

ABRIDGED LETTER OF OFFER

September 15, 2015

For the Eligible Equity Shareholders of the Company only

THIS ABRIDGED LETTER OF OFFER CONSISTS OF 56 PAGES, PLEASE ENSURE THAT YOU GET ALL PAGES.

Please ensure that you read the Letter of Offer before applying in the Issue. Unless otherwise specified, all terms used in this form shall have the meaning ascribed to such terms in the Letter of Offer. The Investors are advised to retain a copy of the Letter of Offer / Abridged Letter of Offer for their future reference.

EVERLON SYNTHETICS LIMITED

Our Company was incorporated as Everlon Synthetics Private Limited under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated July 26, 1989, issued by the Registrar of Companies, Mumbai, Maharashtra. The name of Company was changed to Everlon Synthetics Limited pursuant to special resolution passed in Extra Ordinary General Meeting dated April 27, 1992 and received certificate of change of name dated May 21, 1992. The Corporate Identification Number of Company is L17297MH1989PLC052747. For further details, please see section "History and Other Corporate Matters" on page 65 of the Letter of Offer.

Registered Office: Registered Office: 67 Regent Chambers, Nariman Point, Mumbai – 400 021

Tel: +91 22 22049233/22042788; **Fax:** +91 22 2287 0540

Contact Person: Mr. Sandeep S. Gupta, Company Secretary and Compliance Officer

E-mail: rightsissue@everlon.in Website: www.everlon.in

PROMOTER OF THE COMPANY: MR. JITENDRA K. VAKHARIA

INVESTORS ARE ADVISED TO REFER TO THE "RISK FACTORS" ON PAGE 8 OF THE LETTER OF OFFER AND PAGE 3 OF THE ABRIDGED LETTER OF OFFER BEFORE MAKING AN INVESTMENT IN THE ISSUE

ISSUE OF 2,59,48,800 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AT A PREMIUM OF ₹ 0.30 PER EQUITY SHARE ("EQUITY SHARES") FOR AN AMOUNT AGGREGATING UPTO ₹ 337.33 LACS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF EVERLON SYNTHETICS LIMITED ("THE COMPANY" OR THE "ISSUER") IN THE RATIO OF SIX FULLY PAID-UP EQUITY SHARES FOR EVERY SEVEN FULLY PAID-UP EQUITY SHARES HELD (I.E., 6:7) BY THE EXISTING EQUITY SHAREHOLDERS ONE DAY PRIOR TO THE BOOK CLOSURE PERIOD (I.E. WEDNESDAY, SEPTEMBER 09, 2015 TO TUESDAY SEPTEMBER 15, 2015).

THE ISSUE PRICE IS 1.30 TIMES THE FACE VALUE.

FOR FURTHER DETAILS, PLEASE SEE "TERMS OF THE ISSUE" ON PAGE 135 OF THE LETTER OF OFFER AND PAGE 36 OF THE ABRIDGED LETTER OF OFFER

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by Securities and Exchange Board of India (the "SEBI") nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. Investors are advised to refer to the "Risk Factors" on page 8 of the Letter of Offer and page 3 of the Abridged Letter of Offer before making an investment in the Issue.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in the Letter of Offer 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 make the Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing equity shares of our Company are listed on BSE Ltd. ("BSE") and Ahmedabad Stock Exchange Limited ("ASE"). We have received in-principle approval from BSE Limited for listing of equity shares being issued in terms of the Letter of Offer vide its letter no. DCS/PREF/FR-RT/715/2014-15 dated February 13, 2015. For the purposes of the Issue, the Designated Stock Exchange is BSE.

ISSUE SCHEDULE

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS:	ISSUE CLOSSES ON
Tuesday, September 29, 2015	Tuesday, October 13, 2015	Wednesday, October 28, 2015

Lead Manager to the Issue:

KEYNOTE

Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (W)
Mumbai 400 028, Maharashtra, India.

Tel: +91 22 3026 6000-3

Fax: +91 22 30266088

E-mail : mbd@keynoteindia.net

Website : www.keynoteindia.net

Contact Person : Mr. Girish Sharma

SEBI Registration Number: INM 000003606

Statutory Auditor of our Company

Poladia & Co.

Chartered Accountants

B-10, Acharya Deshbhushan CHS Ltd.

Plot No.15-16, Pestom Sagar, Road No.5,

Opp. CKP Hall, Chembur, Mumbai – 400 089

Tel: +91 22-25255827 / +91 22-25255828

E-mail: ptpoladia@gmail.com

Contact Person: Mr. P.T Poladia – Partner

Firm Registration Number: 128274W

Membership No.: 38757

Peer Review Certificate No.: 007145

Registrar to the Issue



Sharex Dynamic (India) Pvt. Ltd

Unit -1, Luthra Ind. Premises, Safed Pool,
Andheri-Kurla Road, Andheri (E),

Mumbai – 400 072

Tel: +91 22-28515606/5644

Fax: +91 22-28512885

E-mail: sharexindia@vsnl.com

Website: www.sharexindia.com

Contact Person: Mr. K.C. Ajitkumar

SEBI Registration Number: INR000002102

Banker to the Issue:

Yes Bank Limited

Yes Bank Tower, IFC 2,

8th Floor, Elphinstone (W),

Senapati Bapat Marg,

Mumbai – 400 013

Tel: +91 22 3347 7374/7259

Email: dlbtiservices@yesbank.in

Website: www.yesbank.in

Contact Person: Mr. Alok Srivasatava / Mr. Shankar Vichare

SEBI Registration No: INBI00000935

Self Certified Syndicate Bankers (SCSB):

The list of banks that have been notified by SEBI to act as SCSBs for the Applications Supported by Blocked Amount Process is provided at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details on designated branches of SCSB collecting the CAF, please refer the above mentioned SEBI link.

An indicative time table in respect of this Issue is set out below:

Issue Schedule	
Issue Opening date	September 29, 2015
Issue Closing date	October 28, 2015
Tentative date of basis of allotment	November 06, 2015
Tentative date of initiation of refund and credit of shares	November 07, 2015
Tentative date of listing	November 13, 2015

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RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in the Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. The financial and other implications of material impact of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However there are a few risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. The ordering of the risk factors has been done based on materiality and does not in any manner indicate the importance of one risk factor over the other. To obtain a complete understanding, you should read this section in conjunction with the chapters titled "Business Overview", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 56, 87 and 114 respectively as well as the other financial and statistical information contained in the Letter of Offer.

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer.

The occurrence of any of the following events could have a material adverse effect on our business, results of operations, financial condition and prospects and cause the market price of the Equity Shares to fall significantly, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations. The following factors have been considered for determining the materiality:

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

RISKS ASSOCIATED WITH OUR BUSINESS

- 1. *Our Company is involved in certain litigations/disputes and any adverse decision in such proceedings may have a material adverse effect on the financial condition.***

Our Company is involved in certain litigations that are civil in nature. There are outstanding litigations against our company that includes central excise case relating to show cause cum notice and a legal notice received from Ahmedabad Stock Exchange Limited (ASE).

Our Company received show cause notice from Central Excise in 2001 for an amount aggregating to ₹444.45 lacs. Further, our company also has received a legal notice dated September 12, 2014 for an amount of ₹1.58 lacs from ASE

towards the non-payment of listing fees. For information relating to ASE listing please refer Risk Factor no.2. These notices have been contested by us. We can give no assurance that these litigations will be decided in favour of our Company. Any adverse outcome in any or all of these proceedings may have a material adverse effect on our business, results of operations and financial condition.

Our Promoters and our group companies are not involved in any legal proceedings.

For further information relating to these proceedings, please see the section titled "Outstanding Litigations and Defaults" on page 121.

- 2. *The equity shares of our company have been suspended from trading on Ahmedabad Stock Exchange Ltd. (ASE) w.e.f. 01/06/2014.***

Our Company is in receipt of communication dated 01/06/2014 from ASE intimating that the company has been suspended from ASE w.e.f. 01/06/2014. ASE also informed us that they have decided to levy ₹15 lacs as reinstatement fees in addition to pending listing fee. We have vide our letter dated 28/06/2014 replied to the said communication informing them that the company has already complied with Delisting of Securities Regulations by following the procedure mentioned therein. The shareholders of the company had passed a resolution for delisting of equity shares from ASE at the AGM held on 26/09/2003 and have submitted application for delisting in the prescribed form vide our letter dated 18/12/2003. Subsequently, the ASE advised the company vide their letter no. ASE/2004/3605 dated January 20, 2004 to make the payment of outstanding annual listing fees amounting to ₹40,000/- enabling them to further process the delisting application. Thereafter our company followed with ASE vide various communications requesting ASE to delist equity shares of the company. Company received the communication from ASE on May 02, 2013 in the nature of statutory notice directing the company to pay annual listing fee amounting to ₹1,67,069/-. Our company had replied to the same vide letter dated May 21, 2013 inviting their attention to the earlier pending correspondence in this regard. Subsequently company received a legal notice from one Sonali N. Antani, Advocate, Gujarat High Court dated September 12, 2014 on behalf of ASE requiring the company to comply with conditions of listing agreement and payment of pending listing fees of ₹1,58,034/-. Our company has once again suitably replied vide our letter dated September 26, 2014 narrating the course of events since 2003 confirming that our company is responsible to pay listing fees upto the year 2003 and not up to the year 2014 as demanded by ASE. While replying to the said notice our Company has also mentioned about our communication with ASE as no response from ASE since past several years as regards pending listing fees upto year 2003 and delisting application is received from them.

Our Company has written a letter dated January 21, 2015 to ASE reiterating the earlier correspondences in connection with the outstanding amount of listing fees and seeking

a settlement of the same. The Company has also sent another letter dated January 24, 2015 to ASE requesting them to settle the matter amicably wherein the company has proposed to make payment of ₹40,000/- towards the listing fees for the period between F.Y.2000-01 to F.Y.2003-04. Subsequently, a letter dated February 20, 2015 of Ahmedabad Stock Exchange was received by Company wherein ASE has offered concession/discount upto 30% to settle the outstanding annual listing fees. Our Company vide letter dated March 11, 2015 has accepted the offer subject to ASE proceeding with pending delisting process. We hope that our Company receives an appropriate communication from ASE in this regard and equity shares of our company stand delisted from ASE as we are agreeable to pay the fees.

Management Proposal: Although our scrip has been suspended on ASE, the shareholders of our company have the trading window of recognised stock exchange i.e. BSE Ltd. for buying/selling in equity shares of our Company.

3. Our Company has experienced negative cash flows.

Our Company has experienced negative cash flows, the details of which are summarized below:

(₹ in lacs)

Particulars	For the financial year ended				
	2015	2014	2013	2012	2011
Net cash from operating activities	203.58	67.04	331.37	(424.79)	79.91
Net cash from investing activities	(10.32)	(6.54)	10.30	(30.60)	(178.45)
Net Cash generated from financing activities	(182.78)	(78.61)	(322.29)	457.09	99.80

Any negative cash flows in future could adversely affect our company's results of operation and financial condition. For further details please see the section titled "Financial Information" and the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 87 and 114 respectively.

4. Our Company implemented a scheme of arrangement under section 391 - 394 and section 101 to 105 of the Companies Act, 1956 pursuant to which the investment business of Everlon Synthetics Limited was demerged into Vakharia Power Infrastructure Limited (VPIL) and subsequently the equity shares of VPIL were to be listed on all the stock exchanges wherein ESL is listed. Though VPIL got itself listed on BSE Ltd, it is yet to comply with listing formalities of Ahmedabad Stock Exchange Limited (ASE).

Our Company had implemented scheme of arrangement between wherein the investment business of the Company was demerged into VPIL. Pursuant to the approval of scheme in September 14, 2012 by Hon High Court of Bombay, the investment business of our Company was demerged into VPIL and in consideration thereof, the shares of VPIL were allotted to shareholders of our company in the ratio of 1:1. For details of scheme of arrangement please refer page no. 66 under the chapter "History and Other

Corporate Matters". In terms of the scheme the shares of VPIL were proposed to be listed on all the stock exchanges wherein equity shares of our Company were listed. VPIL complied with the listing requirements of BSE Ltd. and got itself listed on BSE w.e.f October 28, 2013. The listing formalities of Ahmedabad Stock Exchange Limited in respect of VPIL are yet to be complied. Our Company may face relevant action including legal proceedings for non listing of equity shares of VPIL on ASE.

Management Proposal: The equity shares of VPIL are listed & are available for trading on BSE & hence shareholders have the window to trade on a exchange with nationwide terminal. As such our application for delisting of equity shares is pending for disposal.

5. We have incurred losses in past resulting in full erosion of networth. Consequently, our case was referred to BIFR that got admitted in the year 2004. As on March 31, 2015 our outstanding accumulated loss aggregates to ₹ 100.21 lacs.

During the period F.Y.1999 to 2001 our company went through a troubled phase on account of various internal and external factors such as subdued demand for products, inadequate working capital limits lower realization value of products, etc. resulting in losses and erosion of networth. Our Company also defaulted on repayments of banks. The deteriorating financial health of our company led to registration of case with BIFR in the year 2004. Subsequently, during the normal course of business our Company's financial health improved and the Company was in a position to settle the outstanding dues of creditors. On account of positive networth our company ceased to be a sick company in 2007. Thereafter with stability in financial management and operations of Company the performance started improving. Steadily the past losses also wiped out and as on March 31, 2015, our company has accumulated losses only to the extent of ₹100.21 lacs. However, we cannot provide any assurance that Company may continue to make profits in future. There may be various factors which may impact the business operations such as stagnation of demand in textile industry, competition resulting in lower demand of our product, non availability of working capital finance or any such other factors.

6. Issue Proceeds would be utilised for repayment of unsecured loan & funding of issue expenses and hence would not result in creation of assets.

The issue proceeds shall not be utilized for creation of any assets. We intend to use the issue proceeds towards repayment of unsecured loan availed from the promoter group company namely Everest Yarn Agency Private Limited which will lead to improvement in financial ratios and leverage capacity. A part of the issue proceeds shall also be utilized to fund the expenses to be incurred in the issue. For further details on the use of the Issue Proceeds, please see the section "Objects of the Issue" on page 39.

7. The unsecured loan availed by our Company from our promoter group company namely Everest Yarn Agency Private Limited maybe recalled at any given point of time.

Our Company has been availing unsecured loans from our promoter group company namely, Everest Yarn Agency Private Limited (EYAPL) from time to time. The outstanding unsecured loan availed from EYAPL as on March 31, 2015 was ₹315.53 lacs which is 0.43 times of the total outstanding debt as on March 31, 2015. Due to various internal and external factors prevailing during 1999-2000 such as low demand of products manufactured by the company coupled with increased expenditure and inadequate availability of fund based working capital limits from the Bank, the company started making losses which were accumulated over a period of time. In order to support the operations, our company started availing unsecured loan from EYAPL from time to time.

Although there are no terms and condition prescribed for repayment, this outstanding loan can be recalled at any given point of time during ordinary course of business and thus may affect the business operations and financial performance of our Company.

The objects of the present rights issue is repayment of unsecured loan availed from EYAPL.

8. *Our business is dependent on our key customers & suppliers and the loss of any significant customer or supplier could adversely affect our financial results.*

Our company does not have any contract with customers and the demand of our product is based on the requirements and orders received from them. For the financial year ended March 31, 2015, our top five customers accounted for 64.14% of our revenue from operations. We cannot assure you that we can maintain the historical levels of business from these customers or that we will be able to replace these customers in case we lose any of them. The loss of a significant customer or customers would have a material adverse effect on our financial results.

Further, during F.Y.2014-15, approx 42.30% of the value of raw material was procured from Garden Silk Mills Ltd. Though there are other textile players who have depots in the vicinity to supply raw material, the availability of the raw material at acceptable prices may affect production and also have material adverse effect on our financials.

9. *We may require certain approvals, licenses, registrations and permits for our business and the failure to renew or obtain them in a timely manner may adversely affect our operations.*

Our Company has necessary approvals and licenses to carry out the present business operations. However, in future our company would require renewal of existing licenses and approvals to continue our operations and shall also apply for new licenses and approvals as required under the applicable laws from time to time. While we believe that we shall be able to obtain the required licenses and approvals as and when required, there can be no assurance that the relevant authority shall renew the same on timely basis.

Our Company doesn't comply with fire safety norms as prescribed under the relevant laws. However, our company has been conducting periodic check for fire instruments from independent consultants. In the event there is any fire

accident in our Company the insurance companies may deny the claim on account of non compliance of safety norms. Our Company may also be liable for legal action in this regard.

Further, any delay in issuance of approvals or any non issuance of certain approvals in future could interrupt our operations and may have an adverse material effect on our business and financial position. For details of licenses and approvals please refer chapter on 'Government Approvals' appearing on page 124.

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

We have, in the course of our business, entered into transactions with related parties including entities forming part of our Promoter Group, group companies and directors. There can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related 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 can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For details of related party transactions entered into by us please see "Auditor's Report - Related Party Transaction" on page 104 of the Letter of Offer.

11. *Our promoter and promoter group have promoted ventures that are permitted to carry similar line of business. Any future plans of these companies to enter into the similar line of business may result in conflict of interest.*

Our promoter and promoter group have promoted companies viz, Everest Yarn Agency Private Limited (EAYPL) and Vakharia Synthetics Private Limited (VSPL) that are permitted to carry on the business of dealers and manufactures of polyester yarns. Although these companies derive their income either from dealing of products or from non operational income, we cannot assure you that they may not enter into manufacturing of similar products which may result in direct competition and impact our market share. It may also lead to potential conflict of interest which may favour group companies thus affecting the business operations and financials of our Company.

12. *Some of our group companies have made losses in last three financial years*

Our Company has seven group companies as on date. Of these seven group companies four group companies have made net losses during last three financial years. The details of Profit/loss making companies are as under:

(₹ in lacs)

Sl. No	Name of Group Company	F.Y. 2014-15	F.Y. 2013-14	F.Y. 2012-13
1	Vakharia Power Infrastructure Limited	3.94	(30.30)	1.72
2	Vakharia Financial Services Limited	22.36	(2.77)	(2.47)

Sl. No	Name of Group Company	F.Y. 2014-15	F.Y. 2013-14	F.Y. 2012-13
3	Everlon Solar Energy Private Limited	(0.67)	(2.38)	(1.48)
4	Everlon Power Limited	(1.09)	(1.62)	(3.61)

For further details about the group company please see paragraph titled 'Group Companies' on page 79 of the Letter of Offer

13. We are subject to certain restrictive covenants of Janata Sahakari Bank Ltd. in respect of the working capital facilities availed from them.

Our company has received working capital sanction limit of ₹415.00 lacs from Janata Sahakari Bank Ltd. (JSBL) vide their renewed sanction letter dated October 13, 2014 and interest rate amendment letter dated December 17, 2014. The present rate of interest payable is 13.50%. As on June 30, 2015, our Company has outstanding working capital borrowings of ₹ 335.76 lacs. Our Banker has specified certain conditions in the sanction letter such as the company cannot change constitution of business, submission of compliance certificates, submission of monthly stock/book debts statement, etc. In the event our company does not comply with prescribed conditions, JSBL may take certain action against our company including suspension of working capital limits affecting our operations and financial performance. Further, any increase in interest rates could also affect our cost of borrowings and results of operations and financial condition. This may adversely impact our cash flows. We have received NOC from JSB for the proposed Rights Issue. For further details on the borrowings, please see Note 6 – Short Term Borrowings appearing in "Auditor's Report" on page 95 of the Letter of Offer.

14. We are dependent on our management team and the loss of key members may adversely affect our business.

Our success is substantially dependent on our promoter Mr. Jitendra K. Vakharia who has been managing day to day operations along with other key managerial personnel. We cannot assure you that we will be able to retain any or all of the key members of our team. The loss of the services of key members of our team could have an adverse effect on operations of our business. Further, any inability to retain the key members may have an adverse effect on our business and results of operations. For further details of key members, please see the section titled "Management" on page 69.

15. We do not own the premises at which our registered office is located. In any adverse event, we would be required to identify new location for our registered office.

Our registered office is located at 67 Regent Chambers, Nariman Point, Mumbai – 400 021 Maharashtra, India. We do not own this premises at which our registered office is located. Our company has entered into letter of arrangement with Teekay International, a partnership firm belonging to promoter group, for a period of 11 months with effect from March 01, 2015 and the monthly compensation payable is

₹ 25,000/-. The total area taken on rent is ~500 sq. ft. This arrangement may be renewed subject to mutual consent.

In the event, Teekay International requires us to vacate the premises, we will have to seek a new premises at short notice and for a price that may be much higher than what we are currently paying. This may affect our ability to conduct our business or increase our operating costs.

16. Our Promoter and Promoter Group shall continue to exercise significant control over our business which will allow them to determine the outcome of certain matters.

Our Promoters and Promoter Group holds 60.59% of our equity share capital. As a result, they are able to exercise significant control over the matters requiring shareholder approval, including significant corporate structuring exercises such as mergers or demergers, sale of assets, etc. Further, our promoters may take decision which may be in conflict of interest or detrimental to minority shareholders. Our promoter and promoter group have also undertaken to subscribe the under subscribed portion of the Issue, subject to obtaining any approvals required under applicable law. Such subscription for Equity Shares over and above their rights entitlement, if allotted, may result in an increase in their percentage shareholding. Thus, our promoters may have larger control over the decision making process and outcome of matters.

17. There have been few instances wherein filings as prescribed under the listing agreements with the stock exchanges have been delayed.

Our Company has been listed since 1994 on BSE Limited and Ahmedabad Stock Exchange Limited. In terms of the listing agreement our company is required to make filings within the prescribed time frame. Further, any delay in compliance with listing agreement may attract penalty or any other action which may affect the listing status and also liquidity of the scrip. During last five years there have been instances wherein the filings with Stock Exchanges have been delayed. In the calendar year 2014, our Company has paid penal charges amounting to ₹ 5618/- to BSE Limited for one day delay in compliance with clause 41 of the listing agreement. Although, our company's endeavor is to comply with listing agreement in timely manner, there can be no assurance that there may not be any delay in compliances in future.

18. We have not appointed any monitoring agency for the utilization of the Issue Proceeds.

As per the SEBI ICDR Regulation, appointment of monitoring agency is required only for Issue size above ₹ 50,000 lacs. Hence we have not appointed any monitoring agency and the deployment of Issue Proceeds as stated in the "Objects of the Issue" on page 39 is not subject to monitoring by any independent agency. Our main object of the rights issue is repayment of unsecured loan availed from our promoter group company namely, Everest Yarn Agency Private Limited.

19. Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business.

Operating and managing a business involves many risks that may adversely affect our Company's operations, and the availability of insurance is therefore important to our operations. Our Company believes that our insurance coverage is generally consistent with industry practice. However, to the extent that any uninsured risks materialize or if it fails to effectively cover it for any risks, we could be exposed to substantial costs and losses that would adversely affect financial condition. In addition, our Company cannot be certain that the coverage will be available in sufficient amounts to cover one or more large claims, or that our insurers will not disclaim coverage as to any claims. A successful assertion of one or more large claims against our Company that exceeds our available insurance coverage or that leads to adverse changes in our insurance policies, including premium increases or the imposition of a large deductible or coinsurance requirement, could adversely affect our financial condition and results of operations. Our Company has however, not availed key man insurance policies.

RISKS ASSOCIATED WITH INDIA AND INVESTMENTS IN INDIAN COMPANIES

Attention of Investors is invited on Page no.14 of the Letter of Offer for details.

RISKS ASSOCIATED WITH THE EQUITY SHARES AND THIS ISSUE

Attention of Investors is invited on Page no.15 of the Letter of Offer for details.

PROMINENT NOTES

1. Our Company was incorporated as Everlon Synthetics Private Limited under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated July 26, 1989, issued by the Registrar of Companies, Maharashtra. The name of Company was changed to Everlon Synthetics Limited pursuant to special resolution passed in the extra ordinary general meeting dated April 27, 1992 and received certificate of change of name dated May 21, 1992.
2. This is an Issue of 2,59,48,800 Equity Shares of face value ₹ 1.00 at a premium of ₹ 0.30 per Equity Share for an amount aggregating to ₹ 337.33 lacs on a rights basis to the existing Equity Shareholders of our Company in the ratio of 6 fully paid-up Equity Share for every 7 fully paid-up Equity Shares held (i.e., 6:7) by the existing Equity Shareholders one day prior to the book closure period (i.e Wednesday, September 09, 2015 to Tuesday, September 15, 2015)
3. The net worth of our Company ((Equity Share capital + securities premium + reserves and surplus (excluding revaluation reserve) – miscellaneous expenditure (to the extent not adjusted or written off) – deficit in profit and loss account)) as on March 31, 2015 was ₹202.71lacs. The net asset value per share (net worth / number of Equity Shares outstanding) of our Company as on March 31, 2015 was ₹ 0.67.
4. Our Company, in the course of business has entered into transactions with related parties. The details of related party transactions are as under:

(₹ in lacs)

Particulars	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
Director remuneration & sitting fees	4.89	4.82	4.92	3.69	2.46
Investment in share capital	0.00	0.00	0.00	5.00	5.00
Unsecured Loan (Everest Yarn Agency Pvt. Ltd)	315.53	330.47	386.39	417.50	254.10
Premises Rent (Teekay International)	3.00	-	-	-	-

5. There has been no financing arrangement whereby the Promoter Group, the Directors of our Company who are our Promoters and our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of the Letter of Offer with SEBI.
6. All information shall be made available by the Lead Manager and our Company to the public and investors at large and no selective or additional information would be available only to a section of investors in any manner whatsoever.
7. The Lead Manager and our Company shall update the Letter of Offer and keep our shareholders / public informed of any material changes till listing and trading permission in respect of the Equity Shares is received.

Investors may contact the Lead Manager for any complaint, clarifications and information pertaining to the Issue. Any clarification or information relating to this Issue shall be made available by the Lead Manager to the public and investors at large and no selective or additional information would be made available only to a section of the investors in any manner. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, application number, number of Equity Shares applied for, application amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form has been submitted by the ASBA Investor. For contact details please see "General Information" on page 25 of the Letter of Offer.

GENERAL INFORMATION

Registered Office of our Company

67, Regent Chambers, Nariman Point, Mumbai – 400 021
Maharashtra, India

Tel: +91 22049233/2204 2788; **Fax:** +91 2287 0540

Website: www.everlon.in

Corporate Identification No.: L17297MH1989PLC052747

Address of the Registrar of Companies

Registrar of Companies, Mumbai
100, Everest, Marine Drive, Mumbai – 400 002

Brief Profile of the Board of Directors

Please see “Management” on page 69 of the Letter of Offer.

Company Secretary & Compliance Officer

Mr. Sandeep S. Gupta

67 Regent Chambers, Nariman Point, Mumbai – 400 021
Maharashtra, India

Tel: +91 22049233/2204 2788;

Fax: +91 2287 0540

Website: www.everlon.in

Email: rightsissue@everlon.in

Bankers to our Company

Janata Sahakari Bank Limited (Pune)

Vile Parle Branch, Shrikunj Premises Co-op Hsg.Soc.

Hanuman Mandir Road, Vile Parle (East), Mumbai – 400 057

Tel: +91-22 26115577;

Fax: +91-22 26114293

Email: jsb-vileparle@vsnl.net

Contact Person: Mr. Rajiv Barve

Self Certified Syndicate Banks

All QIBs and Non-Institutional Investors must mandatorily and Retail Individual Investors may optionally apply through the ASBA process provided that they hold Equity Shares one day prior to book closure period in dematerialised form. The ASBA Investors are required to fill the ASBA Form and submit the same to their Self Certified Syndicate Banks (“SCSB”) which in turn will block the amount as per the authority contained in the ASBA Form and undertake other tasks as per the specified procedure. The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided in the SEBI website www.sebi.gov.in. Details relating to designated branches of SCSBs collecting the ASBA forms are available at the above mentioned link. On allotment, the amount would be unblocked and the account would be debited only to the extent required to pay for the Equity Shares allotted.

For further details on the ASBA process, please refer to details given in ASBA form and also refer ‘Procedure for application

through the Applications Supported by Blocked Amount appearing on page 146 of the Letter of Offer.

Investors may please contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-issue /post-issue related matter such as non-receipt of Abridged Letter of Offer / CAF / letter of allotment / share certificate(s) / credit of allotted shares in the respective beneficiary account / refund orders etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF was submitted by the ASBA Investors.

Credit rating

As the Issue is a rights issue of equity shares, no credit rating is required.

Monitoring Agency

Since the Issue size does not exceed ₹ 50,000 Laacs, the appointment of a monitoring agency as per Regulation 16 of the SEBI Regulations is not required.

Appraisal

The objects of this Issue have not been appraised by any bank or any other independent financial institution.

Principal Terms of Loan and Assets charged as security

For details of the principal terms of loans and assets charged as security, please see “Financial Indebtedness” on page 120 of the Letter of Offer.

Experts

Except for the reports of the Auditor of our Company on the audited financial information and statement of tax benefits, included in the Letter of Offer, our Company has not obtained any expert opinions.

Underwriting

This Issue of Equity Shares is not being underwritten and/or no standby support is being sought for the said Issue.

CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of the Letter of Offer, prior to and after the proposed Issue, is set forth below:

(₹ in laacs except per share data)

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
Authorised share capital:		
10,00,00,000 equity shares of ₹1 each	1,000.00	
Issued, subscribed and paid up capital before the Issue		
3,02,73,600 equity shares of ₹1 each	302.74	
Present Issue being offered to the Equity Shareholders through the Letter of Offer		
2,59,48,800 equity shares of ₹1 each at an Issue Price of ₹ 1.30 per Equity Share (premium of ₹ 0.30 per Equity Share)	259.49	337.33

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
Paid up capital after the Issue		
5,62,22,400 equity shares of ₹1 each	562.22	N.A.
Securities premium account		
Before the Issue		Nil
After the Issue		77.85

Notes to the Capital Structure

1. The shareholding pattern of our Company as on June 30, 2015:

Partly paid-up shares	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/ promoter group	0	0.00	0.00
held by public	0	0.00	0.00
Total	0	0.00	0.00
Outstanding convertible securities	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company assuming full conversion of the convertible securities
Held by promoter/ promoter group	0	0.00	0.00
held by public	0	0.00	0.00
Total	0	0.00	0.00
Warrants	No. of warrant	As a % of total no. of warrants	As a % of total no. of shares of the company assuming full conversion of warrants
Held by promoter/ promoter group	0	0.00	0.00
held by public	0	0.00	0.00
Total	0	0.00	0.00
Total Paid-up capital of the company assuming full conversion of warrants and convertible securities	30273600		

Category Code	Category of Shareholder	Number of Shareholders	Total No. of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Post Issue*	
					As a % of (A+B) (VI)	As a % of (A+B+C) (VI)	No. of shares	%
(I)	(II)	(III)	(IV)	(V)	(VI)	(VI)		
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/HUF	9	14991784	14991784	49.52	49.52	34064594	60.59
(b)	Bodies Corporate	5	3350690	3350690	11.07	11.07		
	Sub-Total (A)(1)	14	18342474	18342474	60.59	60.59		
(2)	Foreign	-	-	-	-	-		
	Sub Total (A)(2)	-	-	-	-	-		
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	14	18342474	18342474	60.59	60.59	34064594	60.59

Category Code	Category of Shareholder	Number of Shareholders	Total No. of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Post Issue*	
					As a % of (A+B) (VI)	As a % of (A+B+C) (VI)	No. of shares	%
(I)	(II)	(III)	(IV)	(V)	(VI)	(VI)		
(B)	Public Shareholding							
(1)	Institutions							
(a)	Financial Institutions/Banks	-	-	-	-	-		
(b)	Insurance Companies	-	-	-	-	-		
©	Foreign Institutional Investors	-	-	-	-	-		
	Sub-Total (B)(1)	-	-	-	-	-		
(2)	Non Institutions							
(a)	Bodies Corporate	41	306688	292888	1.01	1.01		
(b)	Individuals							
	i) Holding nominal share capital upto ₹ 1 lac	2791	6040469	3101459	19.95	19.95	22157806	39.41
	ii) Holding nominal share capital in excess of ₹ 1 lac.	8	2940499	2940499	9.71	9.71		
(c)	Any Other(specify)	-	-	-	-	-		
	Non Resident Individuals/ Overseas Corporate Bodies	15	2643470	2625470	8.73	8.73		
	Sub-Total (B)(2)	2855	11931126	8960316	39.41	39.41		
	Total Public shareholding (B)=(B)(1)+(B)(2)	2855	11931126	8960316	39.41	39.41	22157806	39.41
	TOTAL (A)+(B)	2869	30273600	27302790	100.00	100.00	56222400	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	2869	30273600	27302790	100.00	100.00	56222400	100.00

*assuming prescription of rights issue by all shareholders in the respective proportion.

Shareholding of securities (including shares, warrants, convertible securities) of persons belonging to the category Promoter and Promoter Group as on June 30, 2015. This table has to be read in connection with the above table.

Sl. No	Name of the Shareholders	Details of Shares held		Encumbered shares (*)			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 percentage	As a % of grand total(A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
1	Vakharia Financial Services Limited	2,29,698	0.76	0	0.00	0.00	0	0.00	0	0.00	0.76
2	Vakharia Synthetics Private Limited	11,81,912	3.90	0	0.00	0.00	0	0.00	0	0.00	3.90
3	Everest Yan Agency Private Limited	3,00,820	0.99	0	0.00	0.00	0	0.00	0	0.00	0.99
4	Everlon Solar Energy Private Limited	14,88,000	4.92	0	0.00	0.00	0	0.00	0	0.00	4.92

Sl. No	Name of the Shareholders	Details of Shares held		Encumbered shares (*)			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 percentage	As a % of grand total(A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
5	Mrudu Kantilal Vakharia	45,600	0.15	0	0.00	0.00	0	0.00	0	0.00	0.15
6	Kantilal V Vakharia (Huf)	3,24,000	1.07	0	0.00	0.00	0	0.00	0	0.00	1.07
7	Jitendra K Vakharia (Huf)	45,13,188	14.91	0	0.00	0.00	0	0.00	0	0.00	14.91
8	Dhiren Uttamchand Dadia	11,89,632	3.93	0	0.00	0.00	0	0.00	0	0.00	3.93
9	Lina Dhiren Dadia	13,73,328	4.54	0	0.00	0.00	0	0.00	0	0.00	4.54
10	Tarun K Vakharia (Huf)	29,740	0.10	0	0.00	0.00	0	0.00	0	0.00	0.10
11	Jitendra Kantilal Vakharia	30,36,000	10.03	0	0.00	0.00	0	0.00	0	0.00	10.03
12	Varsha Jitendra Vakharia	21,28,290	7.03	0	0.00	0.00	0	0.00	0	0.00	7.03
13	Prachi Jitendra Vakharia	23,52,006	7.77	0	0.00	0.00	0	0.00	0	0.00	7.77
14	Omkar Texolene Private Limited	1,50,260	0.50	0	0.00	0.00	0	0.00	0	0.00	0.50
	Total	1,83,42,474	60.59	0	0.00	0.00	0	0.00	0	0.00	60.59

Shareholding of securities (including shares, warrants, convertible securities) of persons belonging to the category Public and holding more than 1% of the total number of shares as on June 30, 2015

Sl. No.	Name of the Shareholder	No. of Shares held	Shares as % of Total No. of Shares	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
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	Abirami Arunachalam	1200000	3.96	0	0.00	0	0.00	3.96
2	Alpesh M Gandhi	308501	1.02	0	0.00	0	0.00	1.02
3	Ami Dhiren Dadia	800886	2.65	0	0.00	0	0.00	2.65
4	Keyur Mahesh Shah	544482	1.80	0	0.00	0	0.00	1.80
5	Lalit Chandrakant Shah (Huf)	351762	1.16	0	0.00	0	0.00	1.16
6	Mujeebur Rahman Habeed	633754	2.09	0	0.00	0	0.00	2.09
7	Nilesh Dhirajlal Shah	641034	2.12	0	0.00	0	0.00	2.12
8	Sangeetha S	332820	1.10	0	0.00	0	0.00	1.10
	Total	4813239	15.90	0	0.00	0	0.00	15.90

The Promoter and Promoter Group have confirmed that they intend to subscribe collectively to the full extent of their Rights Entitlement in the Issue. The Promoter and Promoter Group have provided an undertaking dated January 08, 2015 to our Company to apply for additional Equity Shares, to the extent of the unsubscribed portion of the Issue, if any, from the public shareholders. As a result of this subscription and consequent Allotment, the Promoter and Promoter Group may acquire Equity Shares over

and above their Rights Entitlement in the Issue, which may result in an increase of the shareholding being above the current shareholding with the Rights Entitlement. Such subscription and acquisition of additional Equity Shares by the Promoter and the Promoter Group through this Issue, if any, will not result in change of control of the management of our Company. The Promoter and Promoter group shall subscribe to such number of unsubscribed portion that their post Issue shareholding in our Company shall be in compliance with “continuous listing requirements” as per the provisions of Rule 19(A)(1) of SCRR. Further, such acquisition is exempted from the obligation to make an open offer if the conditions prescribed in Regulation 10(4)(b) of the Takeover Code are duly complied with.

Details of locked-in, pledged, encumbered shares of the Promoter and Promoter Group

None of the shares held by Promoter and Promoter Group are under lock in or pledged or encumbered.

2. Top Ten Shareholders

The list of the top ten shareholders of our Company and the number of Equity Shares held by them is provided below:

a) The top ten shareholders of our Company and the number of Equity Shares held by them as on the date of filing the Letter of Offer:

Sl No	Shareholder	Total No. of Equity Shares Held	Pre Issue %
1.	Jitendra K Vakharia (HUF)	45,13,188	14.91
2.	Jitendra K Vakharia	30,36,000	10.03
3.	Prachi Jitendra Vakharia	23,52,006	7.77
4.	Varsha J. Vakharia	21,28,290	7.03
5.	Everlon Solar Energy Private Limited	14,88,000	4.92
6.	Lina Dhiren Dadia	13,73,328	4.54
7.	Abirami Arunachalam	12,00,000	3.96
8.	Dhiren Uttamchand Dadia	11,89,632	3.93
9.	Vakharia Synthetics Private Limited	11,81,912	3.90
10.	Ami Dhiren Dadia	8,00,886	2.65

b) The top ten shareholders of our Company and the number of Equity Shares held by them ten days prior to filing of the Letter of Offer are as follows:

Sl No	Shareholder	Total No. of Equity Shares Held	Pre Issue %
1.	Jitendra K Vakharia (HUF)	45,13,188	14.91
2.	Jitendra K Vakharia	30,36,000	10.03
3.	Prachi Jitendra Vakharia	23,52,006	7.77
4.	Varsha J. Vakharia	21,28,290	7.03

Sl No	Shareholder	Total No. of Equity Shares Held	Pre Issue %
5.	Everlon Solar Energy Private Limited	14,88,000	4.92
6.	Lina Dhiren Dadia	13,73,328	4.54
7.	Abirami Arunachalam	12,00,000	3.96
8.	Dhiren Uttamchand Dadia	11,89,632	3.93
9.	Vakharia Synthetics Private Limited	11,81,912	3.90
10.	Ami Dhiren Dadia	8,00,886	2.65

c) Our top ten shareholders and the number of Equity Shares held by them two years prior to filing the Letter of Offer are as follows:

Sl No	Shareholder	Total No. of Equity Shares Held	Pre Issue %
1	Jitendra K. Vakharia (Huf)	45,13,188	14.91
2	Jitendra K Vakharia	30,36,000	10.03
3	Prachi Jitendra Vakharia	23,52,006	7.77
4	Varsha J. Vakharia	16,39,920	5.42
5	Everlon Solar Energy Private Limited	14,88,000	4.92
6	Lina Dhiren Dadia	13,73,328	4.54
7	Abirami Arunachalam	12,00,000	3.96
8	Dhiren Uttamchand Dadia	11,89,632	3.93
9	Vakharia Synthetics Private Ltd	11,66,912	3.85
10	Ami Dhiren Dadia	8,00,886	2.65

- There are no financing arrangements whereby our Promoter Group, our Group Companies, our Directors and their relatives have financed the purchase by any other person of the Equity Shares of our Company during the period of 6 months immediately preceding the date of filing of the Draft Letter of Offer with SEBI.
- The Issue being a rights issue, as per Regulation 34(c) of the SEBI Regulations, the requirement of promoters’ contribution and lock-in are not applicable.
- The aggregate number of specified securities purchased or sold by the promoter group and/or by the directors of our company and their immediate relatives within six months immediately preceding the date of filing draft offer document with the Board are as follows:

Name of Entity	No. of Shares Purchased	No. of Shares Sold	Maximum Purchase Price (₹) & relevant dates	Minimum Purchase Price (₹) & relevant dates	Maximum Sale Price	Minimum Sale Price
Omkar Texolene Private Limited	13,648	Nil	2.00(July 08, 2014)	1.93(July 17, 2014)	N.A.	N.A.
Varsha J Vakharia	4,88,370	Nil	2.17 (September 11 &15, 2014)	1.92 (October 07, 2014)		

6. Our Company has not raised any bridge loans that shall be payable from issue proceeds.
7. Neither our Company, nor the Directors or the Promoters, or the Lead Manager have entered into any buy-back and/ or standby arrangements for the purchase of Equity Shares of our Company.
8. There are no outstanding warrants, financial instruments or any rights, which would entitle the Promoters or the shareholders of our Company or any other person any option to acquire any of the Equity Shares.
9. The Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of the Letter of Offer.
10. No further issue of capital by way of issue of bonus shares, preferential allotment, rights issue or public issue or in any other manner which will affect the equity capital of our Company, shall be made during the period commencing from the filing of the Draft Letter of Offer with the SEBI to the date on which the Equity Shares issued under the Letter of Offer are listed or application moneys refunded on account of the failure of the Issue.
11. Further, our Company has no intention to alter the equity capital structure by way of split/ consolidation of the denomination of the shares, or issue of shares on preferential basis or issue of bonus rights or public issue of shares or any other securities for a period of six months from the date of opening of the Issue.
12. Except as disclosed in the chapter titled “Management” on page 71 of the Letter of Offer, none of our Directors or Key Managerial Personnel holds any Equity Shares.
13. Our company has not issued or allotted any equity shares under the Scheme of Arrangement..
14. Our Company has not revalued its fixed assets since incorporation.
15. Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue.
16. There shall be only one denomination of Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
17. As of June 30, 2015, the total number of holders of Equity Shares is 2869.

18. No Equity Shares have been issued during the preceding one year from the date of filing of the Letter of Offer to the Promoter or the Promoter Group. Further, none of the Equity Shares have been issued to Promoter or member of the Promoter Group or any member of our Company for consideration other than cash.
19. The Issue will remain open for 30 (Thirty) days including the Issue Opening Date and Closing Date.
20. As on the date of the Letter of Offer, the lead manager to the Issue does not hold any Equity Shares of our Company.
21. Till date our Company has not introduced any Employees Stock Option Schemes/ Employees Stock Purchase Schemes.

OBJECTS OF THE ISSUE

We intend to deploy the issue proceeds towards the following:

1. Repayment of unsecured loans &
2. Meet the issue expenses

The main objects clause set out in our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue. For further details on the main objects clause set out in our Memorandum of Association, please see “History and Other Corporate Matters” on page 65.

We intend to utilise the Issue Proceeds for financing the objects as set forth below:

(₹ in lacs)

Objects	Amount
Repayment of Unsecured Loans	315.00
Estimated Issue expenses	27.50
Total	342.50

The requirements of the objects detailed above are intended to be funded from the Issue Proceeds to the extent of ₹337.33 lacs and balance shall be met through internal accruals. Accordingly, our Company confirms that there is no requirement for it to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

1. Details of the Objects of Issue – Repayment of unsecured loans

Our Company proposes to repay unsecured loan to the extent of ₹315 lacs. The said unsecured loan was taken from Everest Yarn Agency Pvt. Ltd. (EYAPL) from time to time for the purposes of our business requirements. The outstanding unsecured loan from EYAPL as on June 30, 2015 is ₹320.60 lacs.

During the period 1999-2001 our company faced turbulent state of affairs on account of various internal & external factors. During this period the demand of the products manufactured by our company was at its lowest ebb. This coupled with increased expenditure and inadequate availability of fund based working capital limits from the Bank led to lower capacity utilization. Further the prevailing adverse economic conditions led to lower

realization for our products. All these factors culminated into company making losses which were accumulated over a period of time. In order to support operations the company had availed an unsecured loan from EYAPL, one of the promoter group company, during the financial year 1999. The above adverse factors resulted in company facing severe crunch of working capital and repayment of bank loans also became difficult. In the process the accumulated losses enhanced resulting in networth of our company being eroded. As the company's financial position was in jeopardy, the Bombay Mercantile Co-op Bank Ltd, (BMCB) the then working capital banker of the company, had in April 2001 recalled the entire aggregate outstanding advance as on March 31, 2001 amounting to ₹387.44 lacs sanctioned as working capital and other bank loan facilities to our company. Further, the accumulated losses of our Company as on March 31, 2001 amounted to ₹630.87 lacs. All these factors affected the operations of the Company and as a result the company defaulted in repayment of bank loans in time.

Consequently an application to the Board for Industrial & Financial Reconstruction (BIFR) was made which was registered in December 2004. The company in order to remain afloat and conduct day to day operations kept on raising unsecured loans from EYAPL from time to time. During the financial year 2006, ultimately our company entered into a one time settlement with BMCB by paying one time settlement amount of ₹140.00 lacs. The said settlement was also possible on account of unsecured loans raised from EYAPL amounting to ₹87.87 lacs in F.Y.2005-06.

With the turnaround in economic conditions as far as products of our company were concerned, the company was able to grow the business steadily during the period 2005-2006. With the conscious effort, the company was able to register good business and ultimately the networth became positive during F.Y. 2005-06. The Company then filed an application in February 2007 for discharge from provisions of SICA. BIFR discharged our Company from the purview of SICA/BIFR vide order dated December 18, 2007. With the help of financial support from EYAPL & directors, company was able to maintain its financial position in an appropriate manner. There was a gradual stabilization of the operation of the company. However, the company was required to maintain the cash flow position and hence the unsecured loan from EYAPL could not be repaid in full.

Further during this period of about 4 years the company had no credit limits from the banks and the operations of the company were managed through internal resources and unsecured loans from related parties including EYAPL. Thus the company conducted its business without bank finance till December 2010.

With improved overall conditions, management made all out efforts to grow the business of the company. In December 2010, the loan application of the company to Janata Sahakari Bank Limited, Pune (JSB) was considered

and our company was sanctioned cash credit facilities to the extent of ₹150.00 lacs. With the financial assistance from JSB and conscious efforts by the management, company was able to post a reasonably good performance and was able to produce 3904 tons in FY 2012 as against 2649 tons in the FY 2011 resulting in a turnover of ₹42.60 cr as against ₹26.20 cr during the previous year.

With the improved performance the said bank limit was increased from ₹150 lacs to ₹415 lacs. At the same time the accumulated losses brought forward from the earlier years gradually decreased and as on March 31, 2015 the carried forward accumulated losses is only ₹100.21 lacs. During these years company made efforts from time to time to reduce the unsecured loans depending on the cash flow position. However, as on June 30, 2015 the unsecured loan to the extent of ₹320.60 lacs is outstanding on which the interest payable is at 6% per annum.

The board of directors in their meeting held on October 18, 2014 took a decision to capitalize the company by infusing new equity share capital through the process of Rights Issue. The infusion of long term equity capital would go a long way in capitalizing the company and accordingly unsecured loans mentioned above are proposed to be repaid. The infusion of equity capital would further strengthen the financial position and improve the debt equity ratio and other parameters enabling the company to leverage. The repayment of unsecured loans to the extent of ₹315.00 lacs by infusion of equity share capital through this rights issue would improve the debt equity ratio from the present level of 3.58 times as on March 31, 2015 to less than 1 time.

Hence it is in the interest of the company to infuse long term equity capital and repay the unsecured loans as mentioned above.

2. Meet the issue expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses, and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Approx Amount (₹ in lacs)	As percentage of total expenses (%)	As a percentage of Issue size
Fees of the Intermediaries	11.50	41.82	3.41
Advertising and marketing expenses	2.50	9.08	0.74
Printing and stationery expenses	4.00	14.55	1.19
Statutory and other miscellaneous expenses	9.50	34.55	2.82
Total estimated Issue related expenses	27.50	100.00	8.15

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the issue proceeds immediately on completion of the rights issue.

Funds Deployed

As per the certificate dated August 25,2015 issued by M/s Poladia & Company, Chartered Accountants, our company has deployed ₹10.65 lacs till July 31, 2015 towards Issue expenses.

The same has been financed from the internal accruals of our Company.

Interim use of proceeds

Our company does not propose any interim use of proceeds.

Appraisal

The object of issue is repayment of unsecured loan and hence there is no requirement of appraisal.

Monitoring of Utilisation of Funds

Since the Issue size does not exceed ₹50,000 Lacs, the appointment of a monitoring agency as per Regulation 16 of the SEBI Regulations is not required. Pursuant to clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the Issue Proceeds. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. Such disclosure shall be made only until such time that the Issue proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with clause 43A of the Listing Agreement our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

BASIS OF ISSUE PRICE

The Issue Price has been determined by our Company, in consultation with the Lead Manager, on the basis of market conditions and on the basis of the following quantitative and qualitative factors. The information presented in this section is for half year ended Fiscal 2015 and Fiscal 2012, 2013 and 2014 is derived from our Company’s audited financial information, prepared in accordance with Indian GAAP and the Companies Act and in accordance with the SEBI Regulations. You should read the following summary with the sections titled “Risk Factors”, “Business Overview” and “Financial Information” on pages 8, 56 and 87, respectively, of the Letter of Offer, to get a more informed view before making an investment decision. The trading price of the Equity Shares could decline and you may lose all or part of your investments

Quantitative Factors

1. Basic and Diluted Earnings per Share (EPS)

Period	Basic and Diluted EPS (₹)	Weight
Fiscal 2013	0.06	1
Fiscal 2014	0.08	2
Fiscal 2015	0.02	3
Weighted Average	0.05	

Note:

- i. The figures disclosed above are based on the restated financial information statement as disclosed in this letter of offer.
- ii. EPS calculation have been done in accordance with Accounting Standard 20- “Earning per share” issued by the Institute of Chartered Accountants of India

iii. The above statement should be read with Significant Accounting Policies and the Notes to the audited financial information as appearing in Chapter “Auditor’s Report” on page 87 of the Letter of Offer.

2. Price Earnings Ratio (P/E) in relation to the Issue price of ₹ 1.30 per Equity Share of ₹ 1 each

The P/E ratio based on the basic and diluted EPS for the Fiscal Year 2015 at the Issue Price is 65 times.

Industry P/E

Our Company is into processing of Partially Oriented Yarn into Polyester Texturised Yarn and therefore the ‘textiles-processing’ industry has been considered for comparison purposes

	P/E Ratio	Name of the Company	Face Value of the equity shares (₹)
Highest	25.1	Orbit Exports	10
Lowest	6.1	Alok Industries	10
Average	11.6	-	-

Source: Capital Market volume XXX/13 Aug 17– 30, 2015; Industry: Textiles - Processing

3. Return on Net Worth (RoNW)

Period	RoNW (%)	Weight
Fiscal 2013	10.91	1
Fiscal 2014	12.71	2
Fiscal 2015	3.53	3
Weighted Average	7.82	

Minimum Return on increased Net Worth required to maintain Pre-Issue EPS for Fiscal 2015 at the Issue Price on the basic and diluted EPS – 2.08 %

Net Asset Value

Fiscal 2015	₹0.67 per Equity Share
NAV after the Issue	₹0.96 per Equity Share

Comparison of Accounting Ratios with Industry Peers

Name of the company	Face Value (₹ per share)	EPS (₹)	P/E Ratio^	RoNW (%)	Net Asset Value (₹ per share)
Everlon Synthetics Limited*	1	0.02	65^^	3.53	0.67
Peer Group**					
Shekhawati Ploy-Yarn Limited	1	0.33	2.48	8.87	3.67
Fair Deals Filaments Limited	10	3.85	5.19	11.98	32.16

*Restated Financial information for F.Y.2014-15 as disclosed in the letter of offer

**Source: Annual Report/Audited Financial Statement for F.Y. 2014-15 available on BSE Website

^calculated based on the closing price of March 31, 2015

^^calculated on the final closing price available for March 2015

The issue price of ₹1.30 per share is 1.30 times the face value of ₹1/- per equity share. The volume weighted average market price of the shares of our Company during a period of sixty trading days ending on the day prior to the date of determination of the rights issue price i.e., ₹1.30 (Date of board meeting) works out to ₹1.35 per Equity Share. Thus, considering the above, the Issue Price is justified.

STATEMENT OF TAX BENEFITS

For details, please refer page 44 of the Letter of Offer.

BUSINESS OVERVIEW

Overview

Our Company is engaged into manufacturing of Polyester Texturised Yarn (PTY) since its inception. Our Company has more than two decades of expertise in manufacturing of PTY which is primarily used in the process of weaving of fabrics in apparel based products such as suiting, shirting, dress material, saree, socks, denims etc. PTY is also used to manufacture non apparel based products such as upholstery, curtains, bed linen, carpets, etc. Our product is largely sold to companies having weaving facilities at Bhiwandi, Malegaon and Surat. We also sell our product to other regions of India on demand.

Our Company procures polyester filament yarn (PFY) from the suppliers and processes into 'texturised yarn'. The manufacturing unit of our Company is located in Silvassa, Dadra & Nagar Haveli and has four draw texturising machine of 312 spindles each having total capacity of 4560 tons per annum.

Our Company is promoted by first generation entrepreneur Mr. Jitendra K. Vakharia and Mr. Kantilal Vakharia. Presently, the complete operations of the Company are managed by Mr. Jitendra K. Vakharia. Our promoter Mr. Jitendra K. Vakharia has been in the textile industry for last three decades. The Vakharia family ventured into dealing of yarns in 1980s through its group company, Everest yarn Agency Private Limited. The experience of dealing in yarn and the opportunity available in the manufacturing segment conceived the idea of backward integration leading to incorporation of Everlon Synthetics Limited.

During F.Y.2014-15 our total income stood at ₹4107.55 lacs with profit after tax of ₹7.16 lacs.

Products & its application

Polyester Texturised Yarn is a raw material for manufacturing of variety of fabrics. Polyester being a man made fabric is considered to be a substitute of natural fabric like cotton and has been in demand over the period of years. Our Company manufactures only polyester texturised yarn with various deniers (thickness) depending on the market demand scenario.

Present Manufacturing Facilities and Plant & Machineries

Our Company had established its first manufacturing unit at Survey no.775/1/C, Ozar Road Mota Ponda, Dist Valsad, Gujarat in the year 1992 which was subsequently closed in 2001 due to high power tariffs affecting the economic feasibility of operations. Our Company set up new unit at Silvassa, Dadra & Nagar Haveli and the plant and machineries of the earlier manufacturing unit were shifted to new unit.

Presently, our Company has only one manufacturing unit which is located at Plot No.265/7/1, Demini Road, Dadra, Silvassa. We have four draw texturising machines with 312 spindles each. The key equipment suppliers include Borasara Machines (A Div. of Himson Textile Engineering Industries Private Limited) for supply of plant and machinery. The company has periodic maintenance activity scheduled to safeguard its unit and employees. It also has an administrative office, store room, labour shelter, security and other necessary provisions to run the unit. Our Company has production facility in Silvassa, the textile hub of Dadra & Nagar Haveli. The location is around 3 hours drive from Mumbai with advantage in terms of connectivity through road and railways, sourcing of raw material and timely delivery of our products to clients. This location has depots of large players like Garden Silk Mills Ltd, JBF Industries Ltd., Reliance Industries Ltd., Indo Rama Synthetics Ltd., etc. providing quicker access to raw material and enabling us to reduce the turnaround time for manufacturing of our product and delivering it to the customers. Silvassa is also located between Surat and Bhivandi which are the main consuming centres for Polyester Textured yarn.

Competition

We are part of textile industry which is considered as a traditional industry and hence we face strong competition from organized and unorganized players operating in the industry. The listed players manufacturing polyester texturised yarn include Shekhawati Poly-Yarn Limited, Fairdeal Filaments Limited, Filatex India Limited, JBF Industries Limited, Indorama Synthetics India Ltd., Alok Industries, etc. The unlisted companies include Patodia Filaments Pvt. Ltd., Jiwrajka Textile Industries Ltd., Perfect Filaments Ltd., Rungta Rayon Tex Pvt. Ltd., Suraj Industries etc.

Marketing and Selling Arrangements

We do not have any special marketing and selling arrangements. We have long term relation with our customers and have been receiving repeat orders from them. We also receive orders from new customers through mouth publicity.

Export Obligation

We do not have any export obligations.

Quality Certifications

We do not have any quality certification. However, our company has prescribed internal standards to manufacture quality yarn.

Our Business Strategy

We have presence in texturised yarn industry for more than two decade. Our company has been positioning the product at competitive prices with consistent quality standard enabling us to continue the long term business relationship with our customers. Our proposed rights issue is part of the future strategy to reduce the debt and infuse long term capital in the company which shall enhance leveraging capability of Company. We also propose to expand our market by tapping new regions and widening our product portfolio in the long term to cater to different needs of the customers.

For complete details, please see section titled 'Business Overview' appearing on page 56 of the Letter of Offer.

INDUSTRY OVERVIEW

Attention of Investors is invited on page no 51 of the Letter of Offer for details.

KEY INDUSTRY REGULATIONS

Attention of Investors is invited on page no 59 of the Letter of Offer for details.

MANAGEMENT**Board of Directors**

The Articles of Association of our Company provides that our Company shall have not less than three and not more than twelve Directors on our Board. Our Company currently has four Directors on our Board.

The following table sets forth details regarding the Board of Directors as on the date of the Letter of Offer:

Name, Address, Occupation, Date of Appointment, Term and DIN	Nationality	Age (years)	Designation	Other directorships in Companies, partnerships etc
Mr. Jitendra K. Vakharia Address: 48 Sagar Darshan, 81/83 Bhulabhai Desai Road, Mumbai 400036 Occupation: Business Term: Appointed as Managing Director for a term of five years w.e.f October 01, 2011 DIN: 00047777	Indian	59	Managing Director	Companies 1. Everlon Power Limited 2. Everest yarn Agency Private Limited 3. Vakharia Financial Services Limited 4. Everlon Solar Energy Private Limited 5. Omkar Texolene Private Limited 6. Vakharia Synthetics Private Limited 7. Vakharia Power Infrastructure Limited Partnership/HUF 1. Teekay International (Partnership) 2. Jitendra Vakharia (HUF)
Mrs. Varsha J. Vakharia Address: 48 Sagar Darshan, 81/83 Bhulabhai Desai Road, Mumbai 400036 Occupation: Business Term: Liable to retire by rotation DIN: 00052361	Indian	57	Director	Companies 1. Everlon Power Limited 2. Everest yarn Agency Private Limited 3. Vakharia Financial Services Limited 4. Everlon Solar Energy Private Limited 5. Omkar Texolene Private Limited 6. Vakharia Synthetics Private Limited 7. Vakharia Power Infrastructure Limited Partnership/HUF 1. Teekay International (Partnership) 2. Jitendra Vakharia (HUF)
Mr. Kamlesh C. Sanghavi Address: D/27,204 Yogi Krupa, Yogi Nagar, Eksar Road, Borivali (West) Mumbai 400092 Occupation: Professional Term: 5 years w.e.f April 01, 2014 DIN: 00644642	Indian	55	Independent Director	1. Vakharia Power Infrastructure Limited 2. KANS Trading Private Limited 3. K C Sanghavi & Company (prop.) 4. Agrawal Sanghavi & Associates (Partner)
Mr. Dinesh P. Turakhia Address: B/503 Ravi Apt. Sevaram Lalvani Marg, Mulund Mumbai – 400080 Term: 5 years w.e.f April 01, 2014 DIN: 00063927	Indian	72	Independent Director	1. Vakharia Power Infrastructure Limited

Confirmations

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

directorship in such company.

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

Relationship between Directors

Name of the Directors	Relationship between Directors
Mr. Jitendra K. Vakharia	Husband of Mrs. Varsha J. Vakharia
Mrs. Varsha J. Vakharia	Wife of Mr. Jitendra K. Vakharia

Except as stated above, none of the other Directors are related to each other.

Brief Profile

Mr. Jitendra K. Vakharia, aged 59 years, is the promoter and Managing Director of our Company. He has studied till Inter Science prior to venturing into the business of textiles. He has total experience of 30 years in the textile business and he is presently responsible for marketing and overall operations of our Company.

Mrs. Varsha J. Vakharia, aged 57 years, is the non executive and non independent director of our Company. She holds Masters Degree in Arts and has experience of over 10 years in supporting the administrative function of our Company.

Mr. Kamlesh C. Sanghavi, aged 55 years, is non executive and independent director of our Company. He is a practicing Chartered Accountant with professional experience of more than 20 years. He has been advising on matters related to income tax and audit. He is the sole proprietor of K C Sanghavi & Co and partner in Agrawal Sanghavi & Associates.

Mr. Dinesh P. Turakhia, aged 72 years, is non executive and independent director of our Company. He holds Diploma in Electrical Engineering from Kolhapur University and was working with Power Cables Limited upto 1980. Subsequently, he has been involved in the business of yarns for almost a decade.

Changes in the Board in the last three years

There have been no changes in the Board of Directors during last three years.

Corporate Governance

Our Company is in compliance with corporate governance code in accordance with Clause 49 to the extent possible. Currently, the Board has four directors of which two are independent directors and two are non- independent directors. This is in compliance with the requirements of Clause 49 of the Listing Agreement.

In terms of the Clause 49 of the Listing Agreement and applicable provisions of Companies Act, 2013, our Company is in compliances with the Audit Committee, Nomination and Remuneration Committee and Stakeholders’ Relationship Committee.

Attention of Investors is invited on page 69 to 76 of the Letter of Offer for details relating to section titled ‘Management’.

HISTORY AND OTHER CORPORATE MATTERS

Corporate Profile and Brief History

Our Company was incorporated as Everlon Synthetics Private Limited under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated July 26, 1989, issued by the Registrar of Companies, Maharashtra. The name of Company was changed to Everlon Synthetics Limited pursuant to special resolution passed in extra ordinary general meeting dated 27/04/1992 and received certificate of change of name dated 21/05/1992. The Corporate Identification Number of Company is L17297MH1989PLC052747.

In the year 1994, our Company made an Initial Public Offer and got listed on BSE Ltd. and Ahmedabad Stock Exchange. Presently the Company continues to list on BSE Ltd. and Ahemadabad Stock Exchange.

During the period 1999 to 2001 our company went through a troubled phase wherein the Company made losses resulting into erosion of full networth. Due to inadequate working capital limits our company could not operate the manufacturing unit at optimum levels affecting the production. The financial trouble was compounded with default in repayment of loans availed from Bombay Mercantile Co-operative Bank Ltd. (BMCB). Our company made an application to the Board for Industrial and Finance Reconstruction (BIFR) for its revival which was registered on 30/12/2004 vide case no. 390/2004. In March 2006 our Company entered into one time settlement with BMCB and repaid the dues aggregating to ₹140.00 lacs. The networth of our Company had become positive during this period. Subsequently, the board of BIFR vides its order dated 18/12/2007 discharged our company from the purview of Sick Industrial Companies (Special Provisions) Act, 1985.

In the year 2012, our Company filed a scheme of arrangement wherein the investment business was vested into Vakharia Power Infrastructure Limited (VPIL). The rationale and details of the scheme appear on page 66 of this section.

Main Objects of our Company

The main objects of our Company are:

1. To carry on business as dealers, manufacturers or processors in Synthetic Yarns and Natural Yarns including Polyesters, Nylon, Viscose, Cotton, Filament, Crimped, Texturised, Twisted, Dyed Yarns, Polyester Fibre, Acrylic Fibre, Polynosac fibre, Viscose fibre and Blended Yarn.
2. To carry on business of manufacturing, processing, importing, exporting and dealing in Synthetic Yarns and Natural Yarns including Polyester, Nylon, Viscose, Cotton, Blended, Filament, Crimped, Texturised, Twisted, Dyed Yarns, Polyester fibre, Acrylic fibre, Polynosic fibre, Viscose fibre and Blended Yarn.
3. To carry on business of manufacturing, processing, importing, exporting and dealing in cotton, yarn, cloth, silk, rayon, wool and other fibres and/or any types of clothes or textile products whether on handlooms or power looms or in textile mills or other factories.

Major events in the history of our Company

Year	Major Event
1994	Conversion of Company into Public Limited
	Public Issue of 21,50,000 equity shares at issue price of ₹10/- per equity share aggregating to ₹ 215 lacs for funding of draw texturising machine and twisting machines
1997	Our Company purchased 3200 sq meters of land at Dadra (Silvassa) in Union Territory of Dadra and Nagar Haveli
2000	Construction of new manufacturing unit at Dadra (Silvassa)
2001	Our Company closed down the its manufacturing unit at Mota Pondha in Gujarat due to high power tariff and shifted the plant and machinery to Silvassa
2004	Registered with BIFR vide case no. 390/2004
2006	Our Company entered into one time settlement scheme with Bombay Mercantile Co-operative Bank Ltd. for repayment of outstanding dues
2007	Our Company ceased to be a sick company vide BIFR order dated 18/12/2007
	Installed two 'draw texturising machines'
2010	Installed additional two 'draw texturising machines'
	Received sanction for cash credit limits from Janata Sahakari Bank Ltd., Pune
2012	Scheme of arrangement demerging the investment business into Vakharia Power Infrastructure Limited

Changes in the Registered Office of our Company

Since inception, there has been no change in the registered office address of our Company.

For further details please see section titled 'History and Other Corporate Matters' on page 65 of the Letter of Offer.

PROMOTER AND PROMOTER GROUP

The promoter of our Company is Mr. Jitendra K. Vakharia. As on the date of the Letter of Offer, he holds 30,36,000 Equity Shares, equivalent to 10.03% of the pre-Issue paid-up Equity Share Capital of our Company. His details are as under:

Mr. Jitendra K. Vakharia is the Managing Director of our Company. His Driving License Number is MHO1 19750534665 and Passport Number is Z2337564.

Mr. Jitendra K. Vakharia is a Inter Science by education and has three decades of experience in textile industry. He is instrumental in taking major policy decision of the Company. He plays vital role in formulating business strategies and implementation of the same.

Other Confirmations

Our Promoter has confirmed that he has not been declared as wilful defaulter by RBI or any other government authority and there are no violations of securities laws committed by our Promoter in the past nor any such proceedings are pending against our Promoter. Our Promoter has further confirmed that he has not been prohibited or debarred from accessing or operating in the capital markets for any reasons, or restrained

from buying, selling or dealing in securities, under any order or directions made by SEBI or any other authorities and that no action has been taken against them or any entity promoted or controlled by them by any regulatory authorities.

For other details please see section titled 'Promoter and Promoter Group' on page no.77 of the Letter of Offer.

Group Companies

Details of our group companies are as under:

1. Vakharia Power Infrastructure Limited (VPIL)

VPIL was incorporated on September 09, 2011 vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra at Mumbai and received certificate of commencement of business on October 24, 2011. The CIN of VPIL is U40102MH2011PLC221715.

The Company is formed with the object to provide infrastructure services. Presently, there is no operational activity in the Company. VPIL is promoted by Mr. Jitendra K. Vakharia.

The present Board of Directors of VPIL are as under:

- Mr. Jitendra K. Vakharia
- Ms. Varsha J. Vakharia
- Mr. Kamlesh C. Sanghavi
- Mr. Dinesh P. Turakhia

Shareholding pattern of VPIL as on June 30, 2015

Particulars	No. of shares (F.V. of ₹1/-)	% of total shares
Promoter and Promoter Group	1,80,86,771	59.74
Public	1,21,86,829	40.26
Total	3,02,73,600	100.00

Financial Information as per Audited Accounts

₹ in lacs

Particulars	FY 2014-15	FY 2013-14	FY 2012- 13
Equity Capital (Re.1/-)	302.74	302.74*	302.74*
Reserves (excluding Revaluation Reserves)	(22.61)	(26.55)	3.76
Preliminary expenses	-	-	-
Networth	280.13	276.19	306.49
Income from Operations	-	-	-
Other Income	24.20	11.39	10.07
Total Income	24.20	11.39	10.07
Profit After Tax	3.94	(30.30)	1.72
Earning Per Share (₹)	0.01	(0.10)	0.006
Net Asset Value per share (₹)	0.92	0.91	1.01

*Note: Pursuant to the Scheme of Arrangement between Everlon Synthetics Limited (ESL) and VPIL which was duly sanctioned vide order of Hon Bombay High Court dated September 14, 2012, the face value of equity shares of VPIL was subdivided from ₹10/- to ₹1/- each and the shares of VPIL were allotted as considerations to shareholders of ESL in the ratio of 1:1. The post scheme of arrangement equity capital of VPIL is 3,02,73,600 equity shares of Re.1/- each.

The Equity Shares of VPIL are listed on Bombay Stock Exchange Ltd. (BSE) w.e.f. October 28, 2013.

For details with respect to litigation pending against VPIL, please refer section ‘Outstanding Litigations,’ appearing on page no. 121 of the LOF.

Stock Market Data:

The details of the highest and lowest price on the BSE during the preceding six months upto August 31 2015 are as follows:

Month	High (₹)	Low (₹)
March 2015	2.13	1.93
April 2015	1.88	1.58
May 2015	1.65	1.55
June 2015	1.51	1.44
July 2015	1.56	1.37
August 2015	1.75	1.58

The market price of VPIL as on September 03, 2015 is ₹1.75

VPIL is not a sick company and not under the process of winding up

2. Everest Yarn Agency Private Limited (EYAPL)

EYAPL was incorporated on October 14, 1982 vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra at Mumbai. The CIN of EYAPL is U17297MH1982PTC028479. The Company is engaged as dealers in yarn products. The present promoters of Company are Mr. Jitendra K. Vakharia and Mrs. Varsha J. Vakharia.

The present Board of Directors of EYAPL are as under:

- Mr. Jitendra K. Vakharia
- Mrs Varsha J. Vakharia

The present Shareholding pattern of EYAPL is as under:

Name of Shareholders	No. of shares (F.V. of ₹1000)	% of total shares
Varsha J Vakharia	634	48.25
Jitendra K. Vakharia	430	32.72
Everlon Solar Energy Private Limited	250	19.03
Total	1,314	100

Financial Information as per Audited Accounts

₹ in lacs

Particulars	FY 2014-15	FY 2013-14	FY 2012- 13
Equity Capital (F.V. 1,000/- each)	13.14	13.14	13.14
Reserves (excluding Revaluation Reserves)	54.81	40.00	36.12
Networth	67.95	53.14	49.26
Income from Operations	31.86	23.13	17.58
Other Income	43.60	33.85	26.21
Total Income	75.45	56.98	43.79
Profit After Tax	13.92	3.88	0.83
Earning Per Share (₹)	1059.38	295.39	63.29
Net Asset Value per share (₹)	5171.12	4044.46	3749.07

The Equity Shares of EYAPL are not listed on any stock exchanges.

EYAPL is not a sick company and not under the process of winding up.

3. Vakharia Financial Services Limited (VFSL)

VFSL was incorporated on February 17, 1995 vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra at Mumbai and received certificate of commencement of business on April 04, 1995. The CIN of VFSL is U65910MH1995PLC085686. The Company is engaged in providing financial services. The Company was formed with an object to carry on the business of leasing and hire purchase financing. Presently there is no operational activity in the company. The present promoters of Company are Mr. Kantilal Vakharia and Mr. Jitendra K. Vakharia.

The present Board of Directors of VFSL are as under:

- Mr. Kantilal Vakharia
- Mr. Jitendra K. Vakharia
- Mrs. Varsha J. Vakharia

The present Shareholding pattern of VFSL is as under:

Name of Shareholders	No. of shares (F.V. of ₹10)	% of total shares
Kantilal V. Vakharia	50,100	49.75
Kantilal V. Vakharia & Mrudu K Vakharia	30,000	29.79
Vasant S. Vakharia	10,000	10.03
Mrudu K. Vakharia	10,100	9.93
Jitendra K. Vakharia	200	0.20
Varsha J. Vakharia	200	0.20
Lina D. Dadia	100	0.10
Total	1,00,700	100

Financial Information as per Audited Accounts

₹ in lacs

Particulars	FY 2014-15	FY 2013-14	FY 2012- 13
Equity Capital (F.V. ₹ 10/- each)	10.07	10.07	10.07
Reserves (excluding Revaluation Reserves)	(18.79)	(41.50)	(38.73)
Networth	(8.72)	(31.43)	(28.66)
Income from Operations	39.04	-	-
Other Income	5.14	17.75	14.52
Total Income	44.18	17.75	14.52
Profit After Tax	22.36	(2.77)	(2.47)
Earning Per Share (₹)	22.21	N.A.	N.A.
Net Asset Value per share (₹)	-	-	-

The Equity Shares of VFSL are not listed on any stock exchanges.

VFSL is not a sick company and not under the process of winding up.

4. Everlon Solar Energy Private Limited (ESEPL)

The company was originally incorporated in the name of “Lasha Investments and Trading Company Pvt. Ltd.” on August 12, 1983 vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra at Mumbai. The name of the company was subsequently changed to “Everlon Solar Energy Pvt. Ltd.” and the fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Mumbai on July 07, 2011. The CIN of ESEPL is U40300MH1983PTC030617. There has been no operational activity in the company. The present promoters of Company are Mr. Jitendra K. Vakharia and Mrs. Varsha J. Vakharia.

The present Board of Directors of ESEPL are as under:

- Mr. Jitendra K. Vakharia
- Mrs. Varsha J. Vakharia

The present Shareholding pattern of ESEPL is as under:

Name of Shareholders	No. of shares (F.V. of ₹10/-)	% of total shares
Varsha J. Vakharia	48,000	53.92
Jitendra K. Vakharia	41,020	46.08
Total	89,020	100

Financial Information as per Audited Accounts

₹ in lacs

Particulars	FY 2014-15	FY 2013-14	FY 2012- 13
Equity Capital (F.V. ₹ 10/- each)	8.90	8.90	8.90
Reserves (excluding Revaluation Reserves)	20.73	21.40	23.78
Networth	29.63	30.30	32.68
Income from Operations	-	-	-
Other Income	0.06	0.03	0.09
Total Income	0.06	0.03	0.09
Profit After Tax	(0.67)	(2.38)	(1.48)
Earning Per Share (₹)	N.A.	N.A.	N.A.
Net Asset Value per share (₹)	33.28	34.04	36.71

The Equity Shares of ESEPL are not listed on any stock exchanges.

ESEPL is not a sick company and not under the process of winding up

5. Everlon Power Limited (EPL)

EPL was incorporated on December 31, 2010 vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra at Mumbai and received certificate of commencement of business on February 01, 2011. The CIN of EPL is U40101MH2010PLC211687. The Company was formed with an object to engage in business of generation of power. There has been no business activity in the company. The present promoters are Mr. Jitendra K. Vakharia and Mrs. Varsha J. Vakharia,

The present Board of Directors of EPL are as under:

- Mr. Jitendra K. Vakharia
- Mrs. Varsha J. Vakharia
- Mr. Annamalai Senthilkumar

The present Shareholding pattern of EPL is as under:

Name of Shareholders	No. of shares (F.V. of ₹10/-)	% of total shares
Varsha J. Vakharia	40001	80.00
Jitendra K. Vakharia	9994	19.99
Others	5	0.01
Total	89,020	100

Financial Information as per Audited Accounts

₹ in lacs

Particulars	FY 2014-15	FY 2013-14	FY 2012- 13
Equity Capital (F.V. ₹10/- each)	5.00	5.00	5.00
Reserves (excluding Revaluation Reserves)	(9.12)	(8.02)	(6.40)
Networth	(4.12)	(3.02)	(1.40)
Income from Operations		-	-
Other Income		-	-
Total Income		-	-
Profit After Tax	(1.09)	(1.62)	(3.61)
Earning Per Share (₹)	N.A.	N.A.	N.A.
Net Asset Value per share (₹)	-	-	-

The Equity Shares of EPL are not listed on any stock exchanges. EPL is not a sick company and not under the process of winding up.

6. Vakharia Synthetics Private Limited (VSPL)

VSPL was incorporated on April 23, 1990 vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra at Mumbai. The CIN of VSPL is U17111MH1990PTC056283. The Company was formed with an object to carry on the business as dealers and manufacturers of synthetics and natural yarns. There has been no operational activity in the company. The present promoters are Mr. Jitendra K. Vakharia and Mrs. Varsha J. Vakharia.

The present Board of Directors of VSPL are as under:

- Mr. Jitendra K. Vakharia
- Ms. Varsha J. Vakharia

The present Shareholding pattern of VSPL is as under:

Name of Shareholders	No. of shares (F.V. of ₹10)	% of total shares
Varsha J.Vakharia	98,000	48.98
Jitendra K. Vakharia	96,100	48.03
Everlon Solar Energy Private Limited	6,000	3.00
Total	89,020	100

Financial Information as per Audited Accounts

₹ in lacs

Particulars	FY 2014-15	FY 2013-14	FY 2012- 13
Equity Capital (F.V. ₹10/- each)	20.01	20.01	20.01
Reserves (excluding Revaluation Reserves)	10.06	9.98	9.62
Networth	30.07	29.99	29.63
Income from Operations	-	-	-
Other Income	1.36	0.66	0.83
Total Income	1.36	0.66	0.83
Profit After Tax	0.02	0.35	0.11
Earning Per Share (₹)	0.01	0.17	0.05
Net Asset Value per share (₹)	15.02	14.99	14.81

The Equity Shares of VSPL are not listed on any stock exchanges.

VSPL is not a sick company and not under the process of winding up.

7. Omkar Texolene Private Limited (OTPL)

OTPL was incorporated on February 18, 1986 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat. The CIN of OTPL is U51909GJ1986PTC008478. The Company was formed with an object to carry on the business of traders, exporters, dealers etc. for different products. Presently, there has been no operational activity in the company. The present promoters are Mr. Jitendra K. Vakharia and Mrs. Varsha J. Vakharia.

The present Board of Directors of OTPL are as under:

- Mr. Jitendra K. Vakharia
- Mrs. Varsha J. Vakharia

The present Shareholding pattern of OTPL is as under:

Name of Shareholders	No. of shares (F.V. of ₹10/-)	% of total shares
Jitendra K. Vakharia	1,48,900	99.93
Varsha J.Vakharia	100	0.07
Total	1,49,000	100

Financial Information

₹ in lacs

Particulars	FY 2014-15	FY 2013-14	FY 2012- 13
Equity Capital (F.V. ₹10/- each)	14.90	14.90	14.90
Reserves (excluding Revaluation Reserves)	17.42	17.17	16.37
Networth	32.32	32.07	31.27
Income from Operations	-	-	-
Other Income	1.34	1.68	1.62
Total Income	1.34	1.68	1.62
Profit After Tax	0.55	0.80	1.49
Earning Per Share (₹)	0.37	0.56	1.00
Net Asset Value per share (₹)	21.69	21.52	20.98

The Equity Shares of OTPL are not listed on any stock exchanges.

OTPL is not a sick company and not under the process of winding up.

Hindu Undivided Family (HUF):

The details of HUF forming part of promoter and promoter group are given as under:

1. Jitendra K. Vakharia (HUF):

Mr. Jitendra K. Vakharia is the Karta of Jitendra K. Vakharia (HUF). The family members of HUF are Varsha J. Vakharia, Maitri Y. Doshi, Prachi J. Vakharia. The PAN of the HUF is AAAHJ0441C.

Partnership Firm:

1. Teekay International

Corporate Information

Teekay International was formed pursuant to a partnership deed entered into on October 12, 1973 which lastly amended on November 05, 2013.

Business

Teekay International is in the business of financing and allied activities.

Interest of our promoters

Our Promoter, Mr. Jitendra K. Vakharia is having 25% share in Teekay International.

FINANCIAL INFORMATION
RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in lacs)

PARTICULARS	Note	31 st March 2015	31 st March 2014	31 st March 2013	31 st March 2012	31 st March 2011
I. EQUITY AND LIABILITIES						
1. Shareholders Funds						
a) Share Capital	1	302.92	302.92	302.92	504.87	504.87
b) Reserves & Surplus	2	(100.21)	(106.30)	(131.67)	(77.02)	(122.56)
Sub Total 1		202.71	196.62	171.25	427.85	382.31
2. Non-Current Liabilities						
a) Long-term Borrowings	3	317.58	336.17	393.93	453.09	254.10
b) Other Long-term liabilities	4	0.53	0.77	43.33	-	-
c) Long-term Provisions	5	17.20	14.97	29.47	21.50	8.98
Sub Total 2		335.31	351.91	466.73	474.59	263.08
3. Current Liabilities						
a) Short-term Borrowings	6	408.50	398.84	317.44	293.74	144.97
b) Trade Payables	7	76.37	97.13	41.69	90.29	216.64
c) Other Current liabilities	8	4.24	25.66	34.42	45.52	48.63
d) Short-term provisions	9	1.70	6.00	4.50	20.00	18.35
Sub Total 3		490.81	527.63	398.05	449.55	428.59
TOTAL (1+2+3)		1028.83	1076.16	1036.03	1351.99	1073.98
II. ASSETS						
1 Non-Current assets						
a) Fixed Assets	10	379.50	395.94	418.66	446.62	451.14
b) Non-Current investments	11	3.02	2.02	2.19	7.25	6.21
c) Long-term loans and advances	12	141.47	68.24	71.29	82.71	35.63
d) Other non-current assets	13	40.38	68.26	75.03	31.22	16.55
Sub Total 1		564.37	534.46	567.17	567.80	509.53
2. Current Assets						
a) Inventories	14	192.49	230.76	65.28	488.57	275.58
b) Trade Receivables	15	201.29	247.41	307.72	259.47	254.49
c) Cash and cash equivalents	16	43.70	33.21	51.32	31.93	30.24
d) Short-term Loans and Advances	17	2.30	1.50	4.08	3.76	3.30
e) Other current assets	18	24.68	28.82	40.46	0.46	0.84
Sub Total 2		464.46	541.70	468.86	784.19	564.45
TOTAL (1+2)		1028.83	1076.16	1036.03	1351.99	1073.98

Note: Above Statement should be read with the statement of significant Accounting Policies and Notes on Accounts as per Annexure IV(b) appearing in the Letter of Offer.

PROFIT AND LOSS ACCOUNT STATEMENT - RESTATED

(₹ in lacs)

PARTICULARS	Note	31 st March 2015	31 st March 2014	31 st March 2013	31 st March 2012	31 st March 2011
I. Revenue						
Revenue from Operations	19	4102.60	5339.66	4804.84	4260.31	2620.13

(₹ in lacs)

PARTICULARS	Note	31 st March 2015	31 st March 2014	31 st March 2013	31 st March 2012	31 st March 2011
Other Income	20	4.95	2.76	4.93	7.35	8.60
Total Revenue		4107.55	5342.42	4809.77	4267.66	2628.73
II. Expenses						
Cost of Material Consumed	21	3729.72	4900.02	4279.27	3839.95	2400.29
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(84.38)	(43.58)	103.66	1.61	(129.09)
Employee benefits expenses	23	49.73	46.78	23.21	25.54	19.33
Finance Costs	24	76.19	62.29	66.04	58.96	42.01
Depreciation & amortisation expenses		30.72	30.11	30.42	31.47	28.17
Other Expenses	25	296.71	315.79	283.92	275.00	175.86
Total Expenses		4098.69	5311.42	4786.52	4232.53	2536.57
III. Profit before exceptional items and tax (I-II)		8.86	30.99	23.25	35.13	92.16
IV. Exceptional Items (Depreciation Written Back)		0.00	0.00	0.00	25.58	0.00
V. Profit before extraordinary items and tax (III+IV)		8.86	30.99	23.25	60.71	92.16
VI. Extraordinary Items		0.00	0.00	(0.07)	0.00	0.00
VII. Profit before tax (V+VI)		8.86	30.99	23.18	60.71	92.16
VIII. Tax Expense :						
(I) Current Tax		(1.70)	(6.00)	(4.50)	(14.50)	(18.35)
X. Profit/(Loss) for the period (VII-VIII)		7.16	24.99	18.69	46.21	73.81
Add: Balance brought forward from Last Year		(106.30)	(131.67)	(265.79)	(311.33)	(389.59)
Add: Adjustment on account of Scheme of Arrangement		-	-	115.52	-	-
(Short)/Excess provision for Income Tax for earlier years (provided)/written back		(1.08)	0.38	(0.09)	(0.67)	4.45
Profit available for Appropriation		(100.21)	(106.30)	(131.67)	(265.79)	(311.33)

Note: Above Statement should be read with the statement of significant Accounting Policies and Notes on Accounts as per Annexure IV(b) appearing in the Letter of Offer.

STATEMENT OF CASH FLOW - RESTATED

(₹ in lacs)

PARTICULARS	31 st March 2015	31 st March 2014	31 st March 2013	31 st March 2012	31 st March 2011
A. CASH FLOW FROM OPERATING ACTIVITIES :					
Net Profit/(Loss) before Tax and Exceptional /Extraordinary items	8.86	30.99	23.25	35.13	92.16

Adjustment for :					
Depreciation	30.72	30.11	30.42	31.47	28.17
(Profit) / Loss on Sale of Assets	0.00	1.62	0.00	0.00	0.75
Assets Written off	0.00	0.00	0.00	(5.83)	0.00
Dividend Received	(0.23)	(0.23)	(4.47)	(2.77)	(0.49)
Interest Income	0.00	0.00	0.00	0.00	0.00
Interest Paid	76.19	62.30	66.05	58.96	42.01
Exceptional Income	0.00	0.00	0.00	(25.58)	0.00
Short provision for tax provided	1.09	(0.38)	0.09	0.67	0.00
(Profit) / Loss on sale of shares	0.00	0.00	(3.24)	(0.44)	(6.03)
Operating Profit before Working Capital Charges	116.63	124.41	112.10	91.61	156.57
Adjustment for :					
Trade and other Receivables	4.11	84.35	(84.03)	(66.83)	(103.75)
Inventories	38.27	(165.48)	423.29	(212.98)	(178.58)
Trade Payable	44.57	23.76	(119.99)	(236.59)	205.67
NET CASH FROM OPERATING ACTIVITIES (A)	203.58	67.04	331.37	(424.79)	79.91
B. CASH FLOW FROM INVESTING ACTIVITIES :					
Purchase of Fixed Assets	(14.26)	(11.28)	(2.47)	(1.36)	(193.38)
Sale of Fixed Assets	0.00	3.88	0.00	0.00	4.05
Assets Written off	0.00	0.00	0.00	(5.83)	0.00
(Increase) / Decrease in Investments	(1.00)	0.17	5.07	(1.04)	0.66
Dividend Received	0.23	0.23	4.46	2.77	0.49
Interest Received	3.24	2.08	0.00	0.00	0.00
Exceptional Income	1.47	0.00	0.00	(25.58)	4.45
Profit/ (Loss) on sale of Assets	0.00	(1.62)	0.00	0.00	(0.75)
Profit/ (Loss) on sale of shares	0.00	0.00	3.24	0.44	6.03
NET CASH FROM INVESTING ACTIVITIES (B)	(10.32)	(6.54)	10.30	(30.60)	(178.45)
C. CASH FLOW FROM FINANCING ACTIVITIES :					
Proceeds from Secured Loans	(9.65)	(81.39)	0.46	348.15	144.98
Proceeds from Long Term Loans	18.58	57.76	(28.06)	0.00	0.00
Proceeds from Short Term Loans	0.00	7.32	0.00	167.90	(3.17)
Increase / (Decrease) in Capital	0.00	0.00	(201.95)	0.00	0.00
Adjustment on account of Demerger	(115.52)	0.00	(26.69)	0.00	0.00
Interest Paid	(76.19)	(62.30)	(66.05)	(58.96)	(42.01)
NET CASH FROM FINANCING ACTIVITIES (C)	(182.78)	(78.61)	(322.29)	457.09	99.80
Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	10.48	(18.11)	19.38	1.70	1.26
CASH AND CASH EQUIVALENTS:					
Opening Balance in the beginning of the year	33.21	51.32	31.94	30.24	28.98
Closing Balance at the end of the year	43.70	33.21	51.32	31.94	30.24
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	10.48	(18.11)	19.38	1.70	1.26

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our financial condition and results of operations together with our audited financial information for FY 2012, FY 2013, FY 2014 and FY 2015 including the notes thereto and the reports thereon, which are included in the Letter of Offer. You should also read the sections titled "Risk Factors" and "Forward-Looking

Statements” on page 8 and page 7, respectively, of the Letter of Offer which discuss a number of factors and contingencies that could impact our financial condition and results of operations.

Overview of the Business

Our Company is engaged into manufacturing of Polyester Texturised Yarn (PTY) since its inception. Our Company has more than two decades of expertise in manufacturing of PTY which is primarily used in the process of weaving of fabrics in apparel based products such as suiting, shirting, dress material, saree, socks, denims etc. PTY is also used to manufacture non apparel based products such as upholstery, curtains, bed linen, carpets, etc. Our product is largely sold to companies having weaving facilities at Bhiwandi, Malegaon and Surat. We also sell our product to other regions of India on demand.

Our Company procures polyester filament yarn (PFY) from the suppliers and processes into ‘texturised yarn’. The manufacturing unit of our Company is located in Silvassa, Dadra & Nagar Haveli and has four draw texturising machine of 312 spindles each having total capacity of 4560 tons per annum.

Products & its application

Polyester Texturised Yarn is a raw material for manufacturing of variety of fabrics. Polyester being a man made fabric is considered to be a substitute of natural fabric like cotton and have been in demand over the period of years. Our Company manufactures only polyester texturised yarn with various deniers (thickness) depending on the market demand scenario. Our products are primarily sourced by fabric companies to manufacture suiting, shirting, dress material, saree, denims, etc.

Significant developments subsequent to the date of the last financial statement as disclosed in the Letter of Offer

Our operations maybe affected on account of downfall/volatility in crude oil prices resulting in volatility in raw material prices. This volatility in prices is likely to affect our margins and may also result in inventory /stock losses. Other than as mentioned above there are no circumstances have arisen since June, 2015 (i.e., the date of the last financial statement as disclosed in the Letter of Offer) which are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months

Factors that may affect results of the Operations

The following important factors could cause actual results to differ materially from the expectations include among others:

- General economic and business conditions;
- Volatility in raw material prices
- Increasing competition in the industry;
- Changes in the value of the Indian rupee and other currencies;
- Changes in laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;

Changes in the foreign exchange control regulations, interest rates, and tax laws in India.

Discussion on Results of Operations for last 3 financial years

The following discussion on the financial operations and performance should be read in conjunction with the audited financial results of the company for the FY 2012, 2013, 2014 and 2015 respectively.

Summary of Restated Revenues, Expenses, and Profitability

₹ in Lacs

PARTICULARS	Audited			
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Revenue from Operations	4102.60	5339.66	4804.84	4260.31
Other Income	4.95	2.76	4.93	7.35
Total Revenue	4107.55	5342.42	4809.77	4267.66
Cost of Material Consumed	3729.72	4900.02	4279.27	3839.95
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(84.38)	(43.58)	103.66	1.61
Employee benefits expenses	49.73	46.78	23.21	25.54
Finance Costs	76.19	62.29	66.04	58.96
Depreciation & amortisation expenses	30.72	30.11	30.42	31.47
Other Expenses	296.71	315.79	283.92	275.00
Total Expenses	4098.69	5311.42	4786.52	4232.53
Profit before exceptional items and tax	8.86	30.99	23.25	35.13
Exceptional Items (Depreciation Written Back)	0.00	0.00	0.00	25.58
Profit before extraordinary items and tax	8.86	30.99	23.25	60.71
Extraordinary Items	0.00	0.00	(0.07)	0.00
Profit before tax	8.86	30.99	23.18	60.71
Tax Expense :				
Current Tax	(1.70)	(6.00)	(4.50)	(14.50)
Profit/(Loss) for the period	7.16	24.99	18.69	46.21

Comparison of performance for FY 2015 with FY 2014

Total Income

Revenue from Operations - During FY 2015, the revenue from operations was ₹4102.60 lacs as compared to ₹5339.66 lacs in the previous year, a decrease of 23.17% which was due to lower realisation value of existing inventory on account of falling prices. Further, the subdued demand of finished goods limited the production of yarn to 3795.44 tons in FY 2015 against 4478.05 tons during the previous year.

Other Income – Other income comprises of interest income, dividend income, and other miscellaneous income. During the FY 2015, the other income was ₹4.95 lacs as compared to ₹2.76 lacs in the previous year, an increase of 79.35% which was mainly due to higher interest income and other non operating income.

Expenditure

Material Consumed - Our expenditure on material consumption decreased to ₹3729.72 lacs in FY 2015 from ₹4900.02 lacs in FY 2014, i.e., an decrease of 23.88% due to lower production on account of subdued demand for finished products and volatile raw material prices.

Changes in inventories of finished goods, work-in-progress and stock-in-trade - The changes in inventory of finished goods & work in progress was ₹84.38 lacs as compared to ₹43.58 lacs in FY 2014. During the said period there was huge volatility in the crude prices leading to a fall in the prices of finished goods. This has led to increase in the inventory of finished goods.

Employee Expenses - Our Employee expenses have increased considerably from ₹46.78 lacs in FY 2014 to ₹49.73 lacs in FY 2015, a marginal increase of 6.31%. This was mainly on account of routine hike in salaries and wages paid during that period.

Finance Charges - The finance cost of the company has increased from ₹62.30 lacs in FY 2014 to ₹76.19 lacs in FY 2015 comprising of interest on term loan, overdraft facility from bank and other interest & financial charges. The increase in the overdrafts limits drawn by the company resulted in interest paid to bank from ₹37.32 lacs in FY 2014 to ₹55.62 lacs in FY 2015.

Depreciation - The depreciation for FY 2015 was ₹30.72 lacs compared to ₹30.11 lacs for FY 2014. There has been a net addition of ₹14.26 lacs towards plant & machinery, factory building, computers and furniture and fixtures, resulting in marginal increase in depreciation amount.

Other Expenses - The Other expenses for FY 2015 was ₹296.71 lacs as compared to ₹315.792 lacs i.e., an marginal decrease of 6.04% due to decrease in cost of repairs and maintenance, manufacturing expenses and power & fuel expenses.

Profit

The net profit for FY 2015 was ₹7.16 lacs compared to ₹24.99 lacs for FY 2014, a decrease of ₹17.83 lacs. The reduction in profit was on account of lower realization value of existing inventory resulting from falling raw material prices, subdued demand resulting in lower production of yarn & sale of product and increase in finance charges by ₹13.90 lacs.

Comparison of performance for FY 2014 with FY 2013

Total Income

Revenue from Operations - During the FY 2014, the revenue from operations was ₹5339.66 lacs as compared to ₹4804.84 lacs in the previous year, an increase of 11.13% which was due to increased production as a consequence of increased demand. Our company produced 4478.05 tons of yarn in FY 2014 against 4167.20 tons during the previous year.

Other Income – Other income comprises of interest income, dividend income, refund of VAT paid and other miscellaneous

income. During the FY 2014, the other income was ₹2.76 lacs as compared to ₹4.93 lacs in the previous year, an decrease of 44% which was mainly due lower VAT refund.

Expenditure

Material Consumed - Our expenditure on material consumption increased to ₹4900.02 lacs in FY 2014 from ₹4279.27 lacs in FY 2013, i.e., an increase of 14.50% mainly on account of increase in procurement of raw material and packing material to achieve higher production levels.

Changes in inventories of finished goods, work-in-progress and stock-in-trade - There have been fluctuations in the levels of inventory of finished goods and work in progress since the same depends to a market condition. During FY 2014 the sales of the company has gone up from ₹48.04 lacs to ₹53.40 lacs and the changes in inventory has reduced from ₹103.66 lacs during FY 2013 to ₹43.58 lacs during FY 2014

Employee Expenses - Our Employee expenses have increased considerably from ₹23.21 lacs in FY 2013 to ₹46.78 lacs in FY 2014, an increase of over 100%. This was mainly on account of increase in salaries and wages paid during that period.

Finance Charges - The finance cost of the company has reduced by ₹3.75 lacs during FY 2014. There has been certain repayment of term loan and unsecured loan during the year due to which the interest paid on the same has also reduced. On the other hand due to increase in the overdrafts limits drawn by the company, the interest charged by the bank on overdraft has increased.

Depreciation - The depreciation for FY 2014 was ₹30.11 lacs compared to ₹30.42 lacs for FY 2013. There has been a net addition of ₹3.77 lacs in vehicles but on an average due to reduction in the depreciable value of assets, the depreciation for the current year has decreased marginally.

Other Expenses - The Other expenses for FY 2014 was ₹315.79 lacs as compared to ₹283.92 lacs i.e., an increase of 11% mainly on due to increase in the manufacturing and power expenses consequent to the increase in quantity of goods produced.

Profit

The profit for FY 2014 was ₹24.99 lacs compared to ₹18.69 lacs for FY 2013, an increase of 33.77 %. This was mainly due to increase in production thereby leading to higher sales revenues and at the same time, achieving economies of scale. As a percentage to sales the PAT has increased by 1% compared to the previous year

Comparison of performance for FY 2013 with FY 2012

Total Income

Revenue from Operations - During the FY 2013, the revenue from operations was ₹4804.84 lacs as compared to ₹4260.31 lacs in the previous year, an increase of 12.78% which was due to increased production. Our company produced 4167.2 tons of yarn in FY 2013 against 3904 tons during the previous year.

Other Income – The investment division of our company was demerged vide order of the High Court dated September 14, 2012 with effective date being October 18, 2012. The appointed date of scheme was September 01, 2011. In view of the same during the FY 2013, the other income which mainly comprised

of dividend income and profit and sale of investment was ₹4.93 lacs as compared to ₹7.35 lacs in the previous year, a decrease of around 33%

Expenditure

Material Consumed - Our expenditure on material consumption increased to ₹4279.27 lacs in FY 2013 from ₹3839.95 lacs in FY 2012 i.e., an increase of 11.14% mainly on account of increased levels of production.

Changes in inventories of finished goods, work-in-progress and stock-in-trade - There has been significant changes in the inventory of finished goods, work in progress during FY 13 as compared to FY 12. The levels of inventory has gone down and the changes in inventories was ₹103.66 lacs in FY 13 as compared to ₹1.61 lacs in FY 12. During the year under review since the prices of the finished goods were showing a downward trend the company took a decision to keep minimum levels of inventory

Employee Expenses - There has been a marginal decrease in the employee expenses during FY 2013 as compared to FY 2012.

Finance Charges -The finance cost for the year end in FY 2013 was ₹66.04 lacs against ₹58.96 lacs during FY 2012. The increase in finance cost was mainly due to increased interest paid on overdraft availed from bank.

Depreciation - The depreciation for FY 2013 was ₹30.42 lacs compared to ₹31.47 lacs for FY 2012. There has been a net addition of ₹2.46 lacs in factory building and plant and machinery costs but on an average due to reduction in the depreciable value of assets, the depreciation for the current year has decreased marginally.

Other Expenses - The Other expenses for F.Y.2013 was ₹283.92 lacs as compared to ₹ 275.00 lacs in the previous year i.e., an increase of ₹8.92 lacs which was mainly on due to increase in the manufacturing and power expenses consequent to the increase in quantity of goods produced. There has also been increase in the legal and professional fees due to the ongoing demerger application in FY 2013. Further the directors remuneration in FY 2013 was increased from ₹3.6 lacs to ₹4.8 lacs.

Profit

The profit for FY 2013 was ₹ 18.68 lacs compared to ₹46.21 lacs for FY 2012 a reduction of 60%. The FY 2012 profits were higher due to writing back of depreciation consequent to the change in the method of depreciation which resulted in exceptional income and the change in inventory levels.

For further details please see section titled ‘Management’s Discussion and Analysis of Financial Condition and Results of Operation’ on page 114 of the Letter of Offer.

CERTAIN OTHER FINANCIAL INFORMATION

In accordance with circular no. F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977, the information required to be disclosed for the period between the last date of financial statements provided to the shareholders and the date preceding

one month from the date of Letter of Offer is provided below:

1. Working Results of our Company for the period from April 01, 2015 to July 31, 2015

Sr. No.	Particulars	Amount (₹ in Lacs)
1.	Sales / turnover	844.97
2.	Other income	0.49
3.	Total income	845.46
4.	PBIDT	(6.26)
5.	Finance Charges	21.65
6.	Provision for Depreciation	7.79
7.	Provision for Tax	Nil
8.	Profit /(Loss) after Tax	(35.21)

2. Material changes and commitments, if any, affecting the financial position of our Company

Our operations maybe affected on account of downfall/volatility in crude oil prices resulting in volatility in raw material prices. This volatility in prices is likely to affect our margins and may also result in inventory /stock losses. Other than as mentioned above there are no circumstances have arisen since March 31, 2015 (i.e., the date of the last audited financial statement as disclosed in the Letter of Offer) which are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months

3. Weekend Prices for last four weeks, current market price and highest & lowest prices of equity shares during the period with relative dates

a. The week end closing prices of the equity shares for last four weeks on BSE are provided in the table below:

Week ended on	Closing Price on BSE (₹)
September 11, 2015	1.91
September 04, 2015	2.76
August 28, 2015	2.86
August 21, 2015	2.71

b. The closing current market price as on September 14, 2015 on BSE was ₹ 1.91 per share

c. The highest and lowest price of the equity shares during last four weeks on BSE is provided in the table below:

Highest (In ₹)	Date	Lowest (In ₹)	Date
2.96*	September 01, 2015	1.91	September 11, 2015

*In case of two days with the same high/low/closing price, the date with higher volume has been considered

The Issue Price of ₹ 1.30 has been arrived at by our Company in consultation with the Lead Manager.

MATERIAL DEVELOPMENTS**Material Developments since the last Audited Accounts**

Our operations maybe affected on account of downfall/volatility in crude oil prices resulting in volatility in raw material prices. This volatility in prices is likely to affect our margins and may also result in inventory /stock losses. Other than as mentioned above there are no circumstances have arisen since March 31, 2015 (i.e., the date of the last audited financial statement as disclosed in the Letter of Offer) which are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

MARKET PRICE INFORMATION

The high, low and average market prices of the Equity Shares of face value of ₹ 1/- each during the preceding three years were recorded, as stated below:

BSE							
Calendar Year	Date of High	High (₹)	Volume on date of High (No. of Shares)	Date of Low	Low (₹)	Volume on Date of low (No. of Shares)	Average (₹)
2014	October 30, 2014	3.50	322	May 09, 2014	0.90	1001	1.81
2013*	January 22, 2013	3.55	11,144	March 28, 2013	1.30	3100	1.95
2012	June 01, 2012	14.30	12,000	March 29, 2012	9.52	805	11.20

Source: www.bseindia.com

*Pursuant to scheme of arrangement of 2012, there was capital reduction and sub division of face value of equity shares from ₹ 10/- to ₹ 1/- . The trading with changed capital structure commenced in January 2013.

Monthly high and low prices and trading volumes on the Stock Exchanges for the six months preceding the date of filing of the Letter of Offer is as stated below:

BSE							
Month	Date	High (₹)	Volume (No. of Shares)	Date	Low (₹)	Volume (No. of Shares)	Average (₹)
March 2015	March 03, 2015	2.00	1,800	March 23, 2015	1.70	1,000	1.89
April 2015	April 10, 2015	1.62	1,200	April 29, 2015	1.47	531	1.54
May 2015	May 18, 2015	1.44	2,490	May 18, 2015	1.41	2,490	1.43
June 2015	June 05, 2015	1.40	600	June 08, 2015	1.34	6,800	1.37
July 2015	July 31, 2015	1.51	3,150	July 08, 2015	1.29	6,000	1.40
August 2015	August 31, 2015	2.91	14,552	August 03, 2015	1.57	1,000	2.34

Source: www.bseindia.com

Notes

- There have been no trading on Ahmedabad Stock Exchange for the above mentioned period. Further our scrip has been

suspended on ASE from June 01, 2014 onwards.

- Average price is calculated on daily closing prices.
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

Closing market price on the date of the Board resolution of approving the Issue

The closing prices of Equity Shares as on October 20, 2014 (the trading day immediately following the day on which the Board resolution was passed approving the Rights Issue) on BSE was ₹ 2.80/-.

LEGAL AND OTHER INFORMATION**OUTSTANDING LITIGATIONS AND DEFAULTS**

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors and our Promoter and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of Preference Shares issued by our Company, default in creation of full security as per terms of issue/other liabilities, no amounts owed to small scale undertakings exceeding ₹ 1 lac, which is outstanding for more than 30 days, no proceedings initiated for economic/civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act, 1956) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoter and our Directors.

I. Proceeding involving our Company

a. *Proceedings against/ by our Company* - NIL

b. *Notices received by our Company*

1. Suspension Notice & Legal Notice from Ahmedabad Stock Exchange Limited

Our Company is in receipt of communication dated 01/06/2014 from ASE intimating that the company has been suspended from ASE w.e.f. 01/06/2014. ASE also informed us that they have decided to levy ₹15 lacs as reinstatement fees in addition to pending listing fee. We have vide our letter dated 28/06/2014 replied to the said communication informing them that the company has already complied with Delisting of Securities Regulations by following the procedure mentioned therein. The shareholders of the company had passed a resolution for delisting of equity shares from ASE at the AGM held on 26/09/2003 and have submitted application for delisting in the prescribed form vide our letter dated 18/12/2003. Subsequent to the above communication our company followed with ASE vide various communications requesting ASE to delist equity shares of the company. Company received the communication from ASE in May 2013 in the nature of statutory notice directing the company to pay annual listing fee amounting to ₹1,67,069/-. Our company had replied to the same vide letter dated 21/05/2013 inviting

their attention to the earlier pending correspondence in this regard. Subsequently company received a legal notice from one Sonali N. Antani, Advocate, Gujarat High Court dated 12/09/2014 on behalf of ASE requiring the company to comply with conditions of listing agreement and payment of pending listing fees of ₹1,58,034/-. Our company has once again suitably replied vide our letter dated 26/09/2014 narrating the course of events since 2003 confirming that our company is responsible to pay listing fees upto the year 2003 and not up to the year 2014 as demanded by ASE. While replying to the said notice our Company has also mentioned about our communication with ASE as no response from ASE since past several years as regards pending listing fees upto year 2003 and delisting application is received from them.

Our Company has written a letter dated January 21, 2015 to ASE reiterating the earlier correspondences in connection with the outstanding amount of listing fees and seeking a settlement of the same. The Company has also sent another letter dated January 24, 2015 to ASE requesting them to settle the matter amicably wherein the company has proposed to make payment of ₹40,000/- towards the listing fees for the period between F.Y.2000-01 to F.Y.2003-04 Subsequently, a letter dated February 20, 2015 of Ahmedabad Stock Exchange was received by Company wherein ASE has offered concession/discount upto 30% to settle the outstanding annual listing fees. Our Company vide letter dated March 11, 2015 has accepted the offer subject to ASE proceeding with pending delisting process.

We hope that our Company receives an appropriate communication from ASE in this regard and equity shares of our company stand delisted from ASE as we are agreeable to pay the fees upto the year of our application for delisting in the year 2003.

2. Show cause cum demand notices from Central Excise

a) Our company has received a show cause notice bearing reference no. F. NO. INQ/DGAE/VRU/55/2000/534 dated February 1, 2001 issued by the Additional Director General ADGE, Mumbai in respect of evasion of excise duty by way of under valuation. Our Company filed an appeal before the Commissioner of Central Excise (Adjudication), Surat – II on June 6, 2002. The differential central excise duty under the said show cause notice amounts to ₹ 4,44,45,043/-.

Our Company has contested the notice and have responded vide letter dated June 06, 2002. The matter is still pending for adjudication.

Our Company has written a letter to the Commissioner, Central Excise (Adjudication) Commissionerate, Surat II dated January 23, 2015 and a reminder dated February 19, 2015, requesting to set aside the show cause notice order citing judgment in similar cases relating to texturisers. Our Company is yet to receive any correspondence in this regard.

c. **Notices issued by our Company - Nil**

II. Proceedings involving our Promoter

a. **Proceedings against/ by our Promoter - NIL**

b. **Notices against/ issued by our Promoter - NIL**

III. Proceedings involving our Directors

a. **Proceedings against/ by our Directors - NIL**

b. **Notices against/ issued by our Directors - NIL**

IV. Proceedings involving our Group Companies

a. **Proceedings involving our Group Companies: Nil**

b. **Notices involving our Group Companies - NIL**

GOVERNMENT APPROVALS

Except as stated below, our Company has received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required for our present business and to undertake the Issue and no further material approvals are required for carrying on our present activities. In addition, except as mentioned in this chapter “Government Approvals”, as on the date of the Letter of Offer, there are no pending regulatory and government approvals and no pending material renewals of licenses or approvals in relation to the activities undertaken by the Company or in relation to the Issue.

I. Approvals for the Issue

1. Board resolution dated October 18, 2014 approving the Issue;
2. In-principle approval from Stock Exchange vide letter no. DCS/PREF/FR-RT/715/2014-15 dated February 13, 2015;

II. General

1. Permanent Account Number of our Company is AAACE0860H
2. Tax Identification Number 26000001191

III. Approvals in relation to the business of our Company

Our Company requires various approvals and/or licences under various rules and regulations to conduct our business. Following are the business approvals with the Company:

Sl. No	Title of Document	Registration Number	Issuing Authority	Issuance & Validity Date
1.	Certificate of Importer-Exporter Code (IEC)	IEC No. 0393037029	Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade	Issued on September 23, 2002
2.	Certificate of Registration for Sales Tax and Central Sales Tax	Sales Tax Registration No.: DNH/ST/1191Central Sales Tax Registration No.: DNH/CST/1133	Assistant Commissioner, Sales Taxes, Dadra and Nagar Haveli, Silvassa	September 6, 1999 w.e.f. September 1, 1997
3.	Central Sales Tax Exemption	Certificate no ACVAT/EXEMPT/CST/2011/2705 Dated October 21, 2011	Assistant Commissioner (VAT), Dadra & Nagar Haveli Silvassa	Validity Period February 15, 2009 to December 31, 2017 Issued subject to fulfillment of certain conditions mentioned on said certificate

Sl. No	Title of Document	Registration Number	Issuing Authority	Issuance & Validity Date
4.	Service Tax	AAACE 0860HST001	Superintendent Service Tax, Service Tax Commissionerate, Mumbai	Issued on March 28, 2009
5.	Registration under the Bombay Shops and Establishments Act, 1948	Registration No.: A018732 / Commercial II.	Inspector under Bombay Shops and Establishments Act, 1948	Issued on January 8, 2013 Valid up to December 31, 2015
6.	Professional Tax - Certification of Registration under Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975	Professional Tax Registration No. 1/1/21/18/7944	Professional Tax Officer, Unit-I, A/B Ward, Bombay	Issued on August 16, 1996
7.	Registration and License to work a factory	License No. 965 Registration No. 965	Chief Inspector of Factories and Boilers, Administration of Dadra and Nagar Haveli, Silvassa	Renewed on December 26, 2013 Valid till December 31, 2015
8.	Allotment Code under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952	PF Code is SRVAP0031029000	Regional Provident Fund Commissioner, Sub-Regional Office, Surat	Issued on September 2, 1997
9.	Registration under Water (Prevention and Control of Pollution) Act, 1974	Consent no. PCC/ DDD/G-0856/DR/ WA/14-15/148	Pollution Control Committee	Valid upto March 31, 2016
10.	Registration under Air (Prevention and Control of Pollution) Act, 1981	Consent no. PCC/ DDD/G-0856/DR/ AA/14-15/149	Pollution Control Committee	Valid upto March 31, 2016

Our Company doesn't have Fire Safety Certificate/NOC from the local fire station. However, our company conducts periodic check for fire instruments from independent consultants. The risk attached with the non compliance of fire safety norms are appearing in the Risk Factor no.9 on page 11 of the Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue of Equity Shares to the Equity Shareholders of our Company whose name appear in the list of shareholders of the

Company one day prior to book closure period (i.e. Wednesday, September 09, 2015 to Tuesday, September 15, 2015) is being made in accordance with the resolution passed by our Board of Directors at their meeting held on October 18, 2014.

Prohibition by SEBI and various agencies/ other regulatory bodies

Our Company, our associates, our Promoters, our Promoter Group companies, or the companies with which the Directors are associated as directors or promoters, have not been prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

None of our Company, our associates, our Promoters or the members of the Promoter Group have been declared willful defaulters by the RBI or any Government authority and no violations of securities laws have been committed by them in the past and no proceedings in relation to such violations are currently pending against them.

None of our Directors are associated in any manner with any entity which is engaged in securities market related business and is registered with SEBI for the same.

None of our Directors hold current or have held directorship(s) in the last five years in a listed company whose shares have been or were suspended from trading on BSE or the NSE or in a listed company which has been / was delisted from any stock exchange.

We confirm that there are no proceedings initiated by SEBI, Stock Exchanges or ROC, etc on our Company/Promoters/ Directors/Group Companies.

Eligibility for the Issue

Our Company is an existing listed company registered under the Companies Act whose equity shares are listed on BSE and ASE. It is eligible to make this Rights Issue in terms of Chapter IV of the SEBI Regulations. Pursuant to clause (2) of part E of Schedule VIII of the SEBI Regulations, our Company is eligible to make an offer this Issue in terms of Part A of Schedule VIII of the SEBI Regulations

Our Company is also in compliance with the conditions specified in Regulation 4(2) of the SEBI (ICDR) Regulations, 2009 to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE OFFER DOCUMENT HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANYWAY BE DEEMED / CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS OFFER DOCUMENT. THE LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE

OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 15, 2015 WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATIONS LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE OFFER DOCUMENT PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
 - a) THE OFFER DOCUMENT FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - b) ALL THE LEGAL REQUIREMENTS TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - c) THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT 2013, THE
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE AS THE ISSUE IS NOT UNDERWRITTEN.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE OFFER DOCUMENT WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE OFFER DOCUMENT. – NOT APPLICABLE AS THE PRESENT ISSUE IS A RIGHTS ISSUE.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUES OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE OFFER DOCUMENT – NOT APPLICABLE AS THE PRESENT ISSUE IS A RIGHTS ISSUE.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT

- ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE "MAIN OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE
 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE OFFER DOCUMENT THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
 11. WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN THE ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE OFFER DOCUMENT:
 - a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE ISSUER AND
 - b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE
 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO THE ADVERTISEMENT IN TERMS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE - NOTED FOR COMPLIANCE.
 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ETC.
 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE OFFER DOCUMENT WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
 16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY KEYNOTE CORPORATE SERVICES LIMITED' AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR. - NOT APPLICABLE.
 17. WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTION REPORTED, IN ACCORDANCE WITH AS-18 IN THE FINANCIAL STATEMENTS AND DISCLOSURES INCLUDING DRAFT LETTER OF OFFER
- THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.
- THE PROMOTER/ DIRECTORS OF OUR COMPANY CONFIRM THAT NO INFORMATION/ MATERIAL LIKELY TO HAVE A BEARING ON THE DECISION OF INVESTORS IN RESPECT OF THE SHARES OFFERED

IN TERMS OF THE OFFER DOCUMENT HAS BEEN SUPPRESSED WITHHELD AND/ OR INCORPORATED IN THE MANNER THAT WOULD AMOUNT TO MIS-STATEMENT/ MISREPRESENTATION AND IN THE EVENT OF ITS TRANSPIRING AT ANY POINT IN TIME TILL ALLOTMENT/ REFUND AS THE CASE MAY BE, THAT ANY INFORMATION/ MATERIAL HAS BEEN SUPPRESSED/ WITHHELD AND/ OR AMOUNTS TO A MIS-STATEMENT/ MISREPRESENTATION, THE PROMOTERS/ DIRECTORS UNDERTAKE TO REFUND THE ENTIRE APPLICATION MONIES TO ALL SUBSCRIBERS WITHIN 7 DAYS THEREAFTER WITHOUT PREJUDICE TO THE PROVISIONS OF SECTION 34 OF THE COMPANIES ACT, 2013.

Caution

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares in the Issue.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in the Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

The Lead Manager and our Company shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of the Letter of Offer with SEBI.

Investors who invest in this Issue will be deemed to have represented to our Company and Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Disclaimer with respect to jurisdiction

The Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be BSE.

Disclaimer Clause of BSE

BSE has given vide its letter no. DCS/PREF/FR-RT/715/2014-15 dated February 13, 2015 permission to our Company to use BSE's name in the Letter of Offer as one of the Stock Exchanges on which the Equity Shares are proposed to be listed. BSE has scrutinized the Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. BSE does not in any manner: (i) warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or (ii) warrant that this Company's securities will be listed or will continue to be listed on BSE; or (iii) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of this Company; and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

The Draft Letter of Offer was filed with the Corporation Finance Department of the SEBI, located at Plot No. C 4-A, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051, India for its observations.

Selling Restrictions

The distribution of the Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue to the shareholders of our Company and will dispatch the Letter of Offer/Abridged Letter of Offer and CAFs to shareholders who have provided an Indian address. The Abridged Letter of Offer, along with CAF, shall be dispatched through registered post or speed post to all the existing shareholders at least three days before the date of opening of the issue; Provided that, the Letter of Offer shall be given by our Company or Lead Manager to any existing shareholder who has made a specific request in this regard. No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with SEBI. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, those

circumstances, the Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of Offer should not, in connection with the issue of the Equity Shares, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Equity Shares. Neither the delivery of the Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date. For further details, please see "Notice to Overseas Shareholders" on page 5 of the Letter of Offer.

Listing

The existing equity shares of our Company are listed on BSE Ltd. ("BSE") and Ahmedabad Stock Exchange Limited ("ASE"). We have received in principle approval from BSE vide letter no. DCS/PREF/FR-RT/715/2014-15 dated February 13, 2015. For the purposes of the Issue, the Designated Stock Exchange is BSE. We will apply to BSE for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. If the listing and trading approvals for the Equity Shares to be issued pursuant to this Issue is not granted by BSE then we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer.

We will issue and dispatch Allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date.

If such allotment is not made or money is not repaid within eight days from the day we become liable to repay it, we and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to pay the money with interest as prescribed under the applicable laws.

Consents

Consents in writing of the Directors, the Auditor, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue and experts to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of the Letter of Offer. Poladia & Co., Chartered Accountants, the Auditors of our Company, have given their written consent for the inclusion of their report in the form and content appearing in the Letter of Offer and such consent and report have not been withdrawn up to the date of the Letter of Offer.

Expert Opinion

Other than reports of our Auditor in respect of the information in the section "Auditor's Report" and "Statement of Tax Benefits" on page 87 and page 44, no expert opinion has been obtained by our Company in relation to the Issue.

Issue Expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses, and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Approx Amount (₹ in lacs)	As percentage of total expenses	As a percentage of Issue size
Fees of the Intermediaries	11.50	41.82	3.41
Advertising and marketing expenses	2.50	9.09	0.74
Printing and stationery expenses	4.00	14.55	1.19
Statutory and other miscellaneous expenses	9.50	34.55	2.82
Total estimated Issue related expenses	27.50	100.00	8.15

Fees Payable to the Lead Manager to the Issue

The fees payable to the Lead Manager to the Issue are set out in the engagement letter issued by our Company to the Lead Manager entered into by our Company with the Lead Manager, copies of which are available for inspection at the registered office of our Company.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue are set out in the engagement letter issued by our Company to the Registrar.

Previous Issues by our Company

Our Company has not undertaken any public or rights issue during the last five years.

Commission and Brokerage on Previous Issues

The Company has not made any Public/Rights Issue during last five years, hence any commission or brokerage has not been paid.

Outstanding Debentures/Bonds and Preference Shares

There are no outstanding debentures/ Bonds and preference shares as on the date of the Letter of Offer.

Previous Public Issues by group companies/ Subsidiaries

None of our group companies have made any public or rights issue in the past three years. However, one of our present group company namely, Vakharia Power Infrastructure Limited was directly listed on BSE pursuant to scheme of arrangement by our company duly approved by Hon High Court of Bombay vide its order dated September 14, 2012. The securities of VPIL were listed and permitted for trading on the BSE with effect from October 28, 2013. The details of the scheme of arrangement are appearing on page 66. Further, as on the date of the Letter of Offer, we do not have any subsidiary company.

Previous issue of Equity Shares for consideration other than cash

Our Company has not made any issue of Equity Shares for consideration other than cash

Investor Grievances and Redressal System

We have adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement as well as a well-arranged correspondence system developed for letters of routine nature. The share transfer and dematerialization for our Company is being handled by the Registrar and Share Transfer Agent, Sharex Dynamic (India) Pvt. Ltd.. The Redressal norm for response time for all correspondence including shareholders complaints is within 7 (seven) to 10 (ten) days.

The Shareholders/Investors Grievances Committee consists of Mr. Dinesh P. Turakhia as Chairman and Mr. Jitendra K. Vakharia and Mr. Kamlesh C. Sanghavi as members of the said committee. All investor grievances received by our Company have been handled by the Registrar and Share Transfer agent in consultation with the compliance officer.

The contact details of the Registrar and Share Transfer agent to the company are as follows:

Sharex Dynamic (India) Pvt. Ltd

Unit -1, Luthra Ind. Premises, Safed Pool,
Andheri-Kurla Road, Andheri (E), Mumbai – 400 072
Tel: +91-22-28515606/5644 **Fax:** +91-22-28512885

E-mail: sharexindia@vsnl.com

Website: www.sharexindia.com

Contact Person: Mr. K.C. Ajitkumar

SEBI Registration Number: INR000002102

Investor grievances arising out of this Issue

Our Company's investor grievances arising out of the Issue will be handled by Sharex Dynamic (India) Private Limited, who is the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

The agreement between our Company and the Registrar will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice/ share certificate / refund order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact telephone / cell numbers, email id of the first applicant, number and type of shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar for attending to routine grievances will be 7-10 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to attend to them as expeditiously as possible. Our

Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the compliance officer at the below mentioned address and/ or Registrar to the Issue at the above mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice/share certificates/ demat credit/refund orders etc.

Additionally, we have been registered with the SEBI Complaints Redress System ("SCORES") as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Mr. Sandeep S. Gupta

Everlon Synthetics Limited

67 Regent Chambers,
Nariman Point, Mumbai – 400 021 Maharashtra, India

Tel: +91 22049233/2204 2788; **Fax:** +91 2287 0540

Website: www.everlon.in; **E-mail:** rightsissue@everlon.in

Status of Complaints

- Total number of complaints received during Fiscal 2013: Nil
- Total number of complaints received during Fiscal 2014: Nil
- Total number of complaints received during Fiscal 2015: Nil
- Average Time normally taken for disposal of various types of investor complaints: 7-10 days from the date of receipt of complaints.

Our listed group company, VPIL, has not received any investor complaint till date from the date of listing on BSE.

Status of outstanding investor complaints

As on September 05, 2015, there were no outstanding investor complaints.

Changes in the Auditors during the last three years

There has been no change in the statutory auditor of our company in last three years.

Capitalization of Reserves or Profits / Issuance of Equity Shares for consideration other than cash

Our Company has not capitalized any of its reserves or profits / issued shares for consideration other than cash.

Revaluation of Fixed Assets

There has been no revaluation of our Company's fixed assets in the last five years.

Performance vis-à-vis Objects

Our Company has not undertaken any public/ rights issue during the period of ten years immediately preceding the date of filing the Letter of Offer. The last public issue was undertaken in the year 1994.

Performance vis-à-vis Objects – Last one issue of group companies/ Associates

Vakharia Power Infrastructure Limited was directly listed on

BSE pursuant to scheme of arrangement by our company duly approved by Hon High Court of Bombay vide its order dated September 14, 2012. The securities of VPIL were listed and permitted for trading on the BSE with effect from October 28, 2013. The details of the scheme of arrangement are appearing on page 66.

Stock market data for Equity Shares

For stock market data please see section titled "Market Price Information" on page 119 of the Letter of Offer.

TERMS OF THE ISSUE

The Equity Shares proposed to be issued are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer and the enclosed CAF, the MoA and AoA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, as amended, applicable guidelines and regulations issued by SEBI, or other statutory authorities and bodies from time to time, the Listing Agreements entered into by our Company, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time. **All rights/obligations of Equity Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.**

Please note that equity shareholders being QIBs and Non-Institutional Investors, can participate in this Issue only through ASBA process. Retail Individual Investors whose application amounts do not exceed ₹ 2,00,000 can participate in this Issue either through the ASBA process or the non ASBA process.

All Investors (apart from Retail Individual Investors) having bank accounts with SCSBs that are providing ASBA in cities / centers where such Investors are located, are mandatorily required to make use of the ASBA facility. Otherwise, applications of such Investors are liable for rejection. All Investors are encouraged to make use of the ASBA facility wherever such facility is available.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, please refer to "Procedure for Application through the Applications Supported by Blocked Amount Process" on page 146.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to those existing Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories for the purpose of this Rights Issue in respect of the equity shares held in the electronic form and on the register

of members of our Company in respect of the equity shares held in physical form at the close of business hours one day prior to the book closure period (i.e. Wednesday, September 09, 2015 to Tuesday, September 15, 2015) fixed in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the equity shares held in the electronic form or appears in the register of members as an Equity Shareholder of our Company one day prior to the book closure period i.e. from Wednesday, September 09, 2015 to Tuesday, September 15, 2015, you are entitled to the number of Equity Shares as set out in Part A of the enclosed CAFs.

The distribution of the Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. The Company is making the issue of Equity Shares on a rights basis to the Equity Shareholders and the Letter of Offer, Abridged Letter of Offer and the CAFs will be dispatched only to those Equity Shareholders who have a registered address in India. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and in other restricted jurisdictions.

Principal Terms of this Issue

Face Value

Each Equity Share will have the face value of ₹ 1.

Issue Price

Each Equity Share shall be offered at an Issue Price of ₹1.30 for cash at a premium of ₹0.30 per Equity Share.

Entitlement Ratio

The Equity Shares are being offered on a rights basis to the Equity Shareholders in the ratio of 6 (six) Equity Shares for every 7 (seven) equity shares held by the shareholders one day prior to the book closure period (i.e. Wednesday, September 09, 2015 to Tuesday, September 15, 2015).

Terms of Payment

The full amount of ₹1.30 per Equity Share is payable on application.

Fractional Entitlements

Fractional entitlement if any will be rounded off to the next higher integer and the share required for the same will be adjusted from one of the promoter's entitlement.

Ranking

The Equity Shares being issued shall be subject to the provisions of our Memorandum of Association and Articles of Association. The Equity Shares shall rank *pari passu*, in all respects including dividend, with our existing equity shares.

Mode of payment of dividend

In the event of declaration of dividends, we shall pay dividends to equity shareholders as per the provisions of the Companies

Act and the provisions of our Articles of Association.

Listing and trading of Equity Shares proposed to be issued

Our Company's existing equity shares are currently listed on BSE (Scrip Code: 514358) and ASE (Scrip Code – 16730) under the ISIN INE339D01026. However, our equity shares are currently traded on BSE. The fully paid up Equity Shares proposed to be issued pursuant to the issue shall in terms of the circular (no. CIR/MRD/DP/21/2012) by SEBI dated August 2, 2012, be Allotted under a temporary ISIN which shall be kept blocked till the receipt of final listing and trading approval from Stock Exchange. Upon receipt of such listing and trading approval, the proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN of our Company and be available for trading.

The listing and trading of the Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the schedule. Upon Allotment, the Equity Shares shall be traded on Stock Exchanges in the demat segment only.

We have received “in-principle” approvals for the listing of the Equity Shares to be issued pursuant to the Issue in accordance with Clause 24(a) of the Listing Agreement from BSE pursuant to letter, no. DCS/PREF/FR-RT/715/2014-15 dated February 13, 2015. We will apply to BSE for final approval for the listing and trading of the Equity Shares. All steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares to be allotted pursuant to the Issue shall be taken as per the regulatory requirement.

If permissions to list, deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange, on the expiry of 15 days from the issue closing date our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable law.

Rights of the Equity Shareholder

Subject to applicable laws, the Equity Shareholders of our Company shall have the following rights:

- Right to receive dividend, if declared
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of Equity Shares; and
- Such other rights as maybe available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and Articles of Association.

Arrangements for Disposal of Odd Lots

Our Company has not made any arrangements for the disposal of odd lot Equity Shares arising out of this Issue. The Company will issue certificates of denomination equal to the number of Equity Shares being allotted to the Equity Shareholder.

Restrictions on transfer and transmission of shares and on their consolidation/ splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

General Terms of the Issue

Market Lot

The equity shares of our Company are tradable only in dematerialized form. The market lot for the Equity Shares in dematerialised mode is one Equity Share. In case an Equity Shareholder holds equity shares in physical form, we would issue to the allottees one certificate for the Equity Shares allotted to each folio (“**Consolidated Certificate**”) and in case an Equity Shareholder seeks allotment in demat form (whether existing equity shares being held in demat or physical form) and provides all relevant and correct details we would allot him in demat form. In respect of Consolidated Certificates, we will upon receipt of a request from the respective Equity Shareholders, split such Consolidated Certificates into smaller denominations within one week's time from the receipt of the request in respect thereof, subject to a maximum of five denominations. We shall not charge a fee for splitting any of the Consolidated Certificates.

Joint Holders

Where two or more persons are registered as the holders of any equity shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

In terms of Section 72 of the Companies Act, 2013 nomination facility is available in respect of the Equity Shares. An Investor can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

In case of Equity Shareholders who are individuals, a sole Equity Shareholder or the first named Equity Shareholder, along with other joint Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Fresh nominations can be made only in the prescribed form available on request at the Registered

Office of the Company or such other person at such addresses as may be notified by the Company. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 72 of the Companies Act, 2013 any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Equity Shareholder(s) has already registered the nomination with the Company, no further nomination needs to be made for Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant (“DP”) of the investor would prevail. Any investor desirous of changing the existing nomination is requested to inform its respective DP.

Notices

All notices to the Equity Shareholder(s) required to be given by the Company shall be published in one English national daily with wide circulation, one Hindi national daily with wide circulation and one regional language daily newspaper with wide circulation in Marathi daily and/or, will be sent by ordinary post/registered post/speed post to the registered holders of the equity shares from time to time.

Additional Subscription by the Promoters

Our Promoter/ Promoter Group, either jointly or severally, intend to subscribe to their Rights Entitlement in this Issue, in full, subject to the terms of the Letter of Offer and applicable laws. Subject to compliance with applicable laws including the Takeover Code, the Promoter/ Promoter Group, either jointly or severally, reserve the right to subscribe for (1) additional Equity Shares of our Company and/or (2) the unsubscribed portion if any, to the extent that the holding of Promoter/Promoter Group does not exceed 75% of the post Issue paid up capital of our Company. Mr. Jitendra K. Vakharia has provided an undertaking dated January 08, 2015 to this effect.

As a result of the subscription, our Promoter/Promoter Group may acquire Equity Shares over and above their respective entitlements in this Issue, which may result in an increase of their shareholding above the current shareholding along with the Rights Entitlement. Such subscription and acquisition of

additional Equity Shares by our Promoter / Promoter Group through the Issue, if any, shall be made in accordance with applicable laws. Further, such acquisition is exempted from the obligation to make an open offer as the conditions prescribed in Regulation 10(4) (b) of the Takeover Code are duly complied with.

For further details, please refer to “Terms of the Issue - Basis of Allotment” on page 145 of the Letter of Offer.

Procedure for Application

The CAF along with the Abridged Letter of Offer for Equity Shares offered as part of the issue would be printed for all eligible Equity Shareholders. In case the original CAFs are not received by the Investor or is misplaced by the Investor, the Investor may request the Registrars to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Equity Shareholder(s) does not match with the specimen registered with our Company, the application is liable to be rejected.

Please note that neither the Company nor the Registrar shall be responsible for delay in the receipt of the CAF/ duplicate CAF attributable to postal delays or if the CAF/ duplicate CAF are misplaced in the transit.

Please also note that by virtue of Circular No. 14, dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Any Equity Shareholders being an OCB is required to obtain prior approval from RBI for applying in this Issue.

The CAF consists of four parts:

Part A	Form for accepting the Rights Equity Shares and for applying for additional Rights Equity Shares;
Part B	Form for renunciation;
Part C	Form for application by renouncee(s);
Part D	Form for request for Split Application Forms.

Acceptance of the Issue

You may accept the offer to participate and apply for the Equity Shares offered, either in full or in part, by filling Part A of the enclosed CAFs and submit the same along with the application money payable to the Banker to the Issue or any of the collection branches as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of our Company in this regard. Investors at centres not covered by the branches of collecting banks can send their CAFs together with the cheque drawn at par on a local bank at Mumbai/ demand draft payable at Mumbai to the Registrar to the Issue by registered post. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, see “Mode of Payment for Resident Equity Shareholders/ Investors” on page 161 and “Mode of Payment for Non-Resident Equity Shareholders/

Investors” on page 162 of the Letter of Offer.

Option available to the Equity Shareholders

The CAFs will clearly indicate the number of Equity Shares that the Shareholder is entitled to.

If the Equity Shareholder applies for an investment in Equity Shares, then he can:

- Apply for his Rights Entitlement of Equity Shares in full;
- Apply for his Rights Entitlement of Equity Shares in part;
- Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares (by requesting for split forms);
- Apply for his Rights Entitlement in full and apply for additional Equity Shares;
- Renounce his Rights Entitlement in full.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under “Basis of Allotment” on page 145 of the Letter of Offer.

Further, under the Foreign Exchange Regulations currently in force in India, transfers of shares between non-residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

This Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/or register any Equity Shares in favour of more than three persons (including joint holders), partnership firm(s) or their nominee(s), minors, HUF, any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882 or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold equity shares, as the case may be). Additionally, existing Equity Shareholders may not renounce in favor of persons or entities in the United States or who would otherwise be prohibited

from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.

Any renunciation (i) from a resident shareholder to a non-resident, or (ii) from a nonresident shareholder to a resident, or (iii) from a non-resident Eligible Equity Shareholder to a non-resident is subject to the renouncer / renounee obtaining the necessary approvals, including from the RBI, and such approvals should be attached to the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

Renunciation by OCBs

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the existing Equity Shareholders of our Company who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same in favour of Renounee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such renounee obtains a prior approval from the RBI. On submission of such approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Renunciation by non-resident shareholders

Application(s) received from Non-Resident / NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest, export of share certificates, etc. In case a Non Resident or NRI Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF, without which the CAF shall be rejected on technical grounds. For further details please refer to “Grounds for Technical Rejection for ASBA Investors” and “Grounds for Technical Rejections for Non-ASBA Investors” on page 152 and on page 159 respectively.

Part ‘A’ of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the enclosed CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part ‘B’ of the CAF) duly filled in shall be conclusive evidence for our

Company of the person(s) applying for Equity Shares in Part 'C' of the CAF to receive Allotment of such Equity Shares. The Renounees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares. Part 'A' of the CAF must not be used by the Renounee(s) as this will render the application invalid. Renounee(s) will have no further right to renounce any Equity Shares in favour of any other person.

Procedure for renunciation

To renounce all the Equity Shares offered to an Equity Shareholder in favour of one Renounee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renounees, all joint Renounees must sign this part of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer under this Issue in favour of two or more Renounees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Equity Shareholder(s), who has renounced the Equity Shares, does not match with the specimen registered with our Company, the application is liable to be rejected.

Renounee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Banker to the Issue on or before the Issue Closing Date along with the application money in full. The Renounee cannot further renounce.

Change and/or introduction of additional holders

If you wish to apply for Equity Shares jointly with any other person(s), not more than three, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that the Board of Directors of our Company shall be entitled in its absolute discretion to reject the request for Allotment from the Renounee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Equity Shareholder is presented below. You may exercise any of the following

options with regard to the Equity Shares offered, using the enclosed CAF:

Option Available		Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (<i>All joint holders must sign</i>)
2.	Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (<i>All joint holders must sign</i>)
3.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renounee(s) OR Renounce your Rights Entitlement to all the Equity Shares offered to you to more than one Renounee	Fill in and sign Part D (<i>all joint holders must sign</i>) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. For the Equity Shares you wish to accept, if any, fill in and sign Part A. For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renounee. Each of the Renounees should fill in and sign Part C for the Equity Shares accepted by them.
4.	Renounce your Rights Entitlement in full to one person (<i>Joint Renounees are considered as one</i>).	Fill in and sign Part B (<i>all joint holders must sign</i>) indicating the number of Equity Shares renounced and hand it over to the Renounee. The Renounee must fill in and sign Part C (<i>All joint Renounees must sign</i>)
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renounee must fill in and sign Part C.

Please note that the options 3 and 4 mentioned in the above table will not be available to the shareholders applying through ASBA process.

In case of equity shares held in physical form, applicants must provide information in the CAF as to their respective bank account numbers, name of the bank, to enable the Registrar to print the said details on the refund order. Failure to comply with this may lead to rejection of application. In case of equity shares held in demat form,

bank account details furnished by the Depositories will be printed on the refund order.

Please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Equity Shareholder to whom the Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for Split Application Forms/SAF should be made for a minimum of one Equity Share or, in either case, in multiples thereof and one SAF for the balance Equity Shares, if any.
- Request by the Investor for the SAFs should reach the Registrar on or before Tuesday, October 13, 2015.
- Only the Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Investor (s) by post at the applicant's risk.
- Equity Shareholders may not renounce in favour of persons or entities in the United States, who are not Qualified Institutional Buyers (as defined the US Securities Act), or who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.
- Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for Equity Shares in Part 'C' of the CAF to receive Allotment of such Equity Shares.
- While applying for or renouncing their Rights Entitlement, joint Equity Shareholders must sign the CAF in the same order as per specimen signatures recorded with us or the Depositories.
- Non-resident Equity Shareholders: Application(s) received from Non-Resident/ NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares allotted as a part of this Issue shall, amongst other things, be subject to conditions, as may be imposed from time to time by the RBI in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.
- Applicants must write their CAF number at the back of the cheque / demand draft.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Investor, the Registrar to the Issue will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the

request for duplicate CAF should reach the Registrar to the Issue within fifteen days from the Issue Opening Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Investor violates such requirements, he / she shall face the risk of rejection of both the applications.

Neither the Registrar nor the Lead Managers or us, shall be responsible for postal delays or loss of duplicate CAFs in transit, if any.

Application on Plain Paper – Non ASBA

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with demand draft, net of bank and postal charges payable at Mumbai which should be drawn in favour of the **“Everlon-Rights-R”** in case of the resident shareholders and non-resident shareholders applying on non-repatriable basis and in favor of **“Everlon-Rights-NR”** in case of the non-resident shareholders applying on repatriable basis and send the same by registered/ speed post directly to the Registrar to the Issue so as to reach Registrar to the Issue on or before the Issue Closing Date.

Furthermore, Equity Shareholders have an option to print application on plain paper from the website of the Registrar to the Issue, i.e. www.sharexindia.com, by providing his/ her folio no. / DP ID/ Client ID in order to enable the Equity Shareholder to apply for the Issue. Further, they also can make an application on plain paper giving necessary details as given below.

The envelope should be superscribed **“Everlon-Rights-R”** in case of resident shareholders and Non-resident shareholders applying on non-repatriable basis and **“Everlon-Rights-NR”** in case of non-resident shareholders applying on repatriable basis.

The application on plain paper, duly signed by the Investors including joint holders, in the same order as per specimen recorded with our Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Everlon Synthetics Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Equity Shares held one day prior to book closure period;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹1.30 per Equity Share;
- Particulars of cheque/draft;
- Savings/Current Account Number and name and address of the bank where the Equity Shareholder will be depositing the refund order. In case of Equity Shares allotted in demat form, the bank account details will be obtained from the information available with the Depositories;

- Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number of the Investor and for each Investor in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue.
- Share certificate numbers and distinctive numbers of equity shares, if held in physical form;
- Allotment option preferred - physical or demat form, if held in physical form;
- Signature of the Equity Shareholders to appear in the same sequence and order as they appear in our records or the Depositories records
- In case of Non Resident Equity Shareholders, NRE/ FCNR/ NRO A/c No. name and address of the bank and branch;
- If payment is made by a draft purchased from an NRE/ FCNR/ NRO A/c No., as the case may be, an Account debit certificate from the bank issuing the draft, confirming that the draft has been issued by debiting NRE/FCNR/ NRO A/c; and
- Additionally, all such applicants are deemed to have accepted the following:

“I/We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”). I/we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/we understand that none of our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company has reason to believe is, a resident of the United States.

I/We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with

Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement and/or the Equity Shares is/are, outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/We acknowledge that our Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications. We shall refund such application amount to the Investor without any interest thereon. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor.

Last date for Application

The last date for submission of the duly filled in CAF is Wednesday, October 28, 2015 .

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the invitation to offer contained in the Letter of Offer/ Abridged Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided in the Basis of Allotment” referred below.

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, the Board will proceed to Allot the Equity Shares in the following order of priority:

- a) Full Allotment to those Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.
- b) Allotment to the Equity Shareholders who having applied for all the Equity Shares offered to them as part of the Issue and have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of equity shares held by them on a day prior to book closure period (i.e. Wednesday, September 09, 2015 to Tuesday, September 15, 2015), provided there is an under-subscribed portion after making full Allotment in (a) above. The Allotment of such Equity Shares will be at the sole discretion of the Board / Committee of Directors in consultation with the Designated Stock Exchange, as a

part of the Issue and will not be a preferential allotment.

Fractional entitlement if any will be rounded off to the next higher integer and the share required for the same will be adjusted from one of the promoter's entitlement.

- c) Allotment to Renounees who having applied for all the Equity Shares renounced in their favour & have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of the Board/Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential Allotment.
- d) Allotment to any other person as the Board may in its absolute discretion deem fit provided there is surplus available after making full Allotment under (a), (b) and (c) above and the decision of the Board in this regard will be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangements.

PROCEDURE FOR APPLICATION THROUGH THE APPLICATIONS SUPPORTED BY BLOCKED AMOUNT ("ASBA") PROCESS

Please note in accordance with the provisions of SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011, all applicants who are QIBs, Non Institutional Investors shall mandatorily make use of ASBA facility. All QIBs and Non-Institutional Investors, complying with the eligibility conditions of SEBI circular dated December 30, 2009, must mandatorily invest through the ASBA process. For further details please refer to "Grounds for Technical Rejection for ASBA Investors" on page 152.

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Equity Shareholders who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up, specifying the number of the bank account maintained with the Self Certified Syndicate Bank ("SCSB") in which the Application Money will be blocked by the SCSB.

The Lead Manager, the Company, its directors, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed

that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA Process is provided on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html. For details on designated branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

In terms of SEBI circulars dated September 13, 2012 and January 2, 2013, SCSBs should ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

ASBA Investors who are eligible to apply under the ASBA Process

An ASBA Investor is an investor (either Equity Shareholder or Renounee) who is intending to subscribe the Equity Shares of our Company under this Issue applying through blocking of funds in a bank account maintained with SCSBs.

All QIBs and Non- Institutional Investors, complying with the above conditions, must mandatorily invest through ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process.

CAF

The Registrar will despatch the CAF to all Equity Shareholders as per their Rights Entitlement on a day prior to the book closure period (i.e. Wednesday, September 09, 2015 to Tuesday, September 15, 2015) for the Issue. Those Equity Shareholders who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A and Part C of the CAF respectively. Application in electronic mode will only be available with such SCSBs who provide such facility. The Equity Shareholder shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of our Company in this regard.

Mode of payment

The ASBA Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in a bank account maintained with the SCSB.

After verifying that sufficient funds are available in the bank account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar’s instruction from the bank account with the SCSB mentioned by the Equity Shareholder in the CAF. This amount will be transferred in terms of the SEBI Regulations, into the separate bank account maintained by our Company as per the provisions of section 40(3) of the Companies Act. The balance amount remaining after the finalisation of the basis of Allotment shall be either unblocked by the SCSBs or refunded to the Investors by the Registrar on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Manager to the respective SCSB.

The SCSB may reject the application at the time of acceptance of CAF if the bank account with the SCSB details of which have been provided by the Equity Shareholder in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Options available to the ASBA Investors applying under the ASBA Process

The summary of options available to the ASBA Investors is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

Option Available	Action Required
1. Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF <i>(All joint holders must sign)</i>
2. Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares <i>(All joint holders must sign)</i>
3. If you are a ‘Renounee’ and accept whole or part of your entitlement and/or apply for additional equity shares	Fill in and sign Part C of the CAF including Block VIII relating to acceptance and Block IX relating to additional Equity Shares <i>(All joint holders must sign)</i>

The ASBA Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where

this option is not selected, but the CAF is tendered to the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Equity Shareholder have selected to apply through the ASBA process option.

Please note that Equity Shareholders being QIBs and Non-Institutional Investors can participate in this Issue only through the ASBA process. Retail Individual Investors whose application amounts do not exceed ‘ 2,00,000 can participate in this Issue either through the ASBA process or the non ASBA process.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above the number of Equity Shares that you are entitled to, provided that you are eligible to apply for Equity Shares under applicable law and you have applied for all the Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under “Terms of the Issue - Basis of Allotment” on page 135.

If you desire to apply for additional Equity Shares please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renounee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Renunciation under the ASBA Process

Renounees are eligible to participate in this Issue through the ASBA Process.

Application on Plain Paper - ASBA

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper.

Furthermore, Equity Shareholders have an option to print application on plain paper from the website of the Registrar to the Issue, i.e. www.sharexindia.com by providing his/ her folio. no. / DP ID/ Client ID in order to enable the Equity Shareholder to apply for the Issue. Further, they also can make an application on plain paper giving necessary details as given below.

The envelope should be superscribed “**Everlon-Rights-R**” in case of resident shareholders and Non-resident shareholders applying on non-repatriable basis and “**Everlon-Rights-NR**” in case of non-resident shareholders applying on repatriable basis and should be postmarked in India. The application on plain paper, duly signed by the Investors including joint holders, in the same order as per the specimen recorded with our Company, must reach the SCSBs before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Everlon Synthetics Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of equity shares held as on a day prior to the book

closure period (i.e. Wednesday, September 09, 2015 to Tuesday, September 15, 2015);

- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount to be blocked at the rate of ₹1.30/- per Equity Share; and
- Except for applications on behalf of the Central or State Government and the officials appointed by the courts, PAN number of the Investor and for each Investor in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue.
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Additionally, all such applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"). I/we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. I/we understand that none of our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company has reason to believe is, a resident of the United States or other restricted jurisdiction.

I/We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement and/or the Equity Shares is/are, outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/We acknowledge that our Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Option to receive Equity Shares in Dematerialized Form
EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE EQUITY SHARES OF THE COMPANY UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD OR THE DETAILS OF THE DEPOSITORY ACCOUNT AS MENTIONED BY RENOUNCEE(S) IN THE APPLICATION FORM.

Issuance of Intimation Letters

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in this Issue, along with:

- The number of Equity Shares to be allotted against each successful ASBA Application;
- The amount to be transferred from the ASBA Account to the separate bank account opened by the Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

General instructions for Equity Shareholders applying under the ASBA Process

- (a) Please read the instructions printed on the CAF carefully.
- (b) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected. The CAF must be filled in English.
- (c) The CAF/plain paper application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Banker to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue.
- (d) All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/her PAN number allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which**

PAN details have not been verified shall be “suspended credit” and no allotment and credit of Equity Shares shall be made into the accounts of such Investors.

- (e) All payments will be made by blocking the amount in the bank account maintained with the SCSB. Cash payment is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- (f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company/ or Depositories.
- (g) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. In case of joint applicants, reference, if any, will be made in the first applicant’s name and all communication will be addressed to the first applicant.
- (h) All communication in connection with application for the Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole applicant Equity Shareholder, folio numbers and CAF number.
- (i) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Equity Shares under applicable securities laws are eligible to participate.
- (j) ASBA Investors who intend to subscribe the Equity Shares of our Company under this Issue shall be eligible to participate under the ASBA Process.
- (k) All Investors (apart from Retail Individual Investors) having bank accounts with SCSBs that are providing ASBA in cities / centres where such Investors are located, are mandatorily required to make use of the ASBA facility. Otherwise, applications of such Investors are liable for rejection. All Investors are encouraged to make use of the ASBA facility wherever such facility is available.
- (l) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the heading “Application on Plain Paper - ASBA” on page 148.
- (m) In terms of SEBI circulars dated September 13, 2012 and January 2, 2013, SCSBs should ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.**

Do’s:

- a. Ensure that the ASBA Process option is selected in the CAF and necessary details are filled in.
- b. Ensure that you submit your application in physical mode only. Electronic mode is only available with certain SCSBs and not all SCSBs and you should ensure that your SCSB offers such facility to you.
- c. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.
- d. Ensure that your Indian address is available to our Company and the Registrar, in case you hold equity shares in physical form or the depository participant, in case you hold equity shares in dematerialised form;
- e. Ensure that the CAFs are submitted at the SCSBs and details of the correct bank account have been provided in the CAF.
- f. Ensure that there are sufficient funds (equal to {number of Equity Shares as the case may be applied for} X {Issue Price of Equity Shares, as the case may be}) available in the bank account maintained with the SCSB mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
- g. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the bank account maintained with the respective SCSB, of which details are provided in the CAF and have signed the same.
- h. Ensure that you receive an acknowledgement from the SCSB for your submission of the CAF in physical form.
- i. Except for CAFs submitted on behalf of the Central or State Government and the officials appointed by the courts, each applicant should mention their PAN allotted under the I. T. Act.
- j. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- k. Ensure that the demographic details are updated, true and correct, in all respects.

Don’ts:

- a. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- b. Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- c. Do not pay the amount payable on application in cash, by money order or by postal order.
- d. Do not send your physical CAFs to the Lead Manager to Issue / Registrar / Collecting Banks (assuming that such Collecting Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company;

- instead submit the same to a Designated Branch of the SCSB only.
- e. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
 - f. Do not apply if the ASBA account has been used for five applicants.
 - g. Do not apply through the ASBA Process if you are not an ASBA Investor.
 - h. Do not instruct your respective banks to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection for ASBA Investors

In addition to the grounds listed under “Grounds for Technical Rejection for non-ASBA Investors” on page 159 of the Letter of Offer, applications under the ASBA Process are liable to be rejected on the following grounds:

- a) Application on a SAF (unless all the SAFs are used by the original shareholder).
- b) Application for Allotment of Rights Entitlements or additional shares in physical form (in case the existing holding is in dematerialized form).
- c) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- d) Sending CAF to a Lead Manager / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.
- e) Insufficient funds are available with the SCSB for blocking the amount.
- f) Funds in the bank account with the SCSB whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
- g) Account holder not signing the CAF or declaration mentioned therein.
- h) CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in restricted jurisdictions and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.
- i) CAFs which have evidence of being executed in/dispatched from restricted jurisdiction.
- j) Applications by persons not competent to contract under the Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- k) Submission of more than five CAFs per ASBA Account.
- l) Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
- m) Submitting the GIR instead of the PAN.
- n) An Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.
- o) The Application by an Equity Shareholder whose

cumulative value of Equity Shares applied for is more than ₹ 200,000 but has applied separately through split CAFs of less than ₹ 200,000 each and has not done so through the ASBA process.

- p) Applications by SCSBs not complying with the SEBI circulars dated September 13, 2012 and January 2, 2013, whereby SCSBs need to ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. Such account should be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Depository account and bank details for Equity Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF.

Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF, the Registrar to the Issue will obtain from the Depository demographic details of these Equity Shareholders such as address, bank account details for printing on refund orders and occupation (“Demographic Details”). Hence, Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Equity Shareholders including mailing of the letters intimating unblock of bank account of the respective Equity Shareholder. The Demographic Details given by the Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. Refunds, if any, will be made directly to the bank account linked to the DP ID. Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of bank account may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Equity Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Equity Shareholders applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Equity Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Equity Shareholders (including the order of names of joint holders), (b) the DP ID and (c) the beneficiary account number, then such applications are liable to be rejected.

Issue Schedule

Issue Opening Date	Tuesday, September 29, 2015
Last date for receiving requests for SAFs	Tuesday, October 13, 2015
Issue Closing Date	Wednesday, October 28, 2015
Tentative date of basis of allotment	Friday, November 06, 2015
Tentative date of initiation of refund and credit of shares	Saturday, November 07, 2015
Tentative date of listing	Friday, November 13, 2015

The issue will remain open for 30 (Thirty) days including the Issue Opening Date and Closing Date.

Allotment Advices / Refund Orders

Our Company will issue and dispatch Allotment advice/ share certificates/demat credit and/or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Electronic Clearing Service (“NECS”) except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement (“RTGS”).

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit

of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted and are entitled to receive their Rights Entitlement in physical form, our Company will issue share certificates under Section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

The letter of allotment / refund order would be sent by registered post/ speed post to the sole/ first Investors registered address. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked ‘Account Payee only’ and would be drawn in favour of the sole/first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for Investors having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories/ the records of the Registrar. The payment of refunds is mandatory for Investors having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).
2. NEFT – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the registrar to our Company or with the depository participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
3. Direct Credit – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
4. RTGS – If the refund amount exceeds ₹ 2 lacs, the investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.

5. For all other Investors the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
6. Credit of refunds to Investors in any other electronic manner permissible under the banking laws, which are in force, and are permitted by the SEBI from time to time.

Refund payment to Non- resident

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian Rupees based on the U.S. dollars equivalent which ought to be refunded. Indian Rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. We will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice/ share certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date. In case our Company issues Allotment advice, the relative share certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive Equity Shares in Dematerialized Form

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Investor. The Company has signed a tripartite agreement with NSDL on May 30, 2001 and with CDSL on April 24, 2001 which enables the Investors to hold and trade equity shares in a dematerialized form, instead of holding the equity shares in the form of physical certificates.

In this Issue, the allottees who have opted for Equity Shares in dematerialized form will receive their Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately

contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and/or dematerialized form should be made.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF THE COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the electronic form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. *Those Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.*
- For Equity Shareholders already holding equity shares in dematerialized form as on a day prior to the book closure period (i.e. Wednesday, September 09, 2015 to Tuesday, September 15, 2015), the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the original equity shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Equity Shareholders and the names are in the same order as in our records.
- The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.
- If incomplete/ incorrect beneficiary account details are given in the CAF, then such shares will be credited to a demat suspense a/c which shall be opened by the Company as specified in the SEBI circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009.
- The Equity Shares allotted to applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the applicant's depository account. It may be noted that Equity

Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL.

- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.
- Non-transferable allotment advice/refund orders will be directly sent to the Investors by the Registrar.
- Dividend or other benefits with respect to the Rights Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

General instructions for Non-ASBA Investors

- (a) Please read the instructions printed on the enclosed CAF carefully.
- (b) Application should be made on the printed CAF, provided by our Company except as mentioned under the head “Application on Plain Paper – non ASBA” on page 143 of the Letter of Offer and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father’s / husband’s name must be filled in block letters.

The CAF together with the cheque/demand draft should be sent to the Banker to the Issue/Collecting Bank or to the Registrar to the Issue and not to our Company or Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorised by our Company for collecting applications, will have to make payment by Demand Draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.

Applications where separate cheques/demand drafts are not attached for amounts to be paid for Equity Shares are liable to be rejected.

- (c) Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN number allotted under the I.T. Act, 1961, irrespective of the amount of the application. **CAFs without PAN will be considered incomplete and are liable to be rejected.**
- (d) Investors, holding equity shares in physical form, are advised that it is mandatory to provide information as to their savings/current account number and the name of the bank with whom such account is held in the CAF to

enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.

- (e) All payment should be made by cheque/demand draft only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- (f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company.
- (g) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Banker to the Issue.
- (h) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. Further, in case of joint Investors who are Renounees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor’s name and all communication will be addressed to the first Investor.
- (i) Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, Allotment of Equity Shares, subsequent issue and Allotment of Equity Shares, interest, export of share certificates, etc. In case a NR or NRI Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in the United States or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
- (j) All communication in connection with application for the Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar

to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Equity Shareholders, after the date of Allotment, should be sent to the Registrar and Transfer Agents of our Company, in the case of equity shares held in physical form and to the respective depository participant, in case of equity shares held in dematerialized form.

- (k) SAFs cannot be re-split.
- (l) Only the Equity Shareholder(s) and not Renouncee(s) shall be entitled to obtain SAFs.
- (m) Investors must write their CAF number at the back of the cheque /demand draft.
- (n) Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.
- (o) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected.
- (p) No receipt will be issued for application money received. The Banker to the Issue / Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
- (q) The distribution of the Letter of Offer and issue of Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in the United States and such other jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for Equity Shares.

Do's for non-ASBA Investors:

- a. Check if you are eligible to apply i.e. you are an Equity Shareholder one day prior to the book closure period (i.e. Wednesday, September 09, 2015 to Tuesday, September 15, 2015);
- b. Read all the instructions carefully and ensure that the cheque/ draft option is selected in part A of the CAF and necessary details are filled in;
- c. In the event you hold equity shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only;
- d. Ensure that your Indian address is available to our Company and the Registrar, in case you hold equity shares in physical form or the depository participant, in case you hold equity shares in dematerialised form;
- e. Ensure that the CAFs are submitted at the collection centres of the Banker to the Issue only on prescribed forms;
- f. Ensure that the value of the cheque/ draft submitted by

you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF;

- g. Ensure that you receive an acknowledgement from the collection centers of the collection bank for your submission of the CAF in physical form;
- h. Ensure that you mention your PAN allotted under the I.T. Act with the Application Form, except for Application on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts;
- i. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF;
- j. Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

- a. Do not apply if you are not eligible to participate in this Issue in terms of the securities laws applicable to your jurisdiction;
- b. Do not apply on duplicate CAF after you have submitted a CAF to a collection center of the collection bank;
- c. Do not pay the amount payable on application in cash, by money order or by postal order;
- d. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- e. Do not submit Application accompanied with Stock invest;

Grounds for Technical Rejections for Non-ASBA Investors
Investors are advised to note that applications may be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable;
- Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar (in the case of physical holdings);
- Age of Investor(s) not given (in case of Renouncees);
- Application for Allotment of Rights Entitlements or additional shares in physical form (in case the existing holding is in dematerialized form).
- Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number not given for application of any value;
- In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted;
- If the signature of the Equity Shareholder does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories;
- CAFs are not submitted by the Investors within the time prescribed as per the CAF and the Letter of Offer;
- CAFs not duly signed by the sole/joint Investors;

- CAFs by OCBs without specific RBI approval;
- CAFs accompanied by outstation cheques / post-dated cheques / money order / postal order / outstation demand draft;
- In case no corresponding record is available with the depositories that matches three parameters, namely, names of the Investors (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- CAFs that do not include the certifications set out in the CAF to the effect that, among other thing, the subscriber is not located in restricted jurisdictions and is authorized to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations;
- CAFs which have evidence of being executed in/dispatched from restricted jurisdictions;
- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws);
- CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- In case the GIR number is submitted instead of the PAN;
- Applications by Renounees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories;
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
- QIBs and other Equity Shareholders applying for Equity Shares in this Issue for value of more than ₹ 2,00,000 who hold equity shares in dematerialised form, applying through the non-ASBA process.
- Equity Shareholders not being individuals or HUFs applying for Equity Shares in this Issue for a value not exceeding ₹ 2,00,000, who hold equity shares in dematerialised form, applying through the non-ASBA process.
- The application by an Equity Shareholder whose cumulative value of Equity Shares applied for is more than ₹ 2,00,000 but has applied separately through split CAFs of less than ₹ 2,00,000 and has not done so through the ASBA process.

Please read the Letter of Offer or Abridged Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of the Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer or the CAF.

Please note that Equity Shareholders being QIBs and Non-Institutional Investors can participate in this Issue only through the ASBA process. Retail Individual Investors whose application amounts do not exceed ' 2,00,000 can participate in this Issue either through the ASBA process or the non ASBA process.

Investment by FIIs

In accordance with the current regulations, the following

restrictions are applicable for investment by FIIs:

No single FII can hold more than 10% of our Company's post-Issue paid-up share capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each subaccount shall not exceed 5% of the total paid-up share capital of our Company, in case such sub-account is a foreign corporate or an individual.

Applications will not be accepted from FIIs in restricted jurisdictions.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. Applications will not be accepted from FIIs in restricted jurisdictions.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("SEBI AIF Regulations") prescribe, amongst other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as category IAIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category IAIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Investment by QFIs

In terms of circulars dated January 13, 2012, SEBI and RBI have permitted investment by QFIs in Indian equity issues, including in rights issues. A QFI can invest in this Issue through its depository participant with whom it has opened a demat account. No single QFI can hold more than 5% of the paid up equity capital of our Company at any point of time. Further, the aggregate shareholding of all QFIs shall not exceed 10% of

the paid up equity capital of the Company at any point of time. Applications will not be accepted from QFIs in restricted jurisdictions.

QFI applicants having bank accounts with SCSBs that are providing ASBA in cities / centers where such Investors are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such Investors are liable for rejection.

Mode of payment for Resident Equity Shareholders/ Investors

- All cheques / drafts accompanying the CAF should be drawn in favour of the Collecting Bank (specified on the reverse of the CAF), crossed 'A/c Payee only' and marked **"Everlon-Rights-R"**;

Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges favouring the Banker to the Issue, crossed 'A/c Payee only' and marked **"Everlon-Rights-R"** payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Manager or the Registrar. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Equity Shareholders/ Investors

As regards the application by non-resident Equity Shareholders, the following conditions shall apply:

- Individual non-resident Indian applicants who are permitted to subscribe for Equity Shares by applicable local securities laws can obtain application forms from the following address:

Sharex Dynamic (India) Pvt. Ltd

Unit -1, Luthra Ind. Premises, Safed Pool,
Andheri-Kurla Road, Andheri (E),
Mumbai – 400 072

Tel: +91-22-28515606/5644

Fax: +91-22-28512885

E-mail: sharexindia@vsnl.com

Website: www.sharexindia.com

Contact Person: Mr K.C.Ajitkumar

SEBI Registration Number: INR000002102

Note: The Letter of Offer/ Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided.

- All non-resident Investors should draw the cheques/ demand drafts in favour of **"Everlon-Rights-R"** in case of the resident shareholders and non-resident shareholders applying on non-repatriable basis and in favor of **"Everlon-**

Rights-NR" in case of the non-resident shareholders applying on repatriable basis, crossed "A/c Payee only" for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/ collection centres or to the Registrar to the Issue.

- Non-resident Investors applying from places other than places where the bank collection centres have been opened by the Company for collecting applications, are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges drawn in favour of Banker to the Issue as above payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.
- Applications will not be accepted from non-resident from any jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made by demand draft payable at Mumbai/cheque payable drawn on a bank account maintained at Mumbai or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or
- By cheque/draft on a Non-Resident External Account (NRE) or FCNR Account maintained in India; or
- By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable in Mumbai; or FIIs registered with SEBI must remit funds from special non-resident rupee deposit account.
- Non-resident investors applying with repatriation benefits should draw cheques/drafts in favour of **"Everlon-Rights-NR"** and must be crossed 'account payee only' for the full application amount, net of bank and postal charges.
- FIIs registered with SEBI must remit funds from special non-resident rupee deposit account; or
- Investors may note that where payment is made by drafts purchased from NRE/ FCNR accounts as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.
- In the case of NRI Investors who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any, shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRI Investors who remit their application money through Indian Rupee drafts from abroad, refunds and other disbursements, if any, will be made in U.S Dollars at the rate of exchange

prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Investor's bankers.

- Payments through NRO accounts will not be permitted. Investors may note that where payment is made by drafts purchased from NRE/ FCNR accounts as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- As far as non-residents holding equity shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in India or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.
- All cheques/drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of **"Everlon-Rights-R"** and must be crossed 'account payee only' for the full application amount, net of bank and postal charges. The CAFs duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- Investors may note that where payment is made by drafts purchased from NRE/ FCNR/ NRO accounts as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.
- New demat account shall be opened for holders who have had a change in status from resident Indian to NRI. Any application from a demat account which does not reflect the accurate status of the Applicant are liable to be rejected.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.
- In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes in a fictitious name an application to a Company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing its securities; or otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or any other person in a fictitious name, shall be liable for action under Section 447.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by our Company. However, the Banker to the Issue / Registrar to the Issue / SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date.

If such money is not repaid within eight days from the day our Company becomes liable to repay it, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under applicable laws.

For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

The Board of Directors declares that:

- All monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to sub-section (3) of Section 40 of the Companies Act;
- Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- The Company may utilize the funds collected in this Issue only after finalization of Basis of Allotment and the listing

and trading approvals are received for the Rights Equity Shares.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within seven working days of finalization of basis of Allotment.
3. The funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by our Company.
4. The Company undertakes that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalising the basis of Allotment.
6. The certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within the specified time.
7. No further issue of securities affecting equity capital of the Company shall be made till the securities issued/offered through the Letter of Offer Issue are listed or till the application monies are refunded on account of non-listing, under-subscription etc.
8. At any given time there shall be only one denomination of equity shares of our Company.
9. Our Company accepts full responsibility for the accuracy of information given in the Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in the Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
10. All information shall be made available by the Lead Manager and the Issuer to the Investors at large and no selective or additional information would be available for a section of the Investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc.
11. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
12. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.

Minimum Subscription

- (A) If our Company does not receive the minimum subscription of ninety per cent of the issue, the entire subscription shall be refunded to the applicants within fifteen days from the date of closure of the issue.

- (B) If there is delay in the refund of subscription by more than 8 days after the issue becomes liable to pay the subscription amount (i.e. fifteen days after closure of the issue), our Company will pay interest for the delayed period, at rates prescribed under Companies Act.

Our Promoter/ Promoter Group, either jointly or severally, intend to subscribe to their Rights Entitlement in this Issue, in full, subject to the terms of the Letter of Offer and applicable laws. Subject to compliance with applicable laws including the Takeover Code, the Promoter/ Promoter Group, either jointly or severally, reserve the right to subscribe for (1) additional Equity Shares of our Company and/or (2) the unsubscribed portion if any, to the extent that the holding of Promoter/Promoter Group does not exceed 75% of the post Issue paid up capital of our Company. Mr. Jitendra K. Vakharia, the promoter of our company has provided an undertaking dated January 08, 2015.

As a result of the subscription, our Promoter/Promoter Group may acquire Equity Shares over and above their respective entitlements in this Issue, which may result in an increase of their shareholding above the current shareholding along with the Rights Entitlement. Such subscription and acquisition of additional Equity Shares by our Promoter / Promoter Group through the Issue, if any, shall be made in accordance with applicable laws. Further, such acquisition is exempted from the obligation to make an open offer as the conditions prescribed in Regulation 10(4)(b) of the Takeover Code are duly complied with.

Important

- Please read the Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.
- All enquiries in connection with the Letter of Offer or accompanying CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Equity Shareholder as mentioned on the CAF and superscribed '*Everlon-Rights Issue*' on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Sharex Dynamic (India) Pvt. Ltd

Unit -1, Luthra Ind. Premises, Safed Pool,
Andheri-Kurla Road, Andheri (E),
Mumbai – 400 072

Tel: +91-22-28515606/5644

Fax: +91-22-28512885

E-mail: sharexindia@vsnl.com

Website: www.sharexindia.com

Contact Person: Mr. K.C. Ajitkumar

SEBI Registration Number: INR000002102

The Issue will remain open for 30 (Thirty) days including the Issue Opening Date and Closing Date.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered into by our Company.

The contracts together with the documents referred to in para (B) below may be inspected at the registered office of our Company between 11.00 a.m. to 2.00 p.m. on any working day from the date of the Letter of Offer until the closure of the subscription list.

(A) MATERIAL CONTRACTS

1. Issue Agreement dated January 10, 2015 between our Company and Keynote Corporate Services Limited, Lead Manager to the Issue;
2. Agreement dated November 29, 2014 between our Company and Sharex Dynamic (India) Pvt. Ltd., Registrar to the Issue.
3. Tripartite Agreement dated May 30, 2001 between our Company, National Securities Depository Ltd. (NSDL) and Sharex Dynamic (India) Pvt. Ltd;
4. Tripartite Agreement dated April 24, 2001 between our Company, Central Depository Services (India) Limited (CDSL) and Sharex Dynamic (India) Pvt. Ltd;

(B) DOCUMENTS FOR INSPECTION

1. Memorandum & Articles of Association of our Company;
2. Resolution under sections 62 of Companies Act, 2013 passed in Board Meeting of on October 18, 2014 authorising the Issue;
3. Scheme of Arrangement under section 391 to 394 of the Companies Act & Section 104 to 105 between our Company and Vakharia Power Infrastructure Limited as approved by Hon’ble High Court, Bombay;
4. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager to the Issue, Banker to our Company and Registrar to the Issue to include their names in the Letter of Offer to act in their respective capacities;
5. Annual reports of our Company for the financial years ended March 31, 2011, 2012, 2013, 2014 and 2015.
6. The Report of the Statutory Auditors being, M/s. Poladia & Company, Chartered Accountants, as set out herein dated August 25, 2015 relating to the audited financial information of our Company.
7. A statement of tax benefits dated August 25, 2015 received from M/s. Poladia & Company, Chartered Accountants, Statutory Auditor regarding tax benefits available to our Company and its shareholders;

8. Certificate dated August 25, 2015 from M/s. Poladia & Company, Chartered Accountants, Statutory Auditors regarding “Sources & deployment of funds”;
9. Due Diligence Certificate dated January 15, 2015 by Keynote Corporate Services Ltd., Lead Manager to the Issue;
10. In-principle listing approval letter no. DCS/PREF/FR-RT/715/2014-15 dated February 13, 2015 from BSE.
11. Observation letter no. CFD/DIL-1/BNS/SD/9704/2015 dated April 01, 2015 received from SEBI and our reply letter no. Everlon/Let/SEBI&SE/Gs(12) dated September 10, 2015;

Any of the contracts or documents mentioned in the Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that all relevant provisions of the Companies Act and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Offer Document is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules made thereunder or guidelines or regulations issued, as the case may be. We further certify that all the disclosures and statements in this Offer Document are true and correct.

Name	Signature
Mr. Jitendra K. Vakharia <i>Managing Director</i>	Sd/-
Mrs. Varsha J. Vakharia <i>Non – Executive & Non Independent Director</i>	Sd/-
Mr. Kamlesh C. Sanghavi <i>Independent Director</i>	Sd/-
Mr. Dinesh P. Turakhia <i>Independent Director</i>	Sd/-
Mr. Pradeep Kumar Pareek <i>Chief Financial Officer</i>	Sd/-
Mr. Sandeep S. Gupta <i>Company Secretary & Compliance Officer</i>	Sd/-

Place: Mumbai
Date: September 15, 2015

FOR FURTHER DETAILS, PLEASE REFER TO THE LETTER OF OFFER