changodar Industrial Estate Part II, Sarkhej Bavla Highway, Changodar Ahmedabad - 382213, Gujarat, India.
RoC	Registrar of Companies, Ahmedabad, Gujarat.
Statutory Auditor	The statutory auditor of our Company, being C P Shah & Co., Chartered Accountants.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stock Exchange	Shall refer to the NSE Limited where the shares of the Company proposed to list.

### Technical and Industry - Related Terms

Terms	Description
OEMs	Original Equipment Manufacturers.
Panel	The space or section in a fence or railing between two posts.
Power cables	A power cable is an assembly of two or more electrical conductors, usually held together with an overall sheath. The assembly is used for transmission of electrical power. Power cables may be installed as permanent wiring within buildings, buried in the ground, run overhead, or exposed.
Radiator	A heating device consisting of a series of connected pipes, typically inside an upright metal structure, through which steam or hot water is circulated so as to radiate heat into the surrounding space. The radiator is always a source of heat to its environment, although this may be for either the purpose of heating this environment, or for cooling the fluid or coolant supplied to it, as for engine cooling.
Roofing	The materials of which a roof is composed; materials for a roof.
Smelting	Smelting is a form of extractive metallurgy; its main use is to produce a metal from its ore. Alumina is extracted from the ore Bauxite by means of the Bayer process at an alumina refinery.
T bar	A rolled metal bar or beam with a cross section resembling a T.
Thermal conductivity	The property of a material's ability to conduct heat.
Wire rod	A metal rod from which wire is formed by drawing.
Bus bars	In electrical power distribution, a busbar is a strip of copper or aluminium that conducts electricity within a switch board, distribution board, substation or other electrical apparatus
Capital Intensity	Capital intensity is the amount of capital per unit of labour input
Casting	Casting is a manufacturing process by which a liquid material is usually poured into a mold, which contains a hollow cavity of the desired shape, and then allowed to solidify. The solidified part is also known as a casting, which is ejected or broken out of the mold to complete the process. Casting materials are usually metals or various cold setting materials that cure after mixing two or more components together.
Conductors	A material or an object that conducts heat, electricity, light, or sound. Electrical conductors contain electric charges (usually electrons) that are relatively free to move through the material; a voltage applied across the conductor therefore creates an electric current.
Copper	A common metal of a reddish colour, both ductile and malleable and very tenacious. It is one of the best conductors of heat and electricity. It is one of the most useful metals in itself, and also in its alloys, brass and bronze
°F	Fahrenheit
MT	Metric Tonne
Malleability	The property by virtue of which a material can be extended in all directions without rupture by the application of load; a material's ability to be bent, formed, or shaped

### Abbreviations

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
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
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
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
GIR Number	General Index Registry Number
GoI/ Government	Government of India
GDP	Gross Domestic Product
HUF	Hindu Undivided Family
INR/ 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
NA	Not Applicable
NAV	Net Asset Value
NPV	Net Present Value
NSDL	National Securities Depository Limited
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
Sq.ft	Square Feet
Sq.mt	Square Meter
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

Notwithstanding the following, in the section titled “Financial Information” beginning on page 21 of this Draft Information Document, defined terms shall have the meaning given to such terms in that section.

#### **Certain Conventions – Use of Market Data**

In this Draft Information Document, unless the context otherwise requires or unless stated otherwise, the financial data is derived from our financial statements prepared and in accordance with the applicable regulations. In this Draft Information Document, any discrepancies in any table between the total and the sums of the amounts mentioned are owing to rounding-off.

In this Draft Information Document, unless the context otherwise requires, all references to one gender also refers to another gender and the word “lacs” means “one hundred thousand” and the word “million” means “ten lacs” and the word “Crore” means “ten million” and the word billion refers to “Thousand Million”.

#### **Forward –Looking Statements**

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

All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others: -

- General economic and business conditions in India and other countries.
- Our ability to successfully implement our strategy, our growth and expansion, technological changes that have an impact on our business activities or investments.
- The changes in monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices.
- The performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Change in political and social conditions in India.



## GENERAL INFORMATION

### ELITE CONDUCTORS LIMITED

Our Company was incorporated as “Elite Conductors Private Limited” under the Companies Act, 1956 vide Certificate of Incorporation dated March 20, 2006 bearing Registration No 047953 in Ahmedabad, Gujarat. Further, our Company was converted from Private Limited to a public limited company vide shareholders resolution dated March 10, 2015 and consequently the name of our Company was changed “Elite Conductors Limited”. The Corporate Identification Number (CIN) of our Company is U31909GJ2006PTC047953.

#### REGISTERED OFFICE OF OUR COMPANY:

##### **Elite Conductors Limited**

18, 19, Changodar Industrial Estate Part II,  
Sarkhej Bavla Highway,  
Changodar, Ahmedabad - 382213,  
Gujarat, India.

**Tel:** + (91)-(2717)-250703

**Fax:** + (91)-(2717)-250702

**E-mail:** elitecm@hotmail.com

**Website:** www.eliteconductors.co.in

#### REGISTRAR OF COMPANIES:

##### **Registrar of Companies, Ahmedabad, Gujarat**

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

**Tel:** 079-27437597

**Fax:** 079-27438371

**Email:** roc.ahmedabad@mca.gov.in

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

#### BOARD OF DIRECTORS:

**Our Board of Directors comprise of the following members:**

Name	Designation	DIN	Address
Hitendra Mulchand Doshi	Chairman and Non-Executive Independent Director	00062570	108, Niska Residency, New Sharda Mandir Road, Paldi, Ahmedabad – 380007
Dharmesh Kanubhai Shah	Managing Director	00009162	A-4, Devdarshini Apartments, Opp. Opera Society, New Vikas Gruh Road Paldi, Ahemdabad – 380007, Gujarat, India
Kanubhai Shantilal Shah	Executive Director	00009127	A-4, Devdarshini Apartments, Opp. Opera Society, New Vikas Gruh Road Paldi, Ahemdabad – 380007, Gujarat, India
Pilak Rajendra Shah	Non – Executive Director	00407960	C/289, Manekbaug Society, B/H Manekbaug Hall, Ambawadi, Ahmedabad – 380015.

Prashant Kamleshbhai Shah	Non – Executive Director	00233808	257, Manekbaug Society, B/H Manekbaug Hall, Ambawadi, Ahmedabad - 380015
Mukesh Hiralal Shah	Non-Executive Independent Director	07111407	17, Shetrunjay Society, Shantivan, Paldi, Ahmedabad – 380007
Jiten Hasmukhbhai Shah	Non-Executive Independent Director	07112806	403, Riya Residency, Behind Maniratnam Bunglow, Pat-I, Vasna, Ahmedabad – 380007

**For further details of our Directors, please see section titled "Our Management" on page 56 of this Draft Information Document.**

#### **COMPANY SECRETARY & COMPLIANCE OFFICER:**

**Ankitkumar Bharatbhai Patel**

18, 19, Changodar Industrial Estate Part II,  
Sarkhej Bavla Highway, Changodar, Ahmedabad - 382213,  
Gujarat, India.

**Tel:** + (91)-(2717)-250703

**E-mail:** elitecm@hotmail.com

#### **STATUTORY AUDITORS:**

**Chetan P Shah & Co.**

Chartered Accountants  
403, Ashwamegh House,  
Choice Restaurant's street,  
Ahmedabad – 380 009,  
Gujarat. India

**Tel:** 079 2656 0222

**E-mail:** cpshahca@yahoo.in,

**Firm Registration No:** 109526W

#### **REGISTRAR TO THE COMPANY:**

**Link Intime India Pvt Ltd**

C-13,  
Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup – West,  
Mumbai – 400078  
Maharashtra, India

**Contact Person:** Mr. Vishwas Attavar

**Tel:** 022-2596 3838

**Fax:** 022-2594 6969

#### **ANGEL INVESTOR:**

**MR. JAYESH KANTILAL THAKKAR**

**R7, Sharnam - V, Near Prernatirth Jain Temple, Jodhpur, Satellite, Ahmedabad city, Ambawadi Vistar, Ahmedabad - 380015**

(As a member of M/s Sarthi Angels Venture Foundation which is registered with National Stock Exchange of India Limited vide Letter No. NSE/SME/227624-T dated January 16, 2014 and with Bombay Stock Exchange Limited vide letter dated 22nd January, 2014)

#### **Sarthi Angels Venture Foundation**



SARTH I ANGELS

**Registered Office:**

AD – 27, Ground Floor, Shalimar Bagh,

New Delhi – 110088

Tel: +91 11 22449817/18 Fax: +91 11 22449817/18

Contact Person: Mr. Anand Lakhotia

**Corporate Office:**

159/11, Amar Brass Compound, Vidya Nagari  
Marg, Kalina, Santacruz (E), Mumbai- 400098

Tel: +91 22 26528671/72 Fax: +91 22 26528673

Contact Person: Mr. Deepak Sharma





## ELIGIBILITY CRITERIA

We are an unlisted company as on date and we propose to list our Equity Shares on Institutional Trading Platform (ITP) of NSE Emerge in terms of the Chapter XC of the SEBI (ICDR) Regulations, 2009. Our Company is eligible for the listing in terms of 106 Y and other provisions of Chapter XC of the SEBI (ICDR) Regulations, 2009.

We Confirm that

1. The name of our Company, our promoters, any of our group companies or directors does not appear in the willful defaulters list of Reserve Bank of India as maintained by Credit Information Bureau (India) Limited;
2. There is no winding up petition against the Company that has been admitted by a competent court;
3. Our Company, group companies or subsidiaries have not been referred to the Board for Industrial and Financial Reconstruction within a period of five years prior to the date of application for listing;
4. No regulatory action has been taken against the Company, its promoter or director, by the Board, Reserve Bank of India, Insurance Regulatory and Development Authority or Ministry of Corporate Affairs within a period of five years prior to the date of application for listing;
5. We have been incorporated on March 20, 2006 and thus not completed more than ten years after incorporation and our revenues have not exceeded Rs.100 crores (Rupees One Hundred Crores) in any of the previous financial years;
6. The paid up capital of the company has not exceeded twenty five crore rupees in any of the previous financial years;
7. Having being incorporated in the FY 2006-07, we have more than one year audited financial statements at the time of making this application;
8. In accordance with Regulation 106Y(h)(ii) of SEBI (ICDR) Regulations, 2009, as amended, Mr. Jayesh Kantilal Thakkar (As a member of Sarthi Angels Venture Foundation) has invested a sum of Rs. 5,000,000 on March 23, 2015 by subscribing for 100,000 Equity Shares of our Company at a price of Rs. 50/- each.

We further confirm that in accordance with Regulation 106 ZB of Chapter XC of the SEBI (ICDR) Regulations, 2009, Our Promoter i.e., Mr. Dharmesh Kanubhai Shah has given his consent to lock-in 118,899 equity share, Mrs. Amita Dharmesh Shah has given her consent to lock-in 70,729 equity shares and Mr. Kanubhai Shantilal Shah has given his consent to lock-in 29,372 equity shares, together representing 20% of the post listing Capital of the Company, for a period of three years from the date of listing.

We further confirm that in terms of Regulation 106ZC of SEBI (ICDR) Regulations, 2009:

- (i) All Equity Shares of our Company shall be in dematerialized form upon listing on Institutional Trading Platform.
- (ii) Our Company is in the process of entering into tripartite agreement with CDSL and NSDL along with our Registrar and for facilitating trading in dematerialized mode. We further confirm that we shall have connectivity with atleast one depository at all times.
- (iii) The minimum trading lot on institutional trading platform shall be Rs. 10.00 Lacs

### GENERAL DISCLAIMER FROM THE COMPANY

The Company having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Information Document contains all information with regard to the company, which is material, that the information contained in this Draft Information Document 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 Draft Information Document as a whole or any of such information or the expression of any such opinions are intentions misleading in any material respect.



## INDUSTRY OVERVIEW

Unless otherwise stated, Industry & Market data used throughout this Draft Information Memorandum has been obtained from internal Company reports and Industry publications and the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Information Memorandum is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

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

### **OVERVIEW OF INDIAN ECONOMY:**

During the course of 2013-14, monetary policy had to face an extraordinary spell of financial turbulence arising from the US Fed contemplating tapering its large scale asset purchase programme. The news heralded the turning of the global interest rate cycle with volatile movements for cross-border capital flows and asset prices. Like most emerging market and developing economies (EMDEs), India faced capital outflows and intense exchange rate pressures. Monetary policy had to depart from its charted course of calibrated monetary easing that had started in April 2012 using the monetary policy space that was gradually becoming available. Past monetary tightening was dampening the pricing power of the corporates and the return to fiscal consolidation in H2 of 2012-13 was reducing the twin deficit risks. Though macroeconomic weaknesses were evident in the form of persistence in inflation, falling growth, weaker corporate balance sheet, deteriorating asset quality of the banks, fiscal imbalances and external sector vulnerabilities, the economy seemed to be mending. However, the prospect of tapering interrupted this.

The growth concerns remain significant with GDP growth staying sub-5 per cent for seven successive quarters and index of industrial production (IIP) growth stagnating for two successive years. Third, though a negative output gap has prevailed for long, there is clear evidence that potential growth has fallen considerably with high inflation and low growth. This means that monetary policy needs to be conscious of the impact of supply-side constraints on long-run growth, recognizing that the negative output gap may be minimal at this stage.

*(Source: <http://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MM01042014D84537B376.pdf>)*

### **CABLE AND WIRE INDUSTRY OVERVIEW:**

India has grown at 4.9% in the fiscal 2013-14 and is expected to grow above 5% for the current year. The World Bank in its report also forecast a growth rate of 7% each in the fiscal year 2016 and 2017 as against China's 7% and 6.9% respectively. To support this growth each sector has to perform well with the support from government policy and monetary stances. Power sector is imperative to supplement growth in manufacturing, infrastructure and core sectors.

The Indian electrical equipment industry is broadly segmented into generation of power as well as transmission & distribution segment. The cable and wires market is expected to witness rapid growth in the coming years lead by demand from power, telecom and other allied sectors.

The wire and cable industry comprises 40% of the entire electrical industry, which is expected to double in size over the next five years. The industry is growing at a CAGR of 15% as a result of growth in the power and infrastructure segments. It is expected to grow at similar rate for the next five years. The government's emphasis on the power sector reforms and infrastructure will further drive growth.



The study “More power to India: the challenge of electricity distribution” recently published by the World bank emphasizes that the electricity supply is unreliable and more than 300 million inhabitants have no access to electrical current at all. However, the economic growth and the increase in the competitiveness depend on the quality of the power supply. In June 2014 the Indian government has approved nine projects to build nine inter-State transmission lines to a total value of about USD 2.75 billion.

In this way the transmission capacity between individual federal states should be increased from currently about 28,000 MW to more than 66,000 MW by the year 2017.

## **BENEFITS OF COPPER WIRES**

- ***Conductor of electricity***  
Copper wires are conductor of electricity as it encounters much less resistance compared with other commonly used metals. It sets the standard to which other conductors are compared. It is also used in power cables, either insulated or un-insulated, for high, medium and low voltage applications.
- ***Internet***  
HDSL (High Digital Subscriber Line) and ADSL (Asymmetrical Digital Subscriber Line) technology allows for high-speed data transmission, including internet service, through the existing copper infrastructure of ordinary telephone wire.
- ***Tensile strength***  
Tensile strength measures the force required to pull an object such as rope, wire, or a structural beam to the point where it breaks. The tensile strength of a material is the maximum amount of tensile stress it can take before breaking. Copper’s higher tensile strength compared to aluminum is another reason why copper is used extensively in the building industry. Copper’s high strength resists stretching, neck-down, creep, nicks and breaks, and thereby also prevents failures and service interruptions.
- ***Strength and ductility combination***  
Usually, the stronger a metal is, the less pliable it is. This is not the case with copper. A unique combination of high strength and high ductility makes copper ideal for wiring systems. At junction boxes and at terminations, for example, copper can be bent, twisted, and pulled without stretching or breaking.
- ***Corrosion resistance***  
Corrosion is the unwanted breakdown and weakening of a material due to chemical reactions. Copper resists corrosion from moisture, humidity, industrial pollution, and other atmospheric influences. However, any corrosion oxides, chlorides, and sulfides that do form on copper are conductive. Therefore, copper connections and terminations will not overheat from corrosion. Under many application conditions copper is higher on the galvanic series than other common structural metals, meaning that copper wire is less likely to be corroded in wet conditions.
- ***Coefficient of thermal expansion***  
Metals and other solid materials expand upon heating and contract upon cooling. This is an undesirable occurrence in electrical systems. Copper has a low coefficient of thermal expansion for an electrical conducting material.
- ***Ease of installation***  
The inherent strength, hardness, and flexibility of copper building wire make it very easy to work with. Copper wiring can be installed simply and easily with no special tools, washers, pigtails, or joint compounds. Its flexibility makes it easy to join, while its hardness helps keep connections securely in place. It has good strength



for pulling wire through tight places (“pull-through”), including conduits. It can be bent or twisted easily without breaking. It can be stripped and terminated during installation or service with far less danger of nicks or breaks. And it can be connected without the use of special lugs and fittings. The combination of all of these factors makes it easy for electricians to install copper wire.

## KEY GROWTH DRIVERS

- **Investment in Power Sector:**  
Power sector constitutes combined demand from transmission & distribution, power equipment manufacturers for wire and cable industry. Capital investment by the government and private sector could facilitate demand for the industry.
- **Heavy Engineering:**  
Copper wire and cables is widely used in heavy engineering, growth in industrial machinery demand and construction equipment's is great demand driver for wires. Its is used for connectors, windings etc.
- **Telecommunication:**  
Use of copper wires vary from equipment manufacturing to transmission, growth in telecomm will drive the industry positively.
- **Demand for Electronic & Electrical Goods:**  
Electronics, consumer durables and electrical industry is the key consumer of copper wires for manufacturing of electronic goods. Rise in demand for these goods is a imperative sales driver for copper wire companies.
- **Government Initiatives:**  
Growth of wire and cable industry directly correlated to the growth of telecomm, consumer durable, electronic and power sector. Government policies, planning and expenditures to promote these industry, triggers the consumption of copper wires and cables. Government positive initiatives like Excise duty, import duty on machinery etc. is the key factor affecting Wire Company.

## CHALLENGES FACED

- **Slow Down in Power Sector:**  
Any slowdown in the power sector related industry say power generation, transmission and distribution, and power equipment manufacturer could adversely affect the demand for copper wires and cable industry.
- **Rise in Copper Price:**  
Copper is the key raw material to the copper manufacturer, rise in the price of copper in international or domestic market could adversely affect the cost of manufacturing for the company.
- **Cheap Imports:**  
Lower cost of production of copper wire by other countries could trigger the price competitiveness, which could lead to rise in import by Indian companies that would not be favourable for the domestic copper wire manufacturer.
- **Slow Down in Engineering & Electronic:**  
Engineering and electronic goods manufacturing uses copper wires for connection of circuits, winding of motors etc, any slowdown in this industry could affect the company.



## INVESTMENTS:

- Growth of Wire and cable industry is parallel to the power sector. The investment climate is positive in the power sector. Due to policy of liberalisation, the sector has witnessed higher investment flows than envisaged.
- The Ministry of Power has sent its proposal for the addition of 76,000 MW of power capacity in the 12th Five Year plan. Total FDI inflows in the power sector touched USD8.9 billion during April 2000 to March 2014, accounting for 4.09 % of total FDI inflow in India
- Around USD163 million have been allocated for solar power projects in budget 2014-15.
- Elimination of licensing for various segments; removal of entry barriers, expansion in industrial activity to boost demand for electricity.
- Increasing budget allocation by the government on the power sector has opened up the wire and cable industry.

## SECTION I – BUSINESS

### DESCRIPTION OF OUR BUSINESS AND OPERATION





Our Company was incorporated in the year 2006; it is engaged in the business of manufacturing and supplying of copper wires, strips & rods. Our product portfolio includes paper covered copper wire, annealed bare copper wire, polyamide enameled round copper wire, oxygen free copper wire, winding copper wire, electrical copper wire and others. Moreover, we offer copper wire flexible strips, paper insulated copper strip, pvc coated copper strip, earthing copper bonded rod, round copper rod.

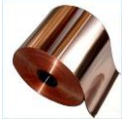





These copper wires, copper rods and copper strips are manufactured using quality tested raw material, procured from the most credible vendors of the industry using modern tools and advanced machinery to develop a quality-approved range of wires. Offered wires are highly regarded for their attributes like shock resistance, high strength, excellent conductivity, safe usage and longer service life. The renowned vendors of the industry, who are known for their goodwill, ability to undertake bulk orders and financial stability stand tall on our respective requirements.

It houses sophisticated infrastructure, which helps us in manufacturing and supplying a qualitative range of products in compliance with the international quality standards. Our infrastructure is divided into various units such as manufacturing, quality control, research & development, packaging & administrative, warehousing and sales & marketing.




### PRODUCTS PORTFOLIO

#### 1. Copper Strips

<p><b>a) Copper Strip</b> We offer a qualitative range of Copper Strip which are procedure from good quality of raw material. These Copper Strips are offered in variety of designs, shapes and sizes. Assortments of Copper Strip are available at market leading prices.</p>	
<p><b>b) H-Class Covered Copper Strip</b> Our Company offer their clients an impeccable range of H-class Covered Copper Strip, which find diverse application in various industries and sectors. Offered copper wires are fabricated using high quality raw material that are procured from the most valuable vendors of the industry.</p>	
<p><b>c) Fiber Glass Covered Copper Strip</b> Our Company have gained expertise in offering a wide array of Fiberglass Covered Copper Wires to our esteemed patrons. These wires find extensive application in manufacturing of windings for transformers, electrical apparatus and electric machine. Moreover, these can be availed in various sizes and grades as per clients specifications.</p>	
<p><b>d) PVC Coated Copper Strip</b> Our Company have gained immense expertise in offering a qualitative array of PVC Coated Copper Strip to the patrons. These offered copper strips are designed and developed as per the needs and demands of clients in compliance with industry set standards and norms.</p>	

<p><b>e) Copper Foil</b> It is a supreme quality range of Copper Foil. These offered strips are extremely suitable for various industrial applications, thus, are widely regarded in various industries and sectors. These are manufactured using high grade raw material that is procured from the most reputed vendors of the industry and are used to cater to the various needs of the industry.</p>	
<p><b>f) Enameled Paper Covered Copper Strip</b> Our Company is recognized as a reputed name of the industry engaged in offering a high quality range of Enameled Paper Covered Copper Strip to the valued customers. The product range suits the needs of their clients, thus, is highly demanded for various applications.</p>	
<p><b>g) Enameled Copper Strip</b> Our Company is one of the most established names engaged in offering a quality range of Enameled Copper Strip to the customers. Our copper strips are manufactured using superior quality raw material that is procured from the most credible vendors of the market.</p>	
<p><b>h) Paper Insulated Copper Wire</b> Our Company holds immense expertise in manufacturing and supplying a comprehensive gamut of Paper Insulated Copper Wire to our clients. These offered strips are designed to cater to the varied demands of industries and sectors in an effective manner. The entire range is developed by employing advanced and ultra modern technology.</p>	
<p><b>i) Copper Wire Flexible Strips</b> Our Company bring forth an impeccable array of excellent quality Double Paper Coated Copper Wire. These are fabricated in compliance with the international quality standards, thus, are widely demanded to cater varied requirements of different industries and sectors.</p>	
<p><b>j) Double Paper Coated Copper Strip</b> Our Company bring forth an impeccable array of excellent quality Double Paper Coated Copper Wire. The offered wires are manufactured using high grade raw materials that are sourced from the most respected vendors of the industry.</p>	


## 2. Copper Covered Wire

<p><b>a) Fiberglass Covered Copper Wire</b> Our Company have gained expertise in offering a wide array of Fiberglass Covered Copper Wires to our esteemed patrons. These wires find extensive application in manufacturing of windings for transformers, electrical apparatus and electric machine.</p>	
<p><b>b) Paper Covered Copper Wire</b> Our Company brings forth an impeccable array of excellent quality Paper Coated Copper Wire. These are fabricated in compliance with the international quality standards, thus, are widely demanded to cater varied requirements of different industries and sectors.</p>	
<p><b>c) Paper Covered Transformer Conductor</b> Our Company manufactures the electric grade copper wire &amp; strips from virgin material like birla copper &amp; sterlife and using electric insulating paper which we are directly imported from sweden. All the testing Facility is done in-house as per national/international standard.</p>	



### 3. Copper Wire

<p><b>a) Annealed Bare Copper Wire</b> Our Company are engaged in offering a wide assortment of Annealed Bare Copper Wire to our value patrons. Offered wires are precision engineered by their team of hardworking professionals who fabricate these as per industry set standards and norms.</p>	
<p><b>b) Polyamide Enameled Round Copper Wire</b> These offered wires are designed and developed for applications in various critical space requirement, protection against indefinite immersion in water under specified condition, protection against ingress of small solid foreign bodies and others.</p>	
<p><b>c) Oxygen Free Copper Wire</b> Our Company is instrumental in offering a wide range of Oxygen Free Copper Wire to our valued patrons. These offered wires are manufactured using superior quality raw material that is sourced from the most valued vendors of the industry.</p>	
<p><b>d) Winding Copper Wire</b> Customers can avail from Our Company a wide range of high quality Winding Copper Wire as per their varied requirements. These wires are made in compliance with the industry laid standards and norms by a team of skilled professionals. Moreover, these are extensively demanded to compensate for vibration, expansion and contractions. They find usage in electrical and industrial purposes.</p>	
<p><b>e) Electrical Copper Wire</b> These offered wires are designed to cater to the varied demands of different industries and sectors in an efficient manner. The entire range is developed by employing advanced machines and technology.</p>	
<p><b>f) Flat Copper Braided Wire</b> Our Company is engaged in offering a wide range of Flat Copper Braided Wire to our patrons. These offered copper wires are manufactured by making use of optimum quality basic raw material that is procured from the most credible vendors of the industry.</p>	
<p><b>g) Super Enameled Rounded Copper Wire</b> These offered strips are made in compliance with the industry-laid standards and norms by our team of skilled and hardworking professionals. Moreover, we put in our best foot forward to offer this range of strips as per the patrons needs and requirements.</p>	

### 4. Copper Rods

<p><b>a) Copper Bonded Grounding Rod</b> Our Company is a leading business organization that offers a vast array of Copper Bonded Grounding Rod. They find extensive application in various industries and sectors. Customers can avail these in various sizes, grades and other specifications.</p>	
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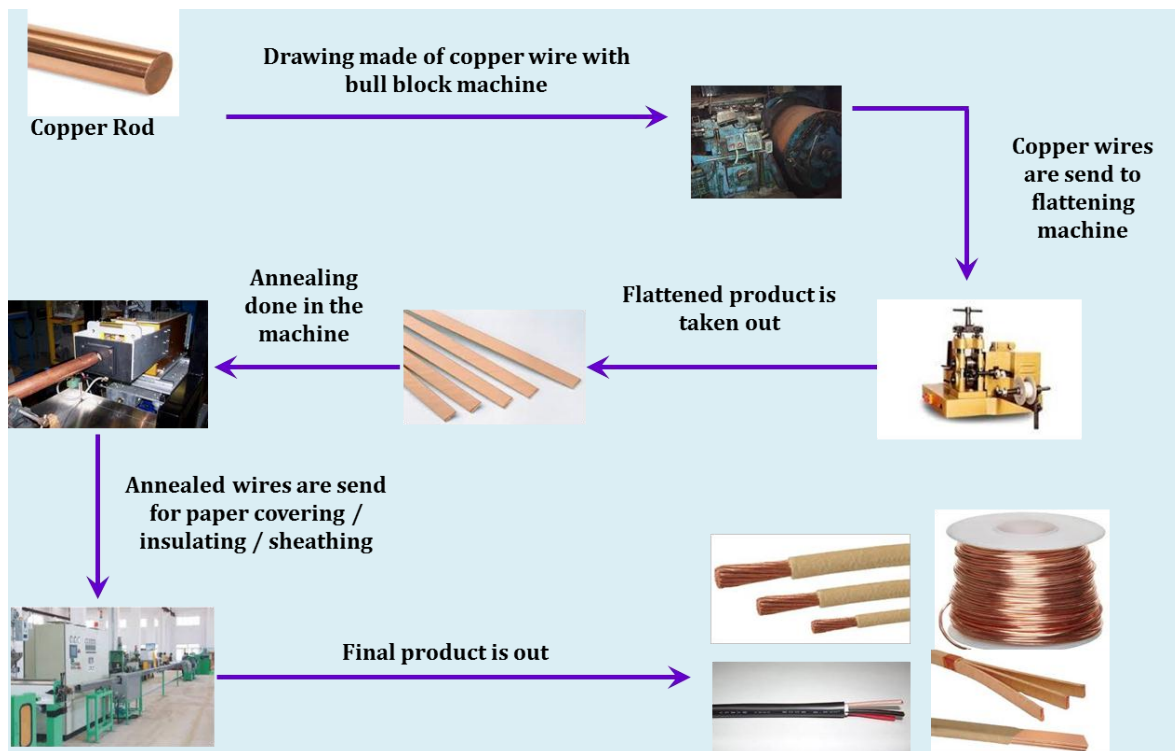


<p><b>b) Round Copper Rod</b>          With vast industry experience, Our Company has been able to present Round Copper Rod to our esteemed clients. These rods are made using high grade raw material. Company fabricates these in compliance with international quality standards.</p>	
<p><b>c) Earthing Copper Bonded Rod</b>          Our Company holds expertise and experience in manufacturing of bonded rods, which find extensive application in various industrial sectors and are highly used in external and internal anomalies.</p>	

### 5. Elite Chemicals

- a. Aluminium Sulphate Non Ferric Lumps
- b. Aluminium Sulphate Non-Ferric Powder
- c. Sodium Sulphide Flakes

### MANUFACTURING PROCESS:





## OUR STRENGTHS

Our business is characterized by the following key strengths:

- ***Management Expertise***  
Our Promoter Directors have considerable experience and expertise in their domain. We have a professionally managed team with technical experts in respective fields. The day to day affairs of our Company are looked after by qualified and experienced key personnel from varied areas, under the supervision of our Directors.
- ***Quality and ISO Certification***  
Our Company adhere to high quality standards and our processing facilities are ISO 9001:2008 certified and products are ISI marked. Since our Company is dedicated towards quality products, processes and inputs, we get repetitive orders from our various customers thereby enabling us to maintain our brand image and quality of our products in the market.
- ***Financial Performance***  
There is always a paucity of funds, which bring hurdles in path of achieving goals in time. Presently, we are getting the financial assistance from State Bank of India and other financial institutions. Due to increased competition, we sell our products on credit basis which helps us in strengthening our relationship with existing customers and in turn increase our clientele too.
- ***Value Creation for Customers, Employees and Society***  
We are supplying high quality products at very competitive prices due to our constant innovations, state-of-art technology and timely supply of materials. Our Company has been maintaining good relations with the workforce over the years, which has been one of the instrumental factors of our success. We keep our workforce satisfied and motivated by remunerating them well and providing them with good working conditions. We believe in our constant research and development which enable us to remain ahead of competition and lowering down the cost of submersible motor pumps and thus making it economical for common man and small farmers. Our quality product, reduces installation, repair and re-installation cost to minimum, which helps farmers and common man financially. All this has created a large demand of submersible pumps in general public. Due to our new products, the surrounding manufacturers of the transformer and motors get the material in cost effective manner.

## COMPETITION

We operate in a competitive environment. The copper sector sees a variety of competitors ranging from small niche players with specific experience to large, well established entities. Currently, the copper industry remains fragmented despite a number of acquisitions of entities. The demands position of our Company is further enhanced by purchasers imposing certain requirements wherein manufacturers are required to be pre-approved before being able to obtain an enquiry. These requirements essentially ensure that only manufacturers who have significant experience and technical expertise will be entitled to obtain enquiries.

## FRANCHISEE/CONCESSIONS:

As on date we do not have any franchisee. We have not entered in to any concession agreements.

## RESEARCH & DEVELOPMENT:

We have not incurred any amount during the last three fiscal years on company sponsored research and development activities.

## HUMAN RESOURCES:

The details of manpower employed as on date are as under:

Sr. No	Category	Total No. Of Employees
1	Top Management	01
2	Management Staff	01
3	Office Staff	07
4	Workers	10
	<b>Total</b>	<b>19</b>

## INTELLECTUAL PROPERTY

**A. Trademark** – Our Company has not yet applied for registration of Trademark

**B. Licenses:**

### i. Approvals/ Licenses/Permissions Procured to conduct our Business:

Sr. No	Nature of Registration/License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
1	Certificate of Incorporation	U31909GJ2006PTC047953	Registrar of Companies, Ahmedabad	March 20, 2006	Perpetual
2	Permanent Account No	AABCE5952D	Income Tax Department	May 26, 2006	Perpetual
3.	Tax Deduction Account No	AHME00667C	Income Tax Department	June 22, 2006	Perpetual
4.	Importer Exporter Code No	0807014486	Ministry Of Commerce	December 12, 2007	Perpetual
5.	Excise Registration No	AABCE5952DEM001	Central Board of Excise and Customs	July 15, 2011	Perpetual
6.	Service Tax Registration Certificate	AABCE5952DST001	Central Excise Officer, Ahmedabad	June 20, 2007	Perpetual
7.	Gujarat Value Added Tax Registration Certificate	24074601121	Gujarat Value Added Tax Act, 2003	July 17, 2006	Perpetual
8.	Central Sales Tax Registration Certificate	24574601121	Assistant Commissioner of Commercial Tax	July 17, 2006	Perpetual

9.	ISO Certificate Registration for Quality Management System	ISO 9001:2008 Reg. No.: IND14.6347U	United Registration of Systems	June 18, 2014	June 24, 2017
10.	Professional Tax	EC07020060074	Profession Tax, Govt. of Gujarat	September 2008	-
11.	Employees' Provident Fund registration certificate	GJ/AHD/560857/ENF/320	Regional Provident Fund Commissioner, Ahmedabad, Gujarat.	July 02, 2010	-
12.	Factory License No.	004175	Director of Industrial Safety and Health - Gujarat	September 09, 2009	December 31, 2016

#### **SOURCES AND AVAILABILITY OF RAW MATERIAL**

The Required raw materials like Copper Rod, Imported papers, Polyethylene Sheet and other packing material is easily available from Indian Market. The major suppliers are Hindalco, Sterlite and Hindustan Copper Ltd..

Copper is purchased on the basis of orders available on hand is usually purchased from Hindalco Inds. Ltd.. Another material i.e. Insulated Paper is imported from Sweden on a quarterly basis. Other materials are ordered to purchase on stock availability of 30 days. In short, duration of process from Purchase Order received from the customer till delivery of products to them is approx. 10 days.

Though, the company has not entered into any arrangement with any of the suppliers for raw material supply on regular basis, the procurement of raw material is not expected to pose any problems. However if need arise the same can also be imported.



## WORKING CAPITAL:

As on March 31, 2014, our working capital comprised of followings:

(In Rupees)

Particulars	Financial Year 2013-14
Inventories	43,06,681
Cash and Bank Balance	87,460
Trade Receivables	1,24,23,974
Short- term Loans & Advances	59,78,964
<b>Total (A)</b>	<b>2,27,97,079</b>
Less:	
Trade Payables	27,68,439
Short- term borrowings	1,07,34,315
Short –term provisions	8,54,937
Other Current Liabilities	1,99,729
<b>Total (B)</b>	<b>1,45,57,420</b>
<b>Net Working Capital (A) – (B)</b>	<b>82,39,659</b>

[Our working capital requirements are mostly funded through own funds, unsecured loans from Directors, Shareholders & Others as well as borrowed funds from banks and financial institutions.]



**FINANCIAL INFORMATION**  
**INDEPENDENT AUDITOR'S REPORT**

To the Members,

**Elite Conductors Private Limited.**

**REPORT ON FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Elite Conductors Private Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT**

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”) read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these 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 financial statements 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date.



## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - (c) the Balance Sheet, Statement of Profit and Loss, Statement dealt with by this Report are in agreement with the books of account.
  - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - (e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For, C. P. Shah & Co.**  
**Chartered Accountants**  
**Firm Registration No : 109526W**

Chetan P. Shah  
Proprietor  
Membership No.: 031239

Place: Ahmedabad  
Date: 02/09/2014

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Elite Conductors Private Limited on the accounts of the company for the year ended 31st March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

**1. In respect of its fixed assets:**

- (a) The Company has maintained proper division-wise records showing detailed full particulars of the fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable with regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

**2. In respect of its Inventories:**

- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (d) Inventory lying with third parties at year end have been verified by the management with reference to confirmations or statements of accounts or correspondence of third parties or subsequent receipt of the goods.

**3. In Respect of the Loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under the Section 301 of the Companies Act, 1956:**

- (a) The Company has not granted unsecured loan to parties covered in the register maintained under section 301 of the Companies Act, 1956. The year-end balance of such loan granted amounted to Nil.
- (b) The Company has taken unsecured loan from a parties covered in the registers maintained under section 301 of the Companies Act, 1956. The yearend balance of unsecured loans is Rs. 150.30 lacs.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been given / taken from Company, firm, HUF and other parties listed in the register maintained under section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company.
- (d) The parties have repaid the principal amounts as stipulated and have been regular in the payments of interest for the loan given to them.
- (e) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest for the loan accepted.

- 4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.



- 5. In respect of the Contracts or arrangements referred to in Section 301 of the Companies Act, 1956.**
- (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs or more in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanation given to us, the company has complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. Maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 is not applicable to the company.
9. With reference to the compulsory cost records to be maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956, the same is not applicable to the company.
10. **In respect of statutory dues:**
- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount is payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess, etc., for a period of more than six months from the date they became payable.
  - (b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax and cess which have not been deposited on accounts of any dispute.
11. In our opinion, the Company has not incurred any cash loss during the financial year covered by our audit and the immediately preceding financial year and is not a sick industrial company within the meaning of the clause (o) of sub-section (1) of section 3 of the Sick Industries Companies (Special Provisions) Act, 1985.
12. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holder.
13. According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.



16. In our opinion, the company has not given any guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
17. In our opinion, the term loans have been applied for the purpose for which they were raised.
18. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
19. The Company has not made preferential allotment of shares to the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
20. In our opinion and according to the information and explanation given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. The Company has not raised any money by way of public issue during the year.
22. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For, C. P. Shah & Co.**  
**Chartered Accountants**  
**Firm Registration No : 109526W**

**Sd/-**  
Chetan P. Shah  
Proprietor  
Membership No.: 031239

Place: Ahmedabad  
Date: 02/09/2014



## SIGNIFICANT ACCOUNTING POLICIES

### 1. **Basis of Accounting:**

The financial statements are prepared under historical cost convention and to comply, in all material respects, with the notified accounting standards by the Companies Accounting Standard Rules - 2006 and the relevant provisions of Companies Act, 1956, Accounting Policies have been consistently applied by the company.

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

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statement are prudent and reasonable. Future results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

### 3. **Inventory:**

Inventory of Raw materials and Work in Process are valued at Lower of cost and Net Realizable value, net of cenvat, on weighted average basis, as certified by management. Inventory of finished goods is valued at cost or Market value whichever is lower and relevant excise duty at applicable rates has been added.

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

- (a) In appropriate circumstances, revenue is recognized on accrual basis when no significant uncertainty as to determination or realization exists.
- (b) Sales are accounted for on gross sales less excise duty.. Sales are accounted on dispatch of goods from the company premises.
- (c) All the items of expenses and income are accounted on accrual basis, except overdue interest on invoices and certain unforeseen income, which are accounted on receipt basis.

### 5. **Fixed Assets and Depreciation:**

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation / amortization. The cost of acquisition includes inward freight, non-refundable duties, taxes and other directly attributable incidental expenses, net of cenvat credit and value added tax and excluding foreign exchange fluctuation gain / loss on imported assets. Depreciation is provided on the straight line method, at the rate specified in schedule XIV to the Companies Act, 1956.

### 6. **Transactions in Foreign Currencies:**

Foreign Currency transaction are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transactions. Foreign Currency Monetary items are reported using the closing rate. Non Monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising on the settlement of monetary items as well as

gain / loss on hedging transaction are recognized as income or as expense in the year in which they arise. Export Sales are accounted for at the Custom exchange rates specified every month by the Customs Authorities. Monetary assets & liabilities denominated in foreign currency remaining unsettled at the year-end are translated at closing rates.

**7. Investments:**

Long Term investments are stated at cost unless there is permanent diminution in value as at the date of the Balance sheet. Current investments are stated at lower of cost and market value. Diminution in value is charged to Profit & Loss Account.

**8. Employee Benefits:**

**(a) Short – Term Employee Benefits:**

**I. Bonus Plans:** The Company has provided for Bonus, payable to its employees, for their services rendered during the year as per the Company’s rules and policy, on an undiscounted basis.

(b) Termination benefits are recognized as an expense as and when incurred.

**9. Borrowing Cost:**

Borrowing Cost relating to acquisition, construction of fixed assets or production of qualifying assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to period till such assets are ready to be put to use . Other borrowing Cost are recognized as an expense in the period in which these are incurred.

**10. Segment Reporting:**

In terms of AS-17 on “Segment Reporting” the company neither has more than one business segment nor more than one geographical segment requiring separate disclosures as there are no more distinguishable component or economic environments of the enterprise engaged in providing individual product or service or a group of related products or services and the same are not subjected to different risks and returns either of business or geographical segments.

**11. Lease:**

(a) Assets acquired under lease where the company has substantially all risk and rewards incidental to ownership are classified as finance leases. Such assets are capitalized at the inception of lease at the lower of fair value or the present value of minimum lease payment and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability of each period. There are no finance lease transactions entered in to by the company.

(b) Assets acquired on lease where a significant portion of risk and rewards incidental to ownership is retained by the lessor are classified as operating lease. Lease rental are charged to the profit and loss account on accrual basis.



**12. Earnings per Share:**

The basic earnings per Share is calculated by dividing the Net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year. The basic and diluted EPS are same as the company has no such instruments.

**13. Accounting for Taxes on Income:**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized if there is virtual certainty that sufficient future taxable income will be available against which such assets can be realized. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed at each Balance sheet date to reassess realization. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

**14. Provision, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**For, C. P. Shah & Co.  
Chartered Accountants  
Firm Registration No : 109526W**

**Sd/-**  
Chetan P. Shah  
Proprietor  
Membership No.: 031239

Place: Ahmedabad  
Date: 02/09/2014



## Balance sheet as at March 31<sup>st</sup> 2014

(In Rs.)

Particulars	Note	As at March 31, 2014	As at March 31, 2013
<b><u>I EQUITY AND LIABILITIES</u></b>			
(1) Shareholders' Funds			
(a) Share Capital	1	9,950,000	9,950,000
(b) Reserves & Surplus	2	2,545,236	1,962,270
(2) Share Application Money Pending Allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	23,484,894	10,604,963
(b) Deferred Tax Liabilities (Net)		3,378,464	527,904
(4) Current Liabilities			
(a) Short-Term Borrowings	4	10,734,315	6,576,983
(b) Trade Payables	5	2,768,439	66,807
(c) Other Current Liabilities	6	199,729	161,707
(d) Short-Term Provisions	7	854,937	557,430
<b>Total</b>		<b>53,916,013</b>	<b>30,408,064</b>
<b><u>II ASSETS</u></b>			
(1) Non-Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		31,117,618	10,961,526
(ii) Intangible Assets		1,316	3,261
(2) Current Assets			
(a) Inventories	9	4,306,681	3,947,202
(b) Trade Receivables	10	12,423,974	9,728,087
(c) Cash and Cash Equivalents	11	87,460	147,985
(d) Short-Term Loans and Advances	12	5,978,964	5,620,003
<b>Total</b>		<b>53,916,013</b>	<b>30,408,064</b>
Summary of Significant Accounting Policies Additional Notes to Financial Statement	21		

As per our report of even date attached

**For, C. P. Shah & Co.**

**Chartered Accountants**

**Firm Registration No : 109526W**

Sd/-

Chetan P. Shah

Membership No.: 031239

Place: Ahmedabad

Date: 02/09/2014

**For and on behalf of the Board**

Sd/-

**Kanubhai S. Shah**

**Director**

Sd/-

**Dharmesh K. Shah**

**Director**

**Place: Ahmedabad**

**Date: 02/09/2014**



## Statement of Profit and Loss for the period ended March 31, 2014

(In Rs.)

Particulars	Note	As at March 31, 2014	As at March 31, 2013
<b>(I) REVENUE</b>			
Revenue from Operations	13	131,042,397	79,175,101
Other Income	14	2,415,723	235,619
<b>(II) Total Revenue</b>		<b>133,458,120</b>	<b>79,410,720</b>
<b>(III) EXPENSES</b>			
Cost Of Raw Material Consumed	15	117,106,837	67,580,542
(Increase) / Decrease in Stock	16	-	-
Manufacturing Expenses	17	2,452,367	2,134,213
Employee Benefits Expense	18	4,005,791	3,246,480
Financial Charges	19	2,985,401	2,035,158
Administrative and Selling Expenses	20	1,972,014	2,493,931
Depreciation and Amortisation expense	8	729,943	464,341
<b>(IV) Total Expenses</b>		<b>129,252,353</b>	<b>77,954,665</b>
<b>(V) Prior Period Items</b>			
<b>(VI) Profit / (Loss) Before Exceptional items and Tax (II-IV)</b>		4,205,767	1,456,055
<b>(VII) Exceptional items</b>		-	-
<b>(VIII) Profit/(Loss) before Taxes - PBT (VI-VII)</b>		4,205,767	1,456,055
<b>(IX) Tax Expense:</b>			
Current tax		810,000	275,000
Deferred tax		2,850,560	191,203
<b>(X) Profit/(Loss) for the period after tax</b>		<b>545,207</b>	<b>989,852</b>
<b>(XI) Earnings per share</b>			
- Basic EPS			
- Diluted EPS		<b>0.55</b>	<b>0.99</b>
- Nominal value of shares		<b>10.00</b>	<b>10.00</b>

As per our report of even date attached

**For, C. P. Shah & Co.**

**Chartered Accountants**

**Firm Registration No : 109526W**

Sd/-

Chetan P. Shah

Membership No.: 031239

Place: Ahmedabad

Date: 02/09/2014

**For and on behalf of the Board**

Sd/-

**Kanubhai S. Shah**

**Director**

Sd/-

**Dharmesh K. Shah**

**Director**

**Place: Ahmedabad**

**Date: 02/09/2014**

## Notes to Financial Statements

### Note No.01-Share Capital

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Authorised Shares</b>		
10,00,000 Equity Shares of Rs.10/- each	10,000,000	10,000,000
<b>Issued, Subscribed and Paid up shares</b>		
9,95,000 Equity Shares of Rs.10/- each fully paid up	9,950,000	9,950,000
<b>Total</b>	<b>9,950,000</b>	<b>9,950,000</b>

#### a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2014		As at March 31, 2013	
	No of Shares	Rupees	No of Shares	Rupees
<b>Equity Shares:</b>				
At the beginning of the period	995,000	9,950,000	16,000	160,000
Issued during the year as fully paid	-		979,000	9,790,000
<b>Outstanding at the end of the period</b>	<b>995,000</b>	<b>9,950,000</b>	<b>995,000</b>	<b>9,950,000</b>

#### b. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

During the year ended 31st March 2013, no dividend is declared by Board of Directors. (Previous year - Nil)

#### c. Details of Shareholders holding more than 5% shares in the company:

Particulars	As at March 31, 2014		As at March 31, 2013	
	No of Shares	%	No of Shares	%
<b>Equity Shares of Rs.10/- each fully paid</b>				
Amita Dharmesh Shah	301,000	30.25%	301,000	1881.25%
Kanubhai S. Shah	125,000	12.56%	21,000	781.25%
Dharmesh K. Shah	506,000	50.85%	506,000	3162.50%

#### d. Shares reserved for issue under options: NIL

e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares brought back during the period of five years immediately preceding the reporting date: NIL

f. Securities convertible into equity / preference shares issued along with the earliest date of conversion: NIL

g. Forfeited Shares: NIL

### NOTE NO. 02 - RESERVES & SURPLUS

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Profit &amp; Loss Account</b>		
Balance as per the last financial statement	2,113,302	1,123,450
<b>Add:</b> Profit for the period	545,207	989,852
<b>Closing Balance</b>	<b>2,658,510</b>	<b>2,113,302</b>
<b>Preliminary Expenses Not Written Off</b>		
Balance as per the last financial statement	151,032	-
<b>Add:</b> Preliminary Expenses Incurred During the Year	-	188,790
<b>Less:</b> Preliminary Expenses Written Off	(37,758)	(37,758)
<b>Total of Reserves and Surplus</b>	<b>2,545,236</b>	<b>1,962,270</b>



**NOTE NO. 03 - LONG TERM BORROWINGS**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Secured Loan</b>		
From Banks-Term Loan Account (Secured by hypothecation of Plant & Machinery and Book Debts)	8,455,082	1,193,226
<b>Unsecured Loan</b>		
Deposits From Directors	5,327,104	1,551,270
From Shareholders and Others	9,702,708	7,860,467
<b>Total</b>	<b>23,484,894</b>	<b>10,604,963</b>

**NOTE NO. 04 - SHORT TERM BORROWINGS**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Loans Repayable on Demand</b>		
From Banks-Cash Credit Account (Secured by hypothecation of Plant & Machinery and Book Debts)	10,734,315	6,576,983
<b>Total</b>	<b>10,734,315</b>	<b>6,576,983</b>

**NOTE NO. 05 - TRADE PAYABLES**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Creditors for Goods	-	66,807
Creditors for Capital Goods	2,757,370	-
Creditors for Expenses	11,069	-
<b>Total</b>	<b>2,768,439</b>	<b>66,807</b>

**NOTE NO. 06 - OTHER CURRENT LIABILITIES**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
TDS Payable on Interest	199,729	140,167
TCS Payable	-	21,540
<b>Total</b>	<b>199,729</b>	<b>161,707</b>

**NOTE NO. 07 - SHORT TERM PROVISIONS**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Provision For Income Tax (2012-13)	810,000	275,000
Provision For Professional Tax	-	-
Provision For Provident Fund	25,274	19,666
Provision For Audit Fees	19,663	19,663
Provision For Value Added Tax	-	243,101
<b>Total</b>	<b>854,937</b>	<b>557,430</b>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**NOTE NO. 08: TANGIBLE ASSETS**

(In Rs.)

Sr. No.	Particulars	Rate	Cost				Depreciation				Net Book Value	
			As at April 01, 2013	Additions	Deletions	As at March 31, 2014	Up to March 31, 2013	For the year	Deductions	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
1	Air Conditioner	6.33%	103,560	-	-	103,560	17,514	6,555	-	24,069	79,491	86,046
2	Air Cooler	6.33%	16,000	0	-	16,000	5,068	1,013	-	6,081	9,919	10,932
3	Attendance Machine	4.75%	14,473	0	-	14,473	1,318	687	-	2,005	12,468	13,155
4	Building	3.34%	2,494,440	1,190,164	-	3,684,604	-	95,578	-	95,812	3,588,792	2,494,440
5	Motor Car	9.50%	1,117,037	-	-	1,117,037	373,306	106,119	-	479,425	637,612	743,731
6	CCTC Camera	4.75%	95,000	50,000	-	145,000	12,337	4,513	-	16,856	128,144	82,663
7	Computers & Peripherals	16.21%	119,690	-	-	119,690	46,642	19,402	-	66,044	53,646	73,048
8	Cycle	7.07%	3,600	-	-	3,600	1,182	255	-	1,437	2,163	2,418
9	Electrical Fittings	4.75%	332,036	-	-	332,036	77,924	15,772	-	93,696	238,340	254,112
10	Factory Building	3.34%	1,367,810	-	-	1,367,810	284,426	45,685	-	330,111	1,037,699	1,083,384
11	Factory Shed (Land)	0.00%	552,060	-	-	552,060	-	-	-	0	552,060	552,060
12	Factory Shed New (Land)	0.00%	-	2,871,300	-	2,871,300	-	-	-	0	2,871,300	0.00
13	Refridgetor	4.75%	22,800	-	-	22,800	3,988	1,083	-	5,071	17,729	18,812
14	Hand Pallet Machine	4.75%	-	23,385	-	23,385	-	800	-	803	22,582	-
15	Mobile Phone	6.33%	38,250	-	-	38,250	7,019	2,421	-	9,440	28,810	31,231
16	Plant & Machinery	4.75%	5,717,311	18,009,374	1,449,843	22,276,842	859,395	347,011	-	1,208,750	21,068,092	4,857,916
17	Scooter & Bike	9.50%	162,457	58,710	-	221,167	28,991	16,061	-	45,052	176,115	133,466
18	Tea Vending Machine	4.75%	10,500	-	-	10,500	14	499	-	513	9,987	10,486
19	Tractor & Trolley	9.50%	508,296	131,000	-	639,296	91,692	55,175	-	146,867	492,429	416,604
20	Transformer	4.75%	114,400	-	-	114,400	33,944	5,434	-	39,378	75,022	80,456
21	Water Cooler & Purifier	6.33%	20,750	-	-	20,750	4,184	1,313	-	5,497	15,253	16,566
	<b>TOTAL</b>		<b>12,810,470</b>	<b>22333933</b>	<b>1,449,843</b>	<b>33,694,560</b>	<b>1,848,944</b>	<b>727,998</b>	<b>-</b>	<b>2,576,942</b>	<b>31,117,618</b>	<b>10,961,526</b>

**NOTE NO. 08 (I): INTANGIBLE ASSETS**

(In Rs.)

Sr. No.	Particulars		Cost				Depreciation				Net Book Value	
			As at April 01, 2013	Additions	Deletions	As at March 31, 2014	Up to March 31, 2013	For the year	Deductions	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
1	Software	16.21%	12,000	-	-	12,000	8,739	1,945	-	10,684	1,316	3,261
	<b>TOTAL</b>		<b>12,000</b>	<b>-</b>	<b>-</b>	<b>12,000</b>	<b>8,739</b>	<b>1,945</b>	<b>-</b>	<b>10,684</b>	<b>1,316</b>	<b>3,261</b>



**NOTE NO. 09 – INVENTORIES**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
- Raw material	1,914,265	1,193,993
- Packing Material	815,482	441,948
- Stores and Spares	1,576,934	2,311,261
<b>Total</b>	<b>4,306,681</b>	<b>3,947,202</b>

**NOTE NO. 10 – TRADE RECEIVABLES**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Sundry Debtors Exceeding Six Months	558,333	115,453
Others	11,865,641	9,612,634
<b>Total</b>	<b>12,423,974</b>	<b>9,728,087</b>

**NOTE NO. 11 – CASH AND CASH EQUIVALENTS**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Cash on hand	42,394	142,487
<b>Balances with Banks</b>		
On Current Account With Banks:	-	5,498
State Bank of India	23,069	-
UCO Bank	21,997	-
<b>Total</b>	<b>87,460</b>	<b>147,985</b>

**NOTE NO. 12 – SHORT TERM LOANS AND ADVANCES**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Security Deposit (Unsecured, Considered good)</b>		
Uttar Gujarat Vij Company Limited	818,310	392,300
Changodar Industries Association Water	5,000	5,000
Balances With Revenue Authority	-	-
Central Excise	1,712,514	6,770
Value Added Tax	744,679	-
Tax Deduct At Source (2011-12)	-	17,736
Tax Deduct At Source (2012-13)	-	231,176
Tax Deduct At Source (2013-14)	230,729	-
<b>Other Loans and Advances (Unsecured, Considered good)</b>		
Advances to Directors	63,000	8,700
Advances to Capital Goods	-	4,000,000
Advances to Suppliers	2,404,732	958,321
<b>Total</b>	<b>5,978,964</b>	<b>5,620,003</b>



**NOTE NO. 13 – REVENUE FROM OPERATION**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Sale of Products</b>		
<b>Net Sales (Domestic):</b>		
Aluminium Wire	2,474,665	-
Copper Scrap	8,571,478	7,353,130
Copper Strip / Wire	105,846,018	62,441,753
Copper Resale	-	1,534,834
Job Work	7,654,251	7,268,282
OGS Sales Against Form “C”	5,960,494	-
Packing and Forwarding	110,850	59,670
Paper Roll	9,394	156,912
Stemping Charges	-3,280	520
Sales (4%)	32,373	-
Net Sales (Export)	386,147	-
Round Off	8	-
<b>Total (A)</b>	<b>131,042,397</b>	<b>79,175,101</b>
<b>Add:</b>		
Excise Duty	14,693,711	8,626,648
VAT/CST/TCS	6,782,335	4,095,601
<b>Total (B)</b>	<b>21,476,046</b>	<b>12,722,249</b>
<b>Total (A+B)</b>	<b>152,518,443</b>	<b>91,897,350</b>

**NOTE NO. 14 – OTHER INCOME**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Interest Income	58,801	34,333
Interest Income On Bank Document	623,781	190,993
Kasar	10	10,293
Rebate and Discount	1,733,131	-
<b>Total</b>	<b>2,415,723</b>	<b>235,619</b>

**NOTE NO. 15 – COST OF RAW MATERIAL CONSUMED**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Raw Material		
Opening Stock	1,193,993	821,944
Add: Receipt	112,212,769	60,978,684
Less: Closing Stock	1,914,265	1,193,993
<b>Total</b>	<b>111,492,497</b>	<b>60,606,635</b>

**COST OF STORES MATERIAL CONSUMED**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Raw Material		
Opening Stock	2,311,261	-
Add: Receipt	3,397,702	-
Less: Closing Stock	1,576,934	-
<b>Total</b>	<b>4,132,029</b>	<b>5,739,905</b>

**COST OF PACKING MATERIAL CONSUMED**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Raw Material		
Opening Stock	441,948	-
Add: Receipt	1,855,845	-
Less: Closing Stock	815,482	-
<b>Total</b>	<b>1,482,311</b>	<b>1,234,002</b>

**NOTE NO. 16 – INCREASE/ (DECREASE) IN STOCK**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Closing Stocks of Finished Goods	-	-
<b>Less: Opening Stock of Finished Goods</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE NO. 17 – MANUFACTURING EXPENSES**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Manufacturing Expenses</b>		
Carriage Inward	157,060	63,483
Electric Power Fuel	1,781,497	1,577,018
Petrol Exp. For Machine	-	8,000
Repairs & Maintenance (Plant)	490,515	468,506
Testing & Analysis Exp.	15,677	10,702
Water Charges	7,618	6,504
<b>Total</b>	<b>2,452,367</b>	<b>2,134,213</b>



**NOTE NO. 18 – EMPLOYEE BENEFITS EXPENSE**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Salary and Wages	2,341,637	2,242,316
Staff Welfare Expense	464,154	284,164
Remuneration to Directors	1,200,000	720,000
<b>Total</b>	<b>4,005,791</b>	<b>3,246,480</b>

**NOTE NO. 19 – FINANCIAL CHARGES**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Interest on Cash Credit	854,363	113,373
Interest to Depositors	1,416,561	1,413,255
Interest on Term Loan	119,576	51,587
Interest on Car Loan	-	1,812
Bank Charges, Commission and Processing Charges	594,901	455,131
<b>Total</b>	<b>2,985,401</b>	<b>2,035,158</b>

**NOTE NO. 20 – ADMINISTRATIVE AND SELLING EXPENSES**

(In Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Advertisement Expenses	22,500	22,472
Air Conditioner Repairing Expenses	9,600	-
Audit Fees	19,663	19,663
Carriage Outward Expenses	191,445	59,400
Computer & Printer Maintenance	14,950	23,958
Donation Expenses	9,000	-
Electrical Accessories and Repairs Expenses	484,662	78,516
Electrical Inspection Fees	-	3,300
Factory License Fees	-	7,040
Income Tax Expenses	722	-
Insurance Expenses	114,552	109,927
Land Revenue Expenses	-	608
Legal and Professional Charges	-	10,820
Loading-Unloading Expenses	12,000	-
Mobile Phone Expenses	30,020	27,686
Postage and Courier	3,460	3,824
Preliminary Expenses Written Off	37,758	37,758
Professional Fees	184,480	104,719
Professional Tax	2,400	2,400
Rebate and Discount	-	1,279,206
Rent Expenses	115,000	220,000
R.O.C. Filing Fees Expenses	2,500	2,000

Scale Repairing	8,560	9,250
Security Expenses	30,899	-
Service Tax	25,572	3,899
Stationary and Printing Expenses	45,501	33,990
Stamping Expenses	-	1,510
Subscription Expenses	8,780	5,130
Telephone EPBX Expenses	7,350	-
Tractor Diesel Expenses	89,160	69,890
Tractor Maintenance Expenses	6,740	9,340
Travelling Expenses	259,150	236,825
Advocate Fees	2,200	-
Value Added Tax	113,240	-
Vehicle Petrol Expenses	70,189	75,408
Vehicle Maintenance Expenses	37,311	35,392
Water Cooler and Repairing Expenses	12,650	-
<b>Total</b>	<b>1,972,014</b>	<b>2,493,931</b>

**NOTE NO. 21 – CONTINGENT LIABILITIES NOT PROVIDED FOR: NIL**

**NOTE NO. 22 –EARNINGS PER SHARE CALCULATION:**

The above is as required under the Accounting Standard AS-20, “Earning per share”, and it is as follows:

Total shares issued (Nos.) of Rs. 10/- each	995,000
Profit after tax for the year (Rs.)	3,149,535
Earnings per share (Rs.)	3.17

**NOTE NO. 23 – RELATED PARTY TRANSACTIONS:**

(In Rs.)

Nature of Transactions	Subsidiaries		Key Management Personnel		Relative of Key Management Personnel	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>Rent Paid:</b>						
Elite Industries	-	-	-	-	35,000	60,000
Dharmesh K. Shah	-	-	80,000	80,000	-	-
<b>Remuneration Paid:</b>						
(1) Dharmesh K. Shah	-	-	1,200,000	720,000	-	-
<b>Deposits Accepted /(Repaid):</b>						
Amita D. Shah	-	-	-	-	1,510,000	3,254,440
Amita D. Shah	-	-	-	-	(2,131,000)	(4,308,000)

Bhumika K. Shah	-	-	-	-	-	-
Bhumika K. Shah	-	-	-	-	-	(200,000)
Dharmesh K. Shah (H.U.F.)	-	-	-	-	-	50,000
Dharmesh K. Shah	-	-	8,440,000	(6,700,000)	-	-
Dharmesh K. Shah	-	-	(6,480,000)	3,100,000	-	-
Darshil D. Shah	-	-	-	-	-	93,000
Falguni K. Shah	-	-	-	-	-	-
Falguni K. Shah	-	-	-	-	-	(200,000)
Kanubhai S. Shah (H.U.F.)	-	-	-	-	-	-
Kanubhai S. Shah	-	-	1,500,000	-	-	-
Kanubhai S. Shah	-	-	-	(1,190,000)	-	-
Sunandaben K. Shah	-	-	-	-	3,000,000	1,000,000
Sunandaben K. Shah	-	-	-	-	(1,500,000)	(1,700,000)
Stuti D. Shah	-	-	-	-	-	104,000
Hitendrabhai M. Doshi	-	-	-	-	-	(300,000)
Nimishaben A. Shah	-	-	-	-	-	(1,000,000)
Vardhman Stamping Pvt. Ltd.	-	-	-	-	-	9,600,000
Vardhman Stamping Pvt. Ltd.	-	-	-	-	-	(9,600,000)

Nature of Transactions	Subsidiaries		Key Management Personnel		Relative of Key Management Personnel	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>Interest Paid:</b>						
Amita D. Shah	-	-	-	-	288,043	153,314
Bhumika K. Shah	-	-	-	-	72,581	73,141
Dharmesh K. Shah (H.U.F.)	-	-	-	-	11,362	158,369
Dharmesh K. Shah	-	-	220,797	340,660	-	-
Darshil D. Shah	-	-	-	-	11,362	1,682
Falguni K. Shah	-	-	-	-	68,238	70,014
Kanubhai S. Shah (H.U.F.)	-	-	-	-	157,668	142,300
Kanubhai S. Shah	-	-	130,130	118,479	-	-
Sunandaben K. Shah	-	-	-	-	276,472	261,511
Stuti D. Shah	-	-	-	-	12,706	1,881
Hitendrabhai M. Doshi (H.U.F.)	-	-	-	-	-	70,027
Nimishaben A. Shah	-	-	-	-	-	21,699
<b>Fixed Assets Purchased:</b>						





Amita D. Shah	-	-	-	-	1,010,000	-
Dharmesh K. Shah	-	-	1,700,000	-	-	-

**NOTE NO. 24 –EXPENDITURE IN FOREIGN CURRENCY:**

Particulars	2013-14	2012-13
(A) CIF Value of Imported material		
(I) Raw Material & Spares	2,680,665	4,055,430
(II) Capital Goods	0	0
(B) Payment of Principal and Interest on Loan, Export Rejection, Commission etc.	0	0
(C) Payment for Foreign Tour	153,377	231,680

**NOTE NO. 25** -In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

**NOTE NO. 26** - Tax assessment of the company under Income Tax Act 1961, has been completed up to Financial Year 2011-12 and the sales tax assessment up to Financial Year 2011-12.

**NOTE NO. 27** - Balances of Debtors, Creditors and Loans & Advances are subject to confirmation. Adjustments, if any, will be made at the time of reconciliation of accounts. The confirmation in respect of sundry creditors has been called for during the year and 57 % confirmations have been received satisfactorily.

**NOTE NO. 28** - In the absence of any intimation from vendors regarding the status of their registration under the “Micro, Small and Medium Enterprises Development Act, 2006”, the company is unable to comply with the disclosures require to be made under the said act.

**NOTE NO. 29** - Figures have been rounded off to the nearest rupee.

**NOTE NO. 30** - As per the Revised Schedule VI, for the first financial year, comparative figures of the previous year are not mandatory. However we have provided the comparative figures wherever it is possible. Previous year’s figures have been regrouped / reclassified to make them comparable with those of the current year, wherever necessary.

**SIGNATURES TO NOTES 1 TO 30**

As per our report of even date attached

**For, C. P. Shah & Co.**

**Chartered Accountants**

**Firm Registration No : 109526W**

Chetan P. Shah  
Membership No.: 031239  
Place: Ahmedabad  
Date: 02/09/2014

**For and on behalf of the Board**

**Kanubhai S. Shah**  
**Director**

**Dharmesh K. Shah**  
**Director**

**Place: Ahmedabad**  
**Date: 02/09/2014**



## CAPITAL STRUCTURE

The share capital of our Company as on date of this Draft Information Document is set forth below:

(In Rupees)

Particulars	Aggregate Nominal Value
<b>(A) Authorised Share Capital</b>	
1,250,000 Equity Shares of Rs 10/- each	12,500,000
<b>Total</b>	<b>12,500,000</b>
<b>(B) Issued, Subscribed and Paid-Up Equity Capital</b>	
1,095,000 Equity Shares of Rs. 10 /-each	10,950,000
<b>Total</b>	<b>10,950,000</b>
<b>(C) Securities Premium</b>	<b>4,000,000</b>

- (1) All Equity shares of the Company are fully paid – up.
- (2) The listing of the shares is being made in terms of Chapter XC of SEBI ICDR Regulations.
- (3) The Listing, in terms of this Draft Information Document, has been authorized pursuant to the resolution of Board of Directors dated March 23, 2015 and approved by the shareholders vide resolution passed at the Extra-Ordinary General Meeting of the Company held on March 25, 2015.

### Changes in the Authorised Capital:

1. The Initial Authorized share capital of Rs 1,000,000 divided into 100,000 Equity Shares was increased to Rs. 10,000,000 divided into 1,000,000 Equity Shares pursuant to a resolution of our Shareholders passed on August 18, 2010.
2. The Authorized share capital of Rs 10,000,000 divided into 1,000,000 Equity Shares of Rs. 10/- each was increased to Rs. 12,500,000 divided into 1,250,000 Equity Shares pursuant to a resolution of our Shareholders passed on February 20, 2015.

### Notes to the Capital Structure:

#### 1. Equity Share Capital History Of Our Company:

*(Amount in Rs, except share data)*

Date of Allotment / Buyback	No. of Equity Shares	Face Value (in Rs)	Issue Price (in Rs)	Consideration	Reasons for Allotment	Cumulative No of Equity Shares	Cumulative Paid Up Equity Share Capital (in Rs)	Cumulative Equity Share Premium (in Rs)
March 20, 2006	10,000	10	10	Cash	Initial Subscription	10,000	100,000	Nil
April 05, 2008	6,000	10	10	Cash	Further Allotment	6,000	160,000	Nil
August 28, 2012	979,000	10	10	Cash	Further Allotment	995,000	9,950,000	Nil
March 23, 2015	100,000	10	50	Cash	Private Placement	1,095,000	10,950,000	4,000,000



## 2. List of Top Eight Shareholders (Equity) of our Company:

Sr. No	Name of the Shareholder	No of Shares Held	Shareholding %
1.	Dharmesh Kanubhai Shah	506,000	46.21
2	Amita Dharmesh Shah	301,000	27.49
3	Kanubhai Shantilal Shah	125,000	11.42
4	Jayesh Kantilal Thakkar	100,000	9.13
5	Bhumika Kanubhai Shah	21,000	1.92
6	Falguni Kanubhai Shah	21,000	1.92
7	Sunandaben Kanubhai Shah	20,500	1.87
8	Dipali Doshi	500	0.05
<b>TOTAL</b>		<b>1,095,000</b>	<b>100.00</b>

As on the date of this Draft Information Document, our Company has Eight shareholders.

**3. Statement showing Shareholding Pattern of the Company as per Clause 34 of Listing Agreement on Institutional Trading Platform:**

**(I)(a)**

Sr. No. (I)	Category of Shareholders (II)	No. of Holders (III)	No. of Shares (IV)	No. of Shares held in Dematerialized form (V)	Total shareholding as a percentage of total number of shares % of (A+B) (VI)	Shares Pledged or otherwise encumbered	
						Number of shares (VII)	As a percentage (VIII) = (VII)/(IV)*100
<b>(A)</b>	<b>Promoter and Promoter Group</b>						
<b>1</b>	<b>Indian</b>						
A	Individual/HUF	06	994,500	-	90.82	-	-
B	Central Govt./ State Govt.	-	-	-	-	-	-
C	Bodies Corporate	-	-	-	-	-	-
D	Financial Institution/ Bank	-	-	-	-	-	-
E	Any Other	-	-	-	-	-	-
	<b>Sub-Total of (A)(1)</b>	<b>06</b>	<b>994,500</b>	<b>-</b>	<b>90.82</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>Foreign</b>						
A	Individuals (NRIs/Foreign)	-	-	-	-	-	-
B	Bodies Corporate	-	-	-	-	-	-
C	Institutions	-	-	-	-	-	-
D	Any Other	-	-	-	-	-	-
	<b>Sub-Total of (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Shareholding of Promoter &amp; Promoter Group (A) = A1+A2</b>	<b>06</b>	<b>994,500</b>	<b>-</b>	<b>90.82</b>	<b>-</b>	<b>-</b>
<b>(B)</b>	<b>Public Shareholding</b>						
<b>1</b>	<b>Institutions</b>						
A	Mutual Funds/ UTI	-	-	-	-	NA	NA
B	Financial Institution/ Bank	-	-	-	-	NA	NA
C	Central Govt./ State Govt.	-	-	-	-	NA	NA
D	Alternative Investment Fund/Venture Capital Funds	-	-	-	-	NA	NA
E	Insurance	-	-	-	-	NA	NA

	Companies								
F	Foreign Institutional Investors	-	-	-	-	NA	NA		
G	Foreign Venture Capital investors	-	-	-	-	NA	NA		
H	Qualified Foreign investor	-	-	-	-	NA	NA		
I	Any Other	-	-	-	-	NA	NA		
	<b>Sub-Total of (B)(1)</b>	-	-	-	-	<b>NA</b>	<b>NA</b>		
<b>2</b>	<b>Non - Institutions</b>								
A	Bodies Corporate	-	-	-	-	NA	NA		
B	Individuals	02	100,500	-	9.18	NA	NA		
C	Qualified Foreign Investor	-	-	-	-	NA	NA		
D	Any Other	-	-	-	-	NA	NA		
	<b>Sub-Total of (B)(2)</b>	<b>02</b>	<b>100,500</b>	-	<b>9.18</b>	NA	NA		
	<b>Total Public Shareholding (B) = B(1) + B(2)</b>	<b>02</b>	<b>100,500</b>	-	<b>9.18</b>	<b>NA</b>	<b>NA</b>		
	<b>Total (A) + (B)</b>	<b>08</b>	<b>1,095,000</b>	-	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>		

**(I)(b) Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”**

Sr. no	Name of the Shareholder	Details of shares held		Shares pledged or otherwise encumbered			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No of shares held	As a % of grand total (A) + (B) + (C)	No.	As a %	As a % of grand total (A) + (B) + (C) of sub-clause (I)(a)	No of warrants held	As a %	No of convertible securities held	As a %	
1.	Dharmesh Kanubhai Shah	506,000	46.21	-	-	-	-	-	-	-	46.21
2	Amita	301,000	27.49	-	-	-	-	-	-	-	27.49

	Dharmesh Shah										
3	Kanubhai Shantilal Shah	125,000	11.42	-	-	-	-	-	-	-	11.42
4	Bhumika Kanubhai Shah	21,000	1.92	-	-	-	-	-	-	-	1.92
5	Falguni Kanubhai Shah	21,000	1.92	-	-	-	-	-	-	-	1.92
6	Sunandaben Kanubhai Shah	20,500	1.87	-	-	-	-	-	-	-	1.87
	<b>Total</b>	<b>994,500</b>	<b>90.82</b>	-	-	-	-	-	-	-	<b>90.82</b>

**(I)(c) Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1 % of the total number of shares**

Sr No	Name of shareholder	No of shares	Shares as percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	Jayesh Kantilal Thakkar	100,000	9.13
	<b>Total</b>	<b>100,000</b>	<b>9.13</b>

**(I)(d) Statement showing details of locked-in shares**

Sr no	Name of shareholder	No of locked-in shares	Shares as percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
	<b>Nil</b>	-	-

**(II) (a) Statement showing details of Depository Receipts (DRs)**

Sr no	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
	<b>Nil</b>	-	-	-



**(II) (b) Statement showing holding of Depository Receipts (DRs), where underlying shares are in excess of 1 % of the total number:**

<b>Sr no</b>	<b>Name of DR Holder</b>	<b>Type of outstanding DR (ADRs, GDRs, SDRs, etc.)</b>	<b>Number of shares underlying outstanding DRs</b>	<b>Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}</b>
	<b>Nil</b>	-	-	-



## DESCRIPTION OF PROPERTY

Descriptions of Properties of our Company are set forth below:

We operate from our registered office situated at 18, 19, Changodar Industrial Estate Part II, Sarkhej Bavla Highway, Changodar, Ahmedabad - 382213, Gujarat, India.

### Freehold Properties:

Sr. No.	Document and date	Name of Seller/ Transferor	Consideration	Area	Particulars of the Property	Usage
1.	Land Document dated September 27, 2013*	Amita Dharmesh Shah	Rs.10,10,000/-	756 Sq. Meters	Sub Plot no. 13, Block no. 405 paiki, Maouje Village SIm Changodar, Sub-district & Taluka Sanand, Dist. Ahmedabad	For New Unit (New production area) set up.
2.	Land Document dated December 3, 2013*	Dharmesh Kanubhai Shah	Rs.11,00,000/-	588 Sq. Meters	Sub Plot no. 14, Block no. 405 paiki, Changodar Industrial Estate part II, Sub-district & Taluka Sanand, Dist. Ahmedabad	General Store
3.	Land Document dated December 3, 2013*	Dharmesh Kanubhai Shah	Rs.6,00,000/-	420 Sq. Meters	Sub Plot no. 15, Block no. 405 paiki, Changodar Industrial Estate part II, Sub-district & Taluka Sanand, Dist. Ahmedabad	Manufacturing Unit
4.	Land Document dated May 24, 2006	Surat Jesomal Khanchandani	Rs.50,100/-	1276 Sq. Meters	Plot no. 18 & 19, Block no. 405 paiki, Changodar Industrial Estate part II, Sub-district & Taluka Sanand, Dist. Ahmedabad	Registered Office of the company Existing Main Manufacturing Unit.

\* Property has been acquired from related party

Kindly refer page no 18 for the details of the intellectual property owned by the Company.

### **Fixed Assets**

For details of Fixed assets of our company, please refer to Note no 8 under section “Financial Information” beginning on page 21 of this Draft Information Document.





## **SECTION II - RISK FACTORS**

*The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. If any one or more of the following risks as well as other risks and uncertainties discussed in this Draft Information Document were to occur, our business, financial condition and results of operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in loss of all or part of investment.*

*These risks are not only ones that our Company faces. Our business operations could also be affected by additional factors that are not presently known to us or that we consider immaterial to our operations. Unless specified or quantified in the relevant risk factor below, we are not in the position to quantify financial or other implications of any risks mentioned herein.*

### ***Internal Risk Factors***

***1. We require regulatory approvals in the ordinary course of business, and the failure to obtain them in timely manner or at all may adversely affect our operations.***

We require regulatory approvals, sanctions, licenses, registrations and permissions for operating our business, most of which expire in due course from time to time. Please refer to section titled “Approvals/Licenses/Permissions to conduct our business” on page 18 for further details. We cannot assure you that we will obtain all regulatory approvals, sanctions, licenses, registrations and permissions or make all filings that we are required to obtain or make in the future, or receive renewals of existing or future approvals, sanctions licenses, registrations and permissions in the time frames required for our operations or at all. This can materially and adversely affect our business, results of operations and cash flows.

***2. Our insurance coverage may not adequately protect us against all losses.***

Our insurance coverage may not adequately protect us against all losses. While we believe that the insurance coverage we maintain would reasonably be 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 maintained by us will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage resulting from not obtaining or maintaining insurance or exceeding our insurance coverage, the loss would have to be borne by us and it could have a Material adverse effect on our results of operations and financial condition

***3. We have in the past entered into related party transactions and may continue to do so in the future.***

We have in the past entered into related party transactions and may continue to do so in the future. We have, in the course of our business, entered into transactions with related parties including entities forming part of our Promoter Group and our key managerial personnel. While we believe that all such transactions have been conducted on an arms’ length basis, it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered into with unrelated parties. Such related party transactions may give rise to potential conflicts of interest with respect to dealings between us and the related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There cannot be assurance that such transactions, individually or in the aggregate, may have an adverse effect on our financial condition and results of operations. For details of related party transactions entered by us, please refer to the section “Financial Information “beginning on page no 21.



**4. *Some of our Directors and key management personnel have interests in the Company other than merely reimbursement of expenses incurred by them or normal remuneration or benefits.***

Some of our Directors and key management personnel hold shares in the Company therefore; they have interests in the Company other than merely reimbursement of expenses incurred by them or normal remuneration or benefits. For details, see “Capital Structure” beginning on 41.

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

Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, and capital expenditures. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements for our business, financial condition and results of operations.

**6. *In future, there could be non-availability of supply of raw materials at the right time and right price.***

The Company manufactures copper wires, strips and rods and we procure our requirement of copper directly from manufacturers. There is no specific arrangement which the Company has entered with any entity and as such in future it could lead non availability of supply of raw materials at the right time and right price.

**7. *Our Company has availed unsecured loans, which are repayable on demand.***

We have availed unsecured loans aggregating to Rs.150.30 Lacs as on March 31, 2014 and may be re-called at any time by these Parties. In the event that these loans are required to be re-paid on a short notice, our Company may have to arrange for additional funds which may impact our financials. For further details in relation to the unsecured loans, please refer the chapter “Financial Statements” beginning on page no. 21 of this Information Document.

**8. *We require high working capital for our smooth day to day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favorable terms may have an adverse effect on our operations, profitability and growth prospects.***

Our business demands substantial funds towards working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favorable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse affect on our operations, profitability and growth prospects.

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

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

**10. *Our indebtedness and the conditions and restrictions imposed on us by our financing agreements, or interest rate fluctuations to which we are exposed, could adversely affect our financial viability to conduct our business.***

As of March 31, 2014, our indebtedness was Rs.342.19 Lacs. We may incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used toward repayment of our existing debt, which would reduce the availability of cash to fund working capital needs, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;



- fluctuations in market interest rates may affect the cost of our borrowings, as some of our loans are at variable interest rates; and

Any failure to service our indebtedness, comply with any requirement to obtain a consent or perform any condition or covenant could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations.

**11. *Our Company has entered into loan agreements with banks which contain restrictive covenant.***

As on March 31, 2014, our Company has outstanding secured loans from State Bank of India. As per our current financing arrangements with them, there are certain restrictive covenants which require us to obtain their prior consent in writing before undertaking certain corporate actions such as expansion in the Company etc.

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

We have secured our lenders by creating charge over our movable and immovable properties. In the event of non- repayment of the loans availed by us and any interest thereon, our properties may be forfeited by lenders.

**13. *Our trademark is not registered under the Trade Marks Act, 1999.***

Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act, 1999, and consequently do not enjoy the statutory protections accorded to a trademark registered in India. Unless our trademarks are registered, we may only get passing off relief for our marks if used by others, which could materially and adversely affect our brand image, goodwill and business.

## ***External Risk Factors***

### ***1. Our Company's growth depends on domestic and regional economic growth.***

Our business is dependent on the level of domestic, regional and global economic growth, international trade and consumer spending. The rate of growth of India's economy and of the demand for real estate and infrastructure services in India may fluctuate over the years. During periods of strong economic growth, demand for such services may grow at a rate equal to, or even greater than, that of the GDP. Conversely, during periods of slow GDP growth, such demand may exhibit slow or even negative growth. Global economic developments have adversely affected the Indian economy. There can be no assurance that future fluctuations in economic or business cycles, or other events that could influence GDP growth, will not have a material adverse effect on our business, cash flows and results of operations.

### ***2. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our operations.***

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

### ***3. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, making travel and other services more difficult and ultimately adversely affecting our business. India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares. Other acts of violence or war outside India, including those involving the United States, the United Kingdom or other countries, may adversely affect worldwide financial markets and could adversely affect the world economic environment, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India. South Asia has, from time to time, experienced instances of civil unrest and hostilities among other neighbouring countries.

### ***4. Natural calamities and changing weather conditions caused as a result of global warming could have a negative impact on the Indian economy and consequently impact our business and profitability.***

Natural calamities such as draughts, floods, and earthquakes could have a negative impact on the Indian economy and may cause suspension, delays or damage to our current projects and operations, which may adversely impact our business and our operating results. India's being a monsoon driven economy, climate change caused due to global warming bringing deficient / untimely monsoons could impact Government policy which in turn would adversely affect our business.

### ***5. 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.

**6. *Active trading markets for our Equity Shares may not develop***

We propose to list our Equity Shares on Equity Shares on Institution Trading Platform (ITP) of NSE Emerge. There will be no active trading market of our Equity Shares or for securities convertible into Equity Shares. Trading on ITP is subject to certain restrictions viz minimum trading lot on institutional trading platform is Rs. 10 Lacs. Further the securities listed on ITP will be mandatorily exited on triggering of various events such as completion of ten years on listing of ITP or attaining paid up capital of Rs. 25 Crores or attaining revenue of Rs. 300 Crores or attaining market capitalization of Rs. 500 Crores.

**7. *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 Draft Information Document.***

The Companies Act, 2013 has been notified in the Official Gazette on 30th August, 2013. Section 1 of the said Act was notified on August 30, 2013, while 98 more sections were notified as on September 12, 2013, section 135 and rules thereunder on February 27, 2014. The Ministry of Company Affairs has further notified 183 sections of the Act and Rules thereunder to be made effective from April 01, 2014. Though we have incorporated the relevant details pertaining to the new Companies Act, 2013 (to the extent notified) in this Draft Information Document, any further notifications by the MCA after our filing of this Draft Information Document may be material with respect to the disclosures to be made in the Draft Information Document as well as other rules and formalities for completing the Issue. The Companies Act, 2013 is in a phased manner replacing the Companies Act, 1956, with majority of the act already in force. 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, 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 complemented by a set of rules that sets out the procedure for compliance with the substantive provisions of the Companies Act, 2013.



### **SECTION III: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

#### **1. Information with respect to the shareholding of a Beneficial Owner**

The following table sets forth certain information concerning the beneficial ownership of our shares by each person known by us to be the beneficial owner (in case different from registered owner) of the issued and subscribed capital.

<b>Sr. No</b>	<b>Class/ type of securities</b>	<b>Name and address of beneficial owner</b>	<b>Amount and nature of beneficial ownership</b>	<b>Percent</b>
1.	Equity Shares	Nil	Nil	Nil

#### **2. Information with respect to the shareholding of Management**

The following table details the shareholding of the Directors in their personal capacity and either as sole or first holder, as on the date of this Draft Information Document.

<b>Name of Director</b>	<b>No. of Shares held</b>
Dharmesh Kanubhai Shah	5,06,000
Kanubhai Shantilal Shah	1,25,000
Pilak Rajendra Shah	Nil
Prashant Kamleshbhai Shah	Nil
Hitendra Mulchand Doshi	Nil
Mukesh Hiralal Shah	Nil
Jiten Hasmukhbhai Shah	Nil

### **SHAREHOLDERS AGREEMENTS**

Our Company has not entered into any shareholders agreement except a Share Subscription Agreement with Mr. Jayesh Kantilal Thakkar (as a member of M/s Sarthi Angels Venture Foundation) for 100,000 Equity Shares aggregating to Rs. 5,000,000 dated March 21, 2015 as on the date of this Draft Information Document.

Following is a summary of the key details pertaining to the Share Subscription Agreement:

(1) On and subject to the terms and conditions contained in this Agreement and in reliance upon the agreements, undertakings, covenants, indemnities and Warranties and representations of the Company (as contained in this Agreement), and upon fulfilment of the Conditions Precedent set forth in this Agreement to the satisfaction of the Investor, at Completion, the Investor agrees to subscribe to and the Company agrees to issue, allot and deliver to the Investor, Subscription Shares (i.e.100,000 shares) on the Subscription Date, free of all liens and Encumbrance & Charges, for the Subscription Price (i.e. Rs.50/- per equity share).

(2) Upon Completion, the Paid-Up Equity Share Capital of the Company shall be Rs.10,950,000 divided into 1,095,000 (Ten Lacs Ninety-Five Thousand) Equity Shares of INR 10 (Indian Rupees Ten only, being the par value) per paid-up Equity Share.

(3) The Subscription Shares shall be fully paid-up and shall be free from all Encumbrances and shall at all times rank pari passu with all outstanding, issued and paid-up Equity Shares in relation to all stock activities including voting rights, rights issuance, bonus issues, dividends or any corporate actions.



(4) It is hereby agreed and understood between the Parties hereto that the Company shall utilise the Investment Amount only for the purposes for expenditure to be incurred on the capital expenditure or for the working capital requirements of the company. Any further utilization of the Investment Amount shall be subject to the approval of the Board with an affirmative vote of the Investor.

(5) The Investor shall not be required to pledge its shareholding in the Company as and by way of security for any loans or Indebtedness of the Company or provide any guarantee or any other support to any third party, including but without limitation to the lenders of the Company. It is hereby clarified that none of the Investor Shares or any proportionate shareholding of the Investor in Subsidiaries shall be pledged and/or encumbered without the prior written consent of the Investor.

(6) At Completion, the Parties shall ensure the following:

(a) The Investor shall pay the Subscription Consideration through normal banking channels or through a telegraphic transfer to the Company Bank Account;

(b) The Board shall, in accordance with the terms of this Agreement and the Articles, issue a allotment letter to the Investor with respect to for the Subscription Shares subscribed by the Investor;

(c) The Company and the Investor shall take all such actions as are necessary and required to effectively effect Completion in accordance with the letter and spirit of this Agreement;

(d) The Company shall hold a Board and a Shareholders meeting in order to give effect to the following:

(i) Recording the execution of this Agreement and ratifying the transactions contemplated in (including the terms and conditions of) this Agreement;

(ii) Recording the receipt of the Subscription Consideration into the Company Bank Account;

(iii) Issuing and allotting the Subscription Shares to the Investor;

(iv) Authorizing the issuance of duly stamped share certificates or through electronically through their RTA and the letter of allotment in relation to the Subscription Shares to the Investor;

(v) Authorizing the entering in the register of shareholders maintained under Section 88 of the Companies Act, the name of the Investor as the beneficial holder of the Subscription Shares;

(vi) Authorizing the making of appropriate entries in the the register of allotments maintained by the Company, in relation to the issue and allotment of the Subscription Shares to the Investor respectively;

(vii) Authorizing the making of appropriate entries in relation to the issue and allotment of the Subscription Shares in the register of allotments maintained by the Company; and

(viii) Approving and adopting the Business Plan in an Agreed form.

(e) The Company shall deliver to the Investor, the share certificates or shares electronically in the investor's DP account in relation to the Subscription Shares;

(f) The Company shall deliver to the Investor a certified true copy of the updated register of members, register of allotment and the register of transfers maintained by the Company evidencing the name of the Investor as the legal and beneficial owner of the Subscription Shares.



- (g) The Company shall deliver to the Investor a certified true copy of the updated register of directors maintained by the Company evidencing the name of the directors nominated by the Investor as the duly appointed non retiring Director on the Board;
  - (h) The Company shall provide to the Investor, a certificate from its auditor certifying that the issue of the Subscription of Shares to the Investor is in accordance with applicable Law;
  - (i) As at Completion, the Company shall execute an undertaking to the Investor stating that the representation and Warranties contained in this Agreement are true and accurate as of the Completion Date.
- (7) This Agreement shall become effective immediately upon execution and shall continue to remain valid and subsisting until fulfillment of all obligations of the Parties hereto, unless terminated in accordance with Clause 12.2, subject however to Clauses 12.3 and 12.4 of the agreement
- (8) This Agreement may be terminated prior to Completion:
- (a) Based on the mutual agreement of Parties; or
  - (b) By the Investor on occurrence of an event resulting in a Material Adverse Effect; or
  - (c) By the Investor in the event that the Conditions Precedent are not fulfilled, unless extended by the Investor.
- (9) In the event that this Agreement is terminated, no Party hereto shall be entitled to make any claim against any other Party, save and except in respect of any prior breach of this Agreement. Provided, that the provisions of Indemnification, Notices, Dispute Resolution and Governing Law shall survive the termination of this Agreement.
- (10) Any termination of this Agreement shall be without prejudice to any rights and obligations of the Parties accrued or incurred prior to the date of such termination, which shall survive the termination of this Agreement.



## SECTION IV: OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three directors and not more than twelve directors. Our Company currently has Seven Directors out of which three are Independent Directors. We confirm that the composition of our Board of Directors complies with Clause 42 of the ITP Listing Agreement of NSE EMERGE.

The following table sets forth the details regarding our Board of Directors as on the date of filing this Draft Information Document:

Name, Father's Name, Address, Occupation, Nationality, DIN, Date of Appointment & Tenure	Designation	Other Directorships
<p><b>1. Hitendra Mulchand Doshi</b></p> <p><i>Fathers Name:</i> Mulchand Sakalchand Shah</p> <p><i>Address:</i> 108, Niska Residency, New Sharda Mandir Road, Paldi, Ahmedabad – 380007</p> <p><i>Age:</i> 55 years</p> <p><i>Occupation:</i></p> <p><i>Nationality:</i> Indian</p> <p><i>DIN:</i> 00062570</p> <p><i>Date of Appointment:</i> March 10, 2015</p> <p><i>Tenure:</i> 5 years - Not liable to Retire by Rotation</p>	<p>Chairman and Non – Executive Independent Director</p>	<p>1. Transpares Limited</p>
<p><b>2. Dharmesh Kanubhai Shah</b></p> <p><i>Fathers Name :</i> Kanubhai Shantilal Shah</p> <p><i>Address:</i> A-4,Devdarshini Apartments, Opp. Opera Society,NewVikasGruh Road, Paldi, Ahemdabad, 380007</p> <p><i>Age:</i>44 years</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p>	<p>Managing Director</p>	<p>Nil</p>

<p><i>DIN:</i> 00009162</p> <p><i>Original Date of Appointment:</i> March 20, 2006</p> <p><i>Date of Appointment as Managing Director:</i> March 04, 2015</p> <p><i>Tenure:</i> 5 years</p>		
<p><b>3. Kanubhai Shantilal Shah</b></p> <p><i>Fathers Name :</i> Shantilal Chakubhai Shah</p> <p><i>Address :</i> A-4,Devdarshini Apartments, Opp. Opera Society,New Vikas Gruh Road, Paldi, Ahemdabad, 380007</p> <p><i>Age:</i> 72 years</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>DIN:</i> 00009127</p> <p><i>Date of Appointment:</i> March 20, 2006</p> <p><i>Tenure:</i> Liable to Retire by Rotation</p>	<p>Executive Director</p>	<p>Nil</p>
<p><b>4. Pilak Rajendra Shah</b></p> <p><i>Fathers Name:</i> Rajendra Shantilal Shah</p> <p><i>Address:</i> C/289, Manekbaug Society, B/h. Manekbaug Hall, Ambawadi, Ahmedabad – 380015.</p> <p><i>Age:</i> 33 years</p> <p><i>Occupation:</i></p> <p><i>Nationality:</i> Indian</p> <p><i>DIN:</i> 00407960</p> <p><i>Date of Appointment:</i> March 04, 2015</p> <p><i>Tenure:</i> Liable to Retire by Rotation</p>	<p>Non – Executive Director</p>	<ol style="list-style-type: none"> <li>1. Aastha Tools Private Limited</li> <li>2. Harsha Engineers Limited</li> <li>3. Harsha Renewable Energy Private Limited</li> </ol>

<p><b>5. Prashant Kamleshbhai Shah</b></p> <p><b>Fathers Name:</b> Kamleshbhai Chinubhai Shah</p> <p><b>Address:</b> 257, Manekbaug Society, B/H Manekbaug Hall, Ambawadi, Ahmedabad - 380015</p> <p><b>Age:</b> 37 years</p> <p><b>Occupation:</b></p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 00233808</p> <p><b>Date of Appointment:</b> March 04, 2015</p> <p><b>Tenure:</b> Liable to Retire by Rotation</p>	<p>Non – Executive Director</p>	<p>1. Vardhman Stampings Private Limited</p>
<p><b>6. Mukesh Hiralal Shah</b></p> <p><b>Fathers Name:</b> Hiralal Khodidas Shah</p> <p><b>Address :</b> 17, Shetrunjay Society, Shantivan, Paldi, Ahmedabad - 380007</p> <p><b>Age:</b> 55 years</p> <p><b>Occupation:</b></p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 07111407</p> <p><b>Date of Appointment:</b> March 10, 2015</p> <p><b>Tenure:</b> 5 years - Not liable to Retire by Rotation</p>	<p>Non – Executive Independent Director</p>	<p>Nil</p>
<p><b>7. Jiten Hasmukhbhai Shah</b></p> <p><b>Fathers Name:</b> Hamukh Bhikabhai Shah</p> <p><b>Address:</b> 403, Riya Residency, Behind Maniratnam Bunglow, Pat-I, Vasna, Ahmedabad - 380007</p> <p><b>Age:</b> 51 years</p> <p><b>Occupation:</b></p> <p><b>Nationality:</b> Indian</p>	<p>Non – Executive Independent Director</p>	<p>Nil</p>

<p><b>DIN:</b> 07112806</p> <p><b>Date of Appointment:</b> March 10, 2015</p> <p><b>Tenure:</b> 5 years - Not liable to Retire by Rotation</p>		
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## DETAILS OF DIRECTORS:

### 1. Hitendra Mulchand Doshi (Non – Executive Chairman)

Mr. Hitendra Mulchand Doshi, aged 55 years, holds diploma in printing technology from RC Technical, Gujarat. He has an overall experience of 29 years in Transformers and Transformers Radiators manufacturing and repairing line.

### 2. Dharmesh Kanubhai Shah (Managing Director)

Mr. Dharmeshbhai Kanubhai Shah, aged about 44 years holds Master's degree in Science from Gujarat University. He had been associated with his father's business from 1994 till 2006. During this period he entered into a new venture namely "Elite Industries" as a partner. Thereafter, to fulfill his ambition to become an entrepreneur he started business of Copper conductor manufacturing under the name and style of Elite Conductors Private Limited at Changodar.

### 3. Kanubhai Shantilal Shah

Mr. Kanubhai Shantilal Shah, aged about 72 years holds degree in Pharmacy from Gujarat University. He has a huge experience of 45 years in Pharmaceutical & Chemical Industry. He is also a sole proprietor of M/s Elite Chemicals at Changodar. He had been associated with M/s Cyanamide India Limited, Valsad for almost 12 years. In the year 1977, he started in own business in the name of Elite Chemicals. His chemical manufacturing unit has turnover of Rs 1.72 Cr per annum.

### 4. Pilak Rajendra Shah

Mr. Pilak Rajendra Shah, aged 33 years, holds degree in Mechanical Engineering from Gujarat University in the year 2003. He completed his M.S in Integrated Manufacturing System from North Carolina State University in the year 2005. He worked with Ingersoll Rand Ltd as Product Data Management Support from 2005 to 2006. Currently he is associated with Harsha Engineers Ltd.

### 5. Prashant Kamleshbhai Shah

Mr. Prashant Kamleshbhai Shah, aged 37 years, holds commerce degree from Sajanand College, Gujarat University. He has 17 years of working experience at Vardhaman Stamping Pvt Ltd a CRGO Transformer Lamination company.

### 6. Mukesh Hiralal Shah

Mr. Mukesh Hiralal Shah, aged 55 years, is a commerce graduate from Navgujarat College, Gujarat University. He has more than 25 years of experience in steel trading business. He has his own proprietary firm namely Monarch steel.

### 7. Jiten Hasmukhbhai Shah

Mr. Jiten Hasmukhbhai Shah, aged 51 years, is a commerce graduate from HL College and holds a Bachelor in Law degree from Gujarat University. He has been associated with LIC from last 27 years.



## NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

Mr. Dharmesh Kanubhai Shah and Mr. Kanubhai Shantilal Shah are related to each other as son and father

## CONFIRMATIONS

- There is no definitive and/ or service agreement that has been entered into between our Company and the directors in relation to their appointment.
- None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of this Draft Information Document.
- None of the above mentioned Directors are or were directors of any company whose shares were (a) suspended from the stock exchange(s) or (b) delisted from the Stock Exchanges.
- None of the Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

## SERVICE AGREEMENT WITH MANAGING DIRECTOR AND THE REMUNERATION OF MANAGING DIRECTOR

Mr. Dharmesh Kanubhai Shah has been appointed as Managing Director w.e.f. March 04, 2015 for a period of 5 (Five) years, the details of terms and conditions are as follows:

Particulars	Terms
Name	Mr. Dharmesh Kanubhai Shah
Designation	Managing Director
Date of Appointment	March 04, 2015
Salary & Perquisites	Rs. 1,00,000/- per month with suitable breakup as per the policy of the Company. He will be entitled for annual increment of an amount not exceeding Rs. 25,000/- per month. The first annual increment will fall due on 1 <sup>st</sup> April, 2016.
Other Terms and Conditions:	<ul style="list-style-type: none"> <li>• Provident Fund: The Company shall pay an amount as per the Company's Rules as Applicable.</li> <li>• Gratuity: The Company shall pay gratuity as per the Company's rules.</li> <li>• Encashment of leave at the end of the tenure.</li> </ul>

## NON- EXECUTIVE DIRECTORS

Currently, non-executive Directors are not being paid sitting fees or any other kind of remuneration. However the sitting fees may be paid as may be determined by the Board of Directors from time to time.

## CORPORATE GOVERNANCE

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

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



its performance periodically. Currently our Board has seven Directors. The constitution of our Board is in compliance with the requirement of Clause 42 of the Listing Agreement.

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

1. Audit Committee
2. Nomination and Remuneration Committee
3. Shareholders Grievance Committee

**Details of the various committees are as follows:**

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

Our Company has constituted an audit committee ("Audit Committee"), as per the provisions of Clause 42 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on March 23, 2015.

The terms of reference of the Audit Committee complies with the requirements of Clause 42 of the Listing Agreement, proposed to be entered with the Stock Exchange in due course. The Committee presently comprises of three directors. Mukesh Hiralal Shah is the Chairman of the Audit Committee and the company secretary shall act as the secretary to the Audit Committee.

Composition of Audit Committee:

<b>Name of the Member</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Mukesh Hiralal Shah	Chairman	Non- Executive Independent Director
Jiten Hasmukhbhai Shah	Member	Non- Executive Independent Director
Dharmesh Kanubhai Shah	Member	Managing Director

**Role of Audit Committee:**

**The terms of reference of our Audit Committee are includes the following:**

- Recommendation for appointment, remuneration and terms of appointment of internal and statutory auditors of the Company;
- To investigate any activity within the terms of reference
- To seek information from employee
- To obtain outside legal or other professional advice
- Review and monitor the auditor's independence and performance , and effectiveness of audit process;
- Examination of the financial statement and the auditor's report
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter- corporate loans and investments;
- Valuation of undertakings or assets of the Company
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;

To look in to the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholder (in case of non - payment of declared dividends) and creditors

## 2. Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration committee ("Nomination and Remuneration Committee"), as per the provisions of Clause 42 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on March 23, 2015.

The present Remuneration Committee consists of the following Directors:

Name of the Member	Designation	Nature of Directorship
Jiten Hasmukhbhai Shah	Chairman	Non- Executive and Independent Director
Prashant Kamleshbhai Shah	Member	Non- Executive Director
Pilak Rajendra Shah	Member	Non- Executive Director

The terms of reference of Nomination and Remuneration Committee

- The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommended to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

## 3. Shareholders Grievance Committee

Our Company has constituted an Shareholders Grievance Committee ("Shareholders/Investors Grievance Committee") as per the provisions of Clause 42 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on March 23, 2015. The composition of the committee is as under:

Name of the Member	Designation	Nature of Directorship
Hitendra Mulchand Doshi	Chairman	Non- Executive and Independent Director
Pilak Rajendra Shah	Member	Non- Executive Director
Kanubhai Shantilal Shah	Member	Executive Director

The terms of reference of the Investors' Grievance Committee shall be as follows:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares ;
- Redressal of shareholder and investor complaints in relation to transfer of shares, allotment of shares, non-receipt of refund orders, right entitlement, non-receipt of Annual Reports and other entitlements; non-receipt of declared dividends etc;
- Monitoring transfers, transmissions, demat, rematerialisation, splitting, duplicate issue and consolidation of shares or other securities issued by our Company;
- Reference to statutory and regulatory authorities regarding investor grievances;
- Ensure proper and timely attendance and redressal of investor queries and grievances.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Company Secretary of our Company shall act as the Secretary to the Committee.


## SECTION V: OUR PROMOTERS

The following are the Promoters of our Company:

1. Dharmesh Kanubhai Shah
2. Amita Dharmesh Shah
3. Kanubhai Shantilal Shah


**DETAILS OF OUR PROMOTERS ARE AS UNDER:**

### 1. Dharmesh Kanubhai Shah

	<b>Particulars</b>	<b>Details</b>
	<b>Age</b>	44
	<b>Permanent Account Number</b>	AHHPS5718D
	<b>Passport Number</b>	L6269232
	<b>Driving License</b>	GJ01 20100111023
	<b>Voter ID</b>	DDV3374808
	<b>Address</b>	A-4, Devdarshini Apartments, Opp. Opera Society, New Vikas Gruh Road, Paldi, Ahmedabad, 380007
	<b>Other Ventures promoted by him</b>	<ol style="list-style-type: none"> <li>1. Elite Industries</li> <li>2. Dharmesh K Shah (HUF)</li> </ol>

For further details, see “Our Management” on page no 56.


### 2. Amita Dharmesh Shah

	<b>Particulars</b>	<b>Details</b>
	<b>Age</b>	39
	<b>Permanent Account Number</b>	AFGPS3736M
	<b>Passport Number</b>	L6270045
	<b>Driving License</b>	01/98/018116
	<b>Voter ID</b>	DDV3379302
	<b>Address</b>	A-4, Devdarshini Apartments, Opp. Opera Society, New Vikas Gruh Road, Paldi, Ahmedabad, 380007
	<b>Other Ventures promoted by her</b>	Nil

Amita Dharmesh Shah, aged about 39 years has studied upto S. Y B.Com and is a housewife. Currently, she holds 27.49% stake in the company.



### 3. Kanubhai Shantilal Shah

	Particulars	Details
	Age	72
	Permanent Account Number	AFHPS8325L
	Passport Number	F2093772
	Driving License	GJ01 20000200027
	Voter ID	-
	Address	A-4, Devdarshini Apartments, Opp. Opera Society, New Vikas Gruh Road, Paldi, Ahmedabad, 380007
	Other Ventures promoted by her	1. Elite Chemicals 2. Kanubhai S Shah (HUF)

For further details, see “Our Management” on page no 56.

## OTHER VENTURES OF OUR PROMOTERS

### 1. DHARMESH KAUBHAI SHAH

#### a) Elite Industries

Elite Industries is a registered partnership firm, which was formed vide Partnership Deed dated March 29, 1995, having its office 27, Ashwamegh Ind. Estate, Sarkhej-Bavla Road, Changodar, Ahmedabad. Elite Industries is engaged inter alia in all types of Colour Chemicals, Packing Materials, Trading of Plastics as well as production of it.

#### b) Dharmesh K Shah (HUF)

Dharmesh K Shah HUF is a Hindu un-divided. Mr. Dharmesh Shah is the Karta of the HUF.

### 2. KANUBHAI SHANTILAL SHAH

#### a) Elite Chemicals

M/s. Elite Chemicals is a sole proprietorship firm formed by Mr. Kanubhai Shah .having its office at 16, 17, Changodar Ind. Estate, Part-II, Changodar, Ahmedabad, Gujarat. It is a chemical manufacturing unit.

#### b) Kanubhai S Shah (HUF)

Kanubhai S Shah HUF is a Hindu un-divided family. Mr. Kanubhai Shah is the Karta of the HUF.



## **SECTION VI - RELATED PARTY TRANSACTIONS**

For details of related party transactions of our company, please refer to Note no 23 under section “Financial Information” beginning on page 21 of this Draft Information Document.



## **SECTION VII: LEGAL PROCEEDINGS**

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceeding or tax liabilities against our Company and its subsidiaries and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions. No proceedings initiated for economic or other offences, and no disciplinary action has been taken by SEBI or any stock exchanges against our Company and its subsidiaries.

### **I. CASES FILED BY OUR COMPANY**

#### ***Civil Cases***

There are no civil proceedings filed by our Company.

#### ***Criminal Cases-***

There are no criminal proceedings filed by our Company.

### **II. CASES FILED AGAINST OUR COMPANY**

#### ***Civil proceedings***

There are no civil proceedings filed against our Company.

#### ***Criminal Proceedings***

There are no criminal proceedings filed against our Company.

### **III. CASES FILED BY OUR SUBSIDIARY COMPANIES\***

#### ***Civil proceedings***

N.A

#### ***Criminal Proceedings***

N.A

### **IV. CASES FILED AGAINST OUR SUBSIDIARY COMPANIES\***

#### ***Civil proceedings***

N.A

#### ***Criminal Proceedings***

N.A

### **V. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY**

NIL

*\*The company does not have any subsidiary companies.*



### **SECTION VIII – DECLARATION**

We, the Directors, hereby certify and declare that, all relevant provisions of the Companies Act, 1956, notified sections of Companies Act, 2013 and the guidelines issued by the Government of India or the regulations / guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Information Document is contrary to the provisions of the Companies Act, 1956, notified sections of Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Information Document are true and correct.

#### **SIGNED BY ALL THE DIRECTORS**

<b>Name</b>	<b>DIN</b>	<b>Designation</b>	<b>Signature</b>
<b>Mr. Dharmesh Kanubhai Shah</b>	<b>00009162</b>	Managing Director	<b>Sd/-</b>
<b>Mr. Hitendra Mulchand Doshi</b>	<b>00062570</b>	Non- Executive Chairman and Independent Director	<b>Sd/-</b>
<b>Mr. Kanubhai Shantilal Shah</b>	<b>00009127</b>	Director	<b>Sd/-</b>
<b>Mr. Pilak Rajendra Shah</b>	<b>00407960</b>	Non-Executive Director	<b>Sd/-</b>
<b>Mr. Prashant Kamleshbhai Shah</b>	<b>00233808</b>	Non-Executive Director	<b>Sd/-</b>
<b>Mr. Mukesh Hiralal Shah</b>	<b>07111407</b>	Non- Executive and Independent Director	<b>Sd/-</b>
<b>Mr. Jiten Hasmukhbhai Shah</b>	<b>07112806</b>	Non- Executive and Independent Director	<b>Sd/-</b>
<b>Mr. Upendra Shah</b>	<b>ALIPS5054K</b>	Chief Financial Officer	<b>Sd/-</b>

#### **SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER**

**Sd/-**

**Date: March 27, 2015**

**Place: Ahmedabad**