

**INFORMATION MEMORANDUM****GOKUL AGRO RESOURCES LIMITED**

(CIN: U15142GJ2014PLC080010)

**Registered Office:** B - 402, Shapath Hexa, Near Ganesh Merediyam, Opp. Gujarat High Court, Sola, Ahmedabad-380060, Gujarat.

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**Gokul Agro Resources Limited** was originally incorporated on July 3, 2014 under the Companies Act, 2013. The Hon'ble High Court of Gujarat at Ahmedabad by its order dated June 12, 2015 has approved the Scheme of Arrangement in nature of Demerger amongst, Gokul Refoils and Solvent Limited and Gokul Agri International Limited and Gokul Agro Resources Limited and their respective shareholders and creditors.

**INFORMATION MEMORANDUM FOR LISTING OF 13,18,95,000 EQUITY SHARES OF RS. 2/- EACH****NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM****GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Gokul Agro Resources Limited 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 the shares of Gokul Agro Resources Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

**ABSOLUTE RESPONSIBILITY OF GOKUL AGRO RESOURCES LIMITED**

Gokul Agro Resources Limited, having made all reasonable enquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to Gokul Agro Resources Limited, which is material in the context of the issue of shares pursuant to the scheme, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Equity Shares of the Company are proposed to be listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company has submitted this Information Memorandum with BSE and NSE and the same has been made available on the Company's website viz. [www.gokulagro.com](http://www.gokulagro.com). The Information Memorandum also be made available in the website of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).

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**SECTION I - GENERAL****DEFINITIONS, ABBREVIATIONS & INDUSTRY RELATED TERMS**

In this Information Memorandum, all references to “India” contained in this Information Memorandum are to the Republic of India. All references to “Rupees” or “Rs.” or INR are to Indian Rupees, the official currency of the Republic of India; references to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words “Lakh” or “Lac” mean “100 thousand” and the word “million” means “10 Lakh” and the word “Crore” means “10 million” or “100 Lakh” and the word “billion” means “1,000 million” or “100 Crores”. Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

<b>Term</b>	<b>Description</b>
“GARL” or “the Company” or “our Company” or “Issuer Company” or “we” or “us” or “our”	Gokul Agro Resources Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 2013, having its registered office at B - 402, Shapath Hexa, Near Ganesh Merediyam, Opp. Gujarat High Court, Sola, Ahmedabad- 380060, Gujarat.

**Company/Issue/Industry related Terms**

<b>Term</b>	<b>Description</b>
Act / Companies Act	The Companies Act, 2013/ The Companies Act, 1956 and amendments thereto
AGM Annual General Meeting	AGM Annual General Meeting
Articles/Articles of Association	Articles of Association of the Company
AS	Accounting Standards, as issued by the Institute of Chartered Accountants of India (ICAI)
Auditor	Refers to M/s. Surana Maloo & Co., Chartered Accountants, 2 <sup>nd</sup> Floor, Aakashganga Complex, Parimal Under Bridge, Near Suvudha Shopping Center, Paldi, Ahmedabad- 380007, Gujarat.
Board / Board of Directors	Board of Directors of the Company
GRSL	Gokul Refoils and Solvent Limited
GARL	Gokul Agro Resources Limited
GAIL	Gokul Agri International Limited
Bn	Billion
BSE	The Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
Capital or Share Capital	Share Capital of the Company
CDSL	Central Depository Services (India) Limited
Chairman	Mr. Balvantsinh Rajput, a resident of India
Demerged Company	Gokul Refoils and Solvent Limited
Designated Stock Exchange	The designated stock exchange for the Issue shall be Bombay Stock Exchange of India Limited
Depositories Act	The Depositories Act, 1996 and amendments thereto
DP	Depository Participant
DSE	Designated Stock Exchange
EGM	Extraordinary General Meeting

Equity Share or Share(s)	Means the Equity Share of the Company having a face value of Rs. 2/- unless otherwise specified in the context thereof
Equity Shareholder	Means a holder of Equity Shares
Managing Director	Mr. Kanubhai Thakkar, a resident of India
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FERA	Foreign Exchange Regulation Act, 1973
FI	Financial Institutions
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GOI	Government of India
HUF	Hindu Undivided Family
Industrial Policy	The industrial policy and guidelines issued thereunder by the Ministry of Industry, Government of India, from time to time
Investor(s)	Shall mean the holder(s) of Equity Shares of the Company as on the Record Date.
Indian GAAP	Generally accepted accounting principles in India
IT Act	The Income Tax Act, 1961 and amendments thereto
Memorandum/Memorandum of Association	Memorandum of Association of the Company
Mn	Million
NBFC	Non- Banking Finance Company
NR	Non-Resident
NRI(s)	Non-Resident Indian(s)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
Promoter(s) / Promoter Group	<ol style="list-style-type: none"> <li>1. Mr. Balvantsinh Rajput</li> <li>2. Mr. Kanubhai Thakkar</li> <li>3. Mrs. Bhikhiben Rajput</li> <li>4. Mrs. Manjulaben Thakkar</li> <li>5. Mrs. Hansaben Rajput</li> <li>6. Mr. Jayesh Thakkar</li> <li>7. Mr. Dharmendrasinh Rajput</li> <li>8. Shantiniketan Financial Services Private Limited</li> <li>9. Profitline Securities Private Limited</li> </ol>
Group Entities	<ol style="list-style-type: none"> <li>1. Gokul Refoils and Solvent Limited</li> <li>2. Gokul Agri International Limited</li> <li>3. Gujarat Gokul Power Limited</li> <li>4. Gokul Infracon Private Limited</li> <li>5. Professional Commodity Services Private Limited</li> <li>6. Maurigo International Limited</li> <li>7. Gokul Refoils Pte Limited</li> <li>8. Maurigo Pte Limited</li> <li>9. Gokul Overseas</li> <li>10. Gokul Foundation</li> </ol>
RBI	The Reserve Bank of India
Record Date	September 19, 2015
Book Closure Period	September 19, 2015 to September 26, 2015

Registered office of the Company	B - 402, Shapath Hexa, Near Ganesh Merediyam, Opp. Gujarat High Court, Sola, Ahmedabad- 380060, Gujarat.
ROC	Registrar of Companies, State of Gujarat, located at ROC Bhawan, Opp. Rupal Park, Near Ankur Bus Stand, Naranpura, Ahmedabad- 380013.
Scheme or Scheme of Arrangement or Demerger Scheme	Scheme of Arrangement in nature of Demerger pursuant to Sections 391 to 394 of the Companies Act, 1956 amongst Gokul Refoils and Solvent Limited and Gokul Agri International Limited and Gokul Agro Resources Limited and their respective shareholders and creditors, approved by the Hon'ble High Court of Gujarat at Ahmedabad on June 12, 2015 and effective from July 1, 2015.
SEBI	Securities and Exchange Board of India
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI DIP Guidelines	Guidelines for Disclosure and Investor Protection issued by Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 (as amended), called Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as amended, including instructions and clarifications issued by SEBI from time to time.
SIA	Secretariat of Industrial Assistance
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange(s)	BSE and NSE
Takeover Code	The SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and amendments Thereto

**CERTAIN CONVENTIONS; USE OF MARKET DATA**

Unless stated otherwise, the financial data in this Information Memorandum is derived from our restated financial statements. The fiscal year commences on April 1 and ends on March 31 of each year. As the Company was incorporated on July 3, 2014, the current fiscal year starts from July 3, 2014 to March 31, 2015. However, the vesting of Strategic Business Undertaking under the Scheme of Demerger approved by the High Court, Gujarat takes effect from the close of business hours of June 30, 2015. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

For additional definitions, please see the section titled “Definitions, Abbreviations and Industry Related Terms” of this Information Memorandum. Unless stated otherwise, Industry data used throughout this Information Memorandum has been obtained from published data and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified.

The information included in this Information Memorandum about various other Companies is based on their respective Annual Reports and information made available by the respective companies.

## FORWARD-LOOKING STATEMENTS

We have included statements in this Information Memorandum, which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward looking statements”. All forward-looking statements including our the one that describe our objectives, plans or goals are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;
- Regulatory changes and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in political conditions in India;
- Changes in the foreign exchange control regulations in India.
- Our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity
- prices or other rates or prices, the performance of the financial markets in India and globally;
- Changes in domestic and foreign laws, regulations and taxes and
- Changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors” of this Information Memorandum. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not fruition.

## SECTION II - RISK FACTORS

*Note: Unless specified or otherwise stated in the relevant risk factors set forth below, our Company is not in a position to quantify the financial or other implications of any risks mentioned herein under:*

### **Materiality:**

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

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

The risk factors are as envisaged by the management along with the proposals to address the risk, if any. Wherever possible, the financial impact of the risk factors has been quantified.

### **A. INTERNAL RISK FACTORS TO THE COMPANY::**

*Our business is dependent on the availability/supply and cost of raw materials which we source from domestic suppliers. Any significant increase in the prices of these raw materials or decrease in the availability of the raw materials, could adversely affect our results of operations*

Raw materials, namely soyabeans, castor seeds, rape seed, etc., form the major raw materials for our business, and represent a significant portion of our expenses. Although we have established relationships with various domestic suppliers of raw materials, any significant increase in the prices of these raw materials or decrease in the availability of the raw materials for whatever reason, including climatic change, could adversely affect our results of operations and consequently, our sales and profitability.

*Our Company depends significantly on imports of raw materials in addition to domestic suppliers*

Due to the seasonal nature of availability of raw materials in India, we also rely on import of raw materials. Although we have not experienced a disruption in our supply of raw materials in the past, an inadequate supply of raw materials of sufficient quality caused either by the default of the supplier or for any other reason could hamper our operations. In such a situation, the raw material requirements can be met through domestic suppliers which may increase our cost. We may seek to pass on some or all of the additional costs of raw materials to customers; we cannot ensure you that we would be successful in doing so. This may adversely affect our results of operations, and consequently our sales and profitability.

*Our business is subject to regulation by several authorities, which could have an adverse effect on our business and our results of operations*

Our business is subject to regulation under the Prevention of Food Adulteration Act, 1954, the Gujarat Essential Articles (Licenses, Control and Stock, Declarations) Order, 1981, Edible Oils Packing (Regulation) Order, 1998, Vegetable Oil Products (Control) Order, 1947 etc., in the areas in which we operate, pollution control laws like the Environmental Protection Act, 1986, the Water (Prevention and Control of Pollution) Act, 1981, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Waste (Management and Handling) Rules, 1989 and various other statutory enactments. If we cannot comply with any of the provisions of all applicable regulations, our business prospects and results of operations could be adversely affected.



***Our products are edible items, and any dispute with consumers, regarding the quality of our products, may negatively affect the image and reputation of the Company; and in turn our revenues and profitability***

Our Company is involved in an extremely competitive industry, where goodwill and reputation are of huge significance. Refining of edible oil involves several complex processes like degumming, neutralizing, bleaching, and deodorizing. Although our promoters have been in the business of refining edible oils for more than 25 years, any occurrence of negligence and/or oversight in the process of refining, may lead to impure oil being sold in the market which could be harmful for the consumers. Further, such incidences may expose our Company to liabilities and claims, which could adversely affect our growth and profitability.

***Limited Presence in Market across the Country***

At present Company is selling its various ranges of products under the flagship brand ZAIKA, which is volume driven brand for the Company. However, Company is planning to increase its market share in Branded Sales and increase in Profitability by launching its NEW Premium Brands quality products such as VITALIFE, MAHEK and other premium products in different phases through existing marketing and distribution network along with Modern Retail chain stores such as BIG BAZAAR, RELIANCE RETAIL, RELIANCE CASH AND CARRY, WALL MART, DMART AND OTHER REGIONAL RETAIL CHAIN STORES in respective states.

The Company is also planning to launch phase wise Advertisement Campaign for its premium category products targeting upper middle class and above consumers through various medias viz. Outdoor, print, electronic such as FM Radio stations etc. and to increase its Marketing staff for marketing premium brands to be launched by the company.

The Company is also planning to set up Castor Derivatives Plant adjacent to existing plant, which is considered as a value added industrial products of Castor Oil having good margins which will increase export sales and profitability both.

***We face significant competition, and if we are not able to compete effectively in the edible oils industry, our business, results of operations and financial conditions will be adversely affected***

We face intense competition from both our direct competitors and bulk importers of edible oil in India. Players in this industry generally compete with each other on key attributes such as technical competence, quality of products, distribution network, pricing and timely delivery. Although we have competed successfully in the past, we cannot be certain that we will continue to compete effectively as we expand into new markets.

***We depend on our suppliers for requirement of equipment and related component parts. Any problem with the equipment or these suppliers could have an adverse effect on our business or results of operations***

Our production facilities are equipped with equipment manufactured by a number of manufacturers in Germany, Turkey, US and India. We rely on the manufacturers of the equipment to provide us with component and replacement parts for our refining, seed crushing and related equipment. If we encounter difficulties with this equipment and the manufacturers are unwilling or unable to assist us in correcting such difficulties in a timely fashion or at all, or if any of the manufacturers were to stop supporting such equipment or were to go out of business, we could face serious disruption in our operations. Although we might be able to acquire alternative equipment, we might be able to do so only at significant expense or encounter significant delays in doing so, causing disruption to our production operations.

Moreover such alternative equipment might not meet the same quality standards as our current equipment and might require us to provide retraining to certain of our employees. Such costs, lower quality or disruptions could have an adverse effect on our business or results of operations.

***We do not have long-term contracts with suppliers and typically operate on the basis of purchase orders***

As we typically operate on the basis of purchase orders, the terms governing our transactions with suppliers may, as a legal matter, be unclear. In particular, where the terms provided in our documentation vary from those provided in the purchase orders of our suppliers, we cannot assure you that the terms we have presented will govern and we may, as a result, be subject to additional conditions in respect of our supplier transactions. If this were to occur, it could affect our revenues and profitability.

***We are heavily dependent on our Promoters and the loss of their guidance and services may adversely affect our business or results of operations.***

Our success and future performance is substantially dependent on the guidance and foresight of our Promoters. The loss of the services of the Promoters, for any reasons whatsoever, could have an adverse effect on our business and results of operations.

***We are dependent on our senior management team and the loss of team members may adversely affect our business or results of operations.***

We have a team of professionals to oversee the operations and growth of our businesses. Our success and future performance is substantially dependent on the expertise and services of our management team, including our senior management team, our Directors and other Key Managerial Personnel. The loss of the services of such management personnel or other key Personnel could have an adverse effect on our business and results of operations. Further, our ability to maintain our leadership position in the edible oils business depends on our ability to attract, train, motivate and retain highly skilled personnel.

***Our business is dependent on our production facilities and the loss of or shutdown of operations of the production facilities could adversely affect our business or results of operations***

We currently have production facilities at Gandhidham-Anjar. Our production facilities are subject to operating risks, such as the breakdown or failure of equipment, performance below expected levels of output or efficiency, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Our production facilities use heavy equipment and machinery, and whilst that equipment and machinery is insured, the breakdown or failure of such equipment or machinery may result in us having to make repairs or procure replacements, which may take considerable time or expense. Accordingly, any significant operational problems or the loss of our manufacturing facilities for an extended period of time could adversely affect our business or results of operations.

***All our facilities are geographically located in the state of Gujarat. Any localized social unrest; natural disaster or breakdown of services and utilities in Gujarat may affect our business adversely***

Our Company and all our manufacturing and refining facilities are located in the state of Gujarat. As a result, if there is widespread social unrest, natural disaster or breakdown of services and utilities in the State of Gujarat it may affect our business adversely.

***Our Company deals in hazardous chemicals and if we fail to comply with environmental laws and regulations, our operation will be affected.***

Our Company uses certain chemicals for refining, which are subject to laws and regulations related to environmental, health laws and prevailing regulations in India and abroad. Under these laws and regulations, our Company is required to control its use of raw materials under specified standards and discharge of effluents, which are hazardous to environment and biological lives. If we fail to comply with these laws and operational regulations, then we may be imposed with penalties, fines or imprisonment. As a result of the same, operations

of our Company can be suspended and our manufacturing licenses / permissions can be withdrawn or terminated which may adversely affect our profitability. At present we have obtained the permission of the Gujarat Pollution Control Board for using hazardous chemicals. Further in case, any new regulation is imposed in this regard, we may have to incur additional expenditure or be required to acquire additional equipment with such specification as may be prescribed by the concerned authorities, in order to comply with such new law or regulation.

***Our Company is exposed to liability, arising from the hazardous procedure involved in the processing and refining of edible oils***

The processing of oil, inside a boiler, involves dealing with high temperatures. This is an extremely hazardous process and can expose our Company to liabilities and claims, in case of occurrence of any accident. Further, our Company uses certain chemicals for refining, which may be hazardous to the environment and may lead to damage of assets, stock, premises and loss of human lives. Such incidences may lead to unforeseen costs and we may have to compensate for any losses or damages suffered by third parties as a result of such incidents.

***We may not have knowledge of certain inspection proceedings initiated at different locations concerning prevention of food adulteration.***

We may not be aware of certain inspection proceedings initiated against us under Prevention of Food Adulteration Act, 1954, at local levels due to the vast expanse of our business. We may not receive timely communication of the food sample inspections etc., collected by the food inspectors from the various storage and distribution centers like shops, depots and godowns of our company and our agents.

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

The business of our Company is largely dependent on the technology adopted by us. The manufacturing process in the edible oils industry is prone to technological and process changes, which may render our current processes obsolete. In order to compete successfully with our competitors, our Company may be required to invest substantial sums to adopt newer technologies and processes, which may have an adverse impact on the business and profitability of our Company.

***Others:***

(i) The business of edible oils is often driven by customers' preferences where generally high quality products are sought. Change in the domestic and international market in terms of customers' preferences may bring about a significant decline in the prices of our products, thereby affecting our sales and profitability.

(ii) We face competition from both our direct competitors and bulk importers of edible oil in India. Our principal product namely, edible oil is produced by a large number of manufacturers, both in India and abroad, some of whom are significantly larger and have greater financial, distribution, and marketing resources than our Company. Moreover, we may lose market share and sales revenue to our competitors and could be adversely affected.

(iii) If we fail to enter into firm sales contracts, any fall in the prices of refined oil may lead to financial losses for our Company.

(iv) Any significant change in the government's policies or any political instability in India could adversely affect business and economic conditions in India and could also adversely affect our business.

**B. EXTERNAL RISK FACTORS TO THE COMPANY:**

***Downturns or disruptions in the securities markets could reduce transaction volumes, and could cause a decline in the business and impact our profitability.***

The share price of the Company may be affected directly by national and global economic and political conditions, broad trends in business and finance, disruptions to the securities markets and changes in volume and price levels of securities and future transactions.

***Future sales by shareholders could cause the price of equity shares to decline.***

As there is no lock-in provision on the equity shares after listing, sale of substantial number of equity shares could lead to fall in market prices of the equity shares of the Company.

***After this listing, the prices of our Company's equity shares may be volatile, or an active trading market for our Company's equity shares may not develop.***

There has been no public market for our Company's equity shares till now, and no history of public disclosure of information relating to our Company and/or our operating companies, and the prices of our Company's equity shares may fluctuate after this listing. There can be no assurance that an active trading market for the equity shares will develop or be sustained after this listing. Our Company's share price could be volatile.

***Our inability to respond to changing customer preferences and trends in the market for edible oils will significantly affect our Company.***

Any change in the domestic and international market in terms of stiff competition and change in customers' preferences may bring about a significant decline in the prices of our products, thereby affecting our sales and profitability.

***A significant change in the Government of India's economic liberalization and deregulation policies could disrupt our business and cause the price of our Equity Shares to decline.***

Our assets and substantially most of our customers are located in India. The Government of India has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Its economic policies have had and could continue to have a significant effect on private sector entities, including us, and on market conditions and prices of Indian securities, including the Equity Shares. Any significant change in the government's policies or any political instability in India could adversely affect business and economic conditions in India and could also adversely affect our business, our future financial performance and the price of our Equity Shares.

***Change in Tax Laws in India***

Any changes in the Tax Laws in India, particularly Central Excise, Sales Tax or Income Tax might lead to an increase in the tax liability of our Company thereby having an adverse impact on the post-tax profits of our Company.

***Frequent changes in Import Duty***

Due to low productivity and seasonal nature of availability of raw materials, the supply of edible oils in India has not kept pace with the demand for it. This has led to the creation of a gap, which is being met through imports, whilst the increase in population is further widening this gap. Moreover, the government frequently

changes the import duty on edible oil to help domestic farmers. This in turn leads to price fluctuations and uncertainty in the domestic market, which may have an adverse effect on the profitability of our Company.

### ***Stringent Environmental Laws and Regulations***

Our Company requires certain statutory and regulatory permits and approvals for existing businesses under various environmental laws. Moreover, unknown environmental problems or conditions may be discovered. Environmental Laws and Regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future.

### ***Terrorist attacks or war or conflicts involving India or other countries could adversely affect consumer and business sentiment and the financial markets and adversely affect our business.***

Terrorist attacks and other acts of violence or war may adversely affect global equity markets and economic growth as well as the Indian economy and stock markets. Such acts negatively impact business and economic sentiment, which could adversely affect our business and profitability.

Also, India has from time to time experienced, and continues to experience, social and civil unrest and hostilities with neighbouring countries. Armed conflicts could disrupt communications and adversely affect the Indian economy. Such events could also create a perception that investments in Indian companies involve a high degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares. The consequences of any armed conflicts are unpredictable and we therefore may not be able to foresee events that could have an adverse effect on our business.

### ***Natural calamities could have a negative impact on the Indian Economy and cause our business to suffer***

India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. Natural calamities could have a negative impact on the Indian economy, adversely affecting our business and the results of our operations.

## **RISK MITIGATION PRACTICES**

### ***1. Availability Risk:***

Industry players maintain adequate stocks to achieve optimal capacity utilization during the offseason, making their operations highly working capital-intensive and raising stockholding costs. This practice also increases price risk to some extent, since the industry could face volatility between the procurement of the inputs and the sale of the outputs, impacting margins. Companies also prefer to be located close to raw material sources. For example, a majority of the solvent extraction units that deal in soya-based oils have capacities in Madhya Pradesh, the country's soya bowl. Refining units that use imported crude oil as their feedstock, on the other hand, prefer to be based at a port to also save on logistics costs.

### ***2. Price Risk:***

Companies use risk mitigation tools such as agro-commodity futures to manage price risk. Globally, commodity exchanges like the Chicago Board of Trade (CBOT), Kuala Lumpur Commodities Exchange (KLCE) have significantly higher volumes than the equity exchanges in the country, but domestic exchanges have low volumes and have traditionally been technologically inferior to their international counterparts. Nationwide commodity exchanges have come up recently such as the National Commodity and Derivatives Exchange (NCDEX) and Multi-Commodity Exchange (MCX), which are trying to match international standards of connectivity and scalability. Nevertheless, a significant proportion of domestic players still do not

hedge their positions, leading to high volatility in margins. Companies also use forward currency covers for imports and exports to hedge against currency risks.

Besides, big players are looking at branding and retailing of edible oils since this offers higher realizations and greater pricing flexibility than bulk oils. This, however, entails considerable investments in a marketing and distribution network and requires a reasonable size of operation, which small-unorganized players may not possess.

### **3. *Regulatory Risk:***

Some of the Edible Oil players are diversifying their operations across more than one oil category to insulate themselves from any demand substitution due to relative duty changes. Also, some companies have set up import-based refining plants in areas that offer tax breaks such as Kandla Port in Gujarat to save on customs duty, apart from enjoying cost economies because of their proximity to the input source.

### **4. *Credit Risk:***

On an average, players provide a credit period of 2 to 4 weeks. While this is specific to a player's internal credit policy, a high debtor turnover is desirable. Additional incentives such as cash discounts are also a common feature in the business. Companies also enter into letter of credit-based contracts for exports of DOC and other products.

### **Risk Management Policy**

The Company, by adopting a Risk Management Policy, has ensured the awareness of its standards for risk taking while conducting business. The aim of this policy is not to eliminate risk. It is to assist personnel to manage the risks involved in all activities to maximize opportunities and minimize adverse consequences.

## SECTION III - INTRODUCTION

### SUMMARY

You should read the following summary together with the risk factors and the more detailed information about us and our financial results included elsewhere in this Information Memorandum.

### INDUSTRY OVERVIEW

The Indian Edible Oil Industry is highly fragmented with extreme variation in the consumption pattern of Indian consumers of Edible Oil. Apart from cooking, edible oils can be used for a number of other uses and have applications in different industries.

The Indian Edible Oil market continues to be underpenetrated and thereby holds immense business opportunities. Vegetable Oil consumption has increased due to rise in overall household income, surging retail sector, increasing health awareness, growing population and increasing demand. However, increasing demand has not matched with the level of production and thereby facilitating the imports of Edible Oil in the Country. The Indian Edible Oil market is the fourth largest in the world after the U.S.A, China and Brazil and accounts for around 9 per cent of the world's oil seed production.

Provided the positive macro and demographic fundamentals, the Edible Oil market has a favourable demand growth outlook over the medium-to-long term. The Indian Edible Oil market is expected to witness robust expansion in the near future. However, rising Edible Oil prices and low yield per hectare are expected to be the challenges for this sector. Mergers and Acquisitions are a major trend in the Indian Edible Oil Industry.

### Indian Edible Oil Market – Overview:

Edible oils constitute an important component of food expenditure in Indian households. Historically, India has been a major importer of edible oils with almost 30-40% of its requirements being imported till 1980s. In 1986, the Government of India established the Technology Mission on Oilseeds and Pulses (TMOP) in order to enhance the production of oilseeds in the country. The TMOP launched special initiatives on several critical fronts such as improvement of oilseed production and processing technology; additional support to oilseed farmers and processors besides enhanced customs duty on the import of edible oils. Consequently, there was a significant increase in oilseeds area, production, and yields until the late-1990s. However, in order to fulfil its obligations towards various international trade agreements and also meet the increasing demand-supply deficits, India began to reduce import restrictions on edible oils in the late 1990s; and it was gradually brought under Open General License. This led to a significant slump in the domestic oil seeds market, as edible oil prices fell sharply in line with the low international prices prevailing at that time. Subsequently, the duty structure was modified so as to maintain a duty differential between crude and refined varieties in order to protect the domestic industry. Nevertheless, due to high import dependence, domestic edible oil prices remain highly correlated to international edible oil price movement, and this has resulted in volatility in the key credit metrics of rated edible oil companies. At the same time, ICRA notes that edible oil companies with benefits of large-scale integrated operations, multi-product offerings and recognizable branded presence in retail markets have fared better as compared to small/medium-scale domestic oilseed crushers.

### BUSINESS OVERVIEW

Gokul Agro Resources Limited (GARL) is one of the leading FMCG Companies of India with international presence having state of the art manufacturing and processing facilities for various kinds of Edible and Non-Edible oils and meals. It is an ISO 22000:2005 certified company with its customers spread across the world.

GARL operates across the world with its trade and also have a subsidiary in Singapore in order to cater its international trading operations in the key parts of the world. GARL has its extensive marketing and distribution network which reaches out the customers of 11 states in India. We cater these states with products such as Refined Soya bean oil, Cottonseed oil, Palm oil (Palmolein), Sunflower oil, Groundnut oil, Vanaspati oil etc.

GARL has also been engaged in manufacturing and exports of industrial products viz. castor oil of various grades and its derivatives. It also has one of the largest manufacturing facilities to produce various grades of castor oil and also Castor de-oiled cakes etc. GARL's manufacturing facilities have been approved by many international importers / end users and which is why GARL established a huge loyal customer base in various countries across continents. The company supplies its products to United States, South Korea, European Union, China, Singapore, Indonesia, Malaysia, Russia and Vietnam.

The Company owns state of the Art production facility equipped with latest equipment and technology in Gandhidham, Gujarat, India. GARL proximity to ports and connectivity with major rail/road networks not only ensures uninterrupted supply of raw materials with cost effectiveness but also facilitates extensive distribution of our production domestic and international markets at optimal supply chain cost.



**GENERAL INFORMATION**

Gokul Agro Resources Limited (Resulting Company) was incorporated on July 3, 2014 under the Companies Act, 2013.

**Corporate Identity Number - U15142GJ2014PLC080010**

**Registered Office:**

B - 402, Shapath Hexa, Nr. Ganesh Merediyam,  
Opp. Gujarat High Court,  
Sola, Ahmedabad – 380 060.

Telephone No. : +91 79 67123500 / 501 | Fax No. : +91 79 67123502

Website : [www.gokulagro.com](http://www.gokulagro.com)

**Gandhidham Plant:**

89, Meghpar – Borichi,  
Galpadar Road, Nr. Sharma Resort,  
Ta. Anjar, Dist. Kutch – 370 110.

**Address of Registrar of Companies:**

Registrar of Companies,  
Gujarat ROC Bhavan,  
Opp. Rupal Park, Near Ankur Bus Stand,  
Naranpura, Ahmedabad – 380 013, Gujarat.

**Board of Directors**

Mr. Balvantsinh Rajput	- Chairman, Non-Executive Director
Mr. Kanubhai Thakkar	- Managing Director
Mr. Bipinkumar Thakkar	- Non-Executive Director
Mr. Piyushchandra Vyas	- Independent Director
Dr. Dipoooba Devada	- Independent Director
Mr. Karansinhji Mahida	- Independent Director

**Audit Committee**

Mr. Karansinhji Mahida	- Chairman
Mr. Piyushchandra Vyas	- Member
Dr. Dipoooba Devada	- Member
Mr. Kanubhai Thakkar	- Member

**Remuneration Committee**

Mr. Piyushchandra Vyas	- Chairman
Mr. Karansinhji Mahida	- Member
Dr. Dipoooba Devada	- Member
Mr. Kanubhai Thakkar	- Member

**Shareholders / Investors Grievances Committee**

Ms. Chinar Jethwani	- Investor Relation Officer
Mr. Piyushchandra Vyas	- Member
Mr. Karansinghji Mahida	- Member
Dr. Dipoooba Devada	- Member
Mr. Kanubhai Thakkar	- Member

**Auditors**

M/s. Surana Maloo & Co.,  
Chartered Accountants,  
2<sup>nd</sup> Floor, Aakashganga Complex, Parimal Under Bridge,  
Near Suvidha Shopping Center, Paldi, Ahmedabad- 380007  
Telephone No. +91 79 26651777 / 778

**Company Secretary & Compliance Officer**

Ms. Chinar Jethwani  
Telephone No. +91 79 267123500 / 501  
E-mail ID: chinar.cs@gokulagro.com

**Management Team**

Mr. Hitesh Thakkar	- CEO
Mr. Jayesh Thakkar	- President – Corporate Planning & Affairs
Mr. Dipak Thakkar	- President - EXIM
Mr. Manish Kella	- CFO
Mr. Manoj Kumar Upadhyaya	- VP Legal

**Bankers**

State Bank of India  
Union Bank of India  
Punjab National Bank  
The Jammu & Kashmir Bank Limited  
Central Bank of India  
Bank of India  
State Bank of Travancore

**CAPITAL STRUCTURE****SHARE CAPITAL**

Consequent to issue and allotment of shares pursuant to the scheme, the capital structure of the Company is as follows.

**Pre Scheme of Arrangement of Demerger**

Particulars	Amount (Rs.)
<b>Authorized Capital</b>	
50,000 Equity Shares of Rs. 10/- each	5,00,000/-
Total	5,00,000/-
<b>Issued, Subscribed &amp; Paid Up Capital</b>	
50,000 Equity Shares of Rs. 10/- each	5,00,000/-
Total	5,00,000/-

**Post Scheme of Arrangement of Demerger**

Particulars	Amount (Rs.)
<b>Authorized Capital</b>	
17,50,00,000 Equity Shares of Rs. 2/- each	35,00,00,000/-
Total	35,00,00,000/-
<b>Issued, Subscribed &amp; Paid Up Capital</b>	
13,18,95,000 Equity Shares of Rs. 2/- each	26,37,90,000/-
Total	26,37,90,000/-

Pursuant to the Scheme of Arrangement of Demerger, 13,18,95,000 Equity Shares of Rs. 2/- each of the Company, have been issued and allotted to the shareholders of the Demerged Company in the ratio of 1:1.

**Shareholding Pattern**

Cate gory code	Category of Shareholder	PRE-ALLOTMENT		POST ALLOTMENT	
		No. of Equity Shares	%	No. of Equity Shares	%
(A)	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>				
(a)	Individuals/ Hindu Undivided Family	-	-	8,11,62,272	61.54
(b)	Central Government/ State	-	-	-	-

	Government(s)				
(c)	Bodies Corporate	2,50,000	100.00	1,70,62,500	12.94
(d)	Financial Institutions/ Banks	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-
	<b>Sub Total(A)(1)</b>	<b>2,50,000</b>	<b>100.00</b>	<b>9,82,24,772</b>	<b>74.48</b>
<b>2</b>	<b>Foreign</b>				
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-
b	Bodies Corporate	-	-	-	-
c	Institutions	-	-	-	-
d	Any Others(Specify) Foreign Portfolio Investor	-	-	-	-
	<b>Sub Total(A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>2,50,000</b>	<b>100.00</b>	<b>9,82,24,772</b>	<b>74.48</b>
<b>(B)</b>	<b>Public shareholding</b>				
<b>1</b>	<b>Institutions</b>				
(a)	Mutual Funds/ UTI	-	-	-	-
(b)	Financial Institutions / Banks	-	-	10,00,000	0.76
(c)	Central Government/ State Government(s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	-	-
(f)	Foreign Institutional Investors	-	-	1,92,560	0.15
(g)	Foreign Venture Capital Investors	-	-	-	-
(h)	Any Other (Trusts)	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>11,92,560</b>	<b>0.91</b>
<b>B 2</b>	<b>Non-institutions</b>				
(a)	Bodies Corporate	-	-	2,10,36,251	15.95
(b)	Individuals (Director+HUF+Office Bearers+ Public+Relative of Director)	-	-	-	-

I	Individuals – i. Individual shareholders holding nominal share capital up to Rs 1 lakh	-	-	20,27,107	1.54
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	-	-	71,37,124	5.41
(c)	Any Other (specify)	-	-	-	-
	Foreign Portfolio Investors	-	-	6,12,000	0.46
	HUF	-	-	1,10,195	0.08
	Directors & their Relatives	-	-	300	0.00
	Others	-	-	22,869	0.02
(c-i)	Clearing Members	-	-	12,44,463	0.94
	Non Resident Indians (NRI) (Repat)	-	-	15,019	0.01
	Non Resident Indians (NRI) (Non-repat)	-	-	2,73,460	0.21
	Overseas Body Corporate	-	-	-	-
	Trusts	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	-	<b>3,24,77,668</b>	<b>24.62</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	-	-	<b>3,36,70,228</b>	<b>25.53</b>
	<b>TOTAL (A)+(B)</b>	<b>2,50,000</b>	<b>100.00</b>	<b>13,18,95,000</b>	<b>100.00</b>
<b>(C)</b>	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>2,50,000</b>	<b>100.00</b>	<b>13,18,95,000</b>	<b>100.00</b>

**Notes to Capital Structure:****Authorized Capital:**

The Company was incorporated with Authorized Share Capital of Rs. 5,00,000/- divided into 50,000 Equity Shares of Rs. 10/- each.

Pursuant to the order of the Hon'ble High Court of Gujarat with respect to Clause No. 14.1 and 14.2 of the Scheme of Arrangement, the Authorized Capital of the Company is increased to Rs. 35,00,00,000/- (Rupees Thirty Five Crores only) divided into 17,50,00,000 (Seventeen Crore Fifty Lakhs) Equity Shares of Rs. 2/- each, whereby the Face Value of Equity Shares is sub-divided from Rs. 10/- to Rs. 2/- per Equity Share.

**Issued, Subscribed & Paid Up Capital:**

50,000 Equity Shares of Rs. 10/- each were allotted to the subscribers to the Memorandum of Association on July 3, 2014.

Pursuant to Clause No. 6.3 of the Scheme of Arrangement of Demerger, Upon Scheme being effective and upon issue of shares by GARL to the shareholders of GRSL as envisaged in clause 5.1 of the Scheme, the shares of GARL held by GRSL (whether in its own name or jointly or through any nominee) shall stand automatically cancelled.

Accordingly, 13,18,95,000 Equity Shares of Rs. 2/- each were allotted on September 28, 2015 in the ratio of 1:1 to those shareholders of Demerged Company - GRSL who were holding shares of GRSL on September 19, 2015 being the Record Date fixed by GRSL & GARL for this purpose.

**Details of Increase in Authorized Share Capital**

The details of increase in Authorized Share Capital of the Company are as follows.

Sr. No.	Particulars of Increase	Date of Meeting	Stamp Duty Payment
1	At the time of Incorporation Rs. 5,00,000/-	-	Form INC 7 – Rs. 20/- MOA – Rs. 100/- AOA – Rs. 2500/-
2	From Rs. 5,00,000/- to Rs. 35,00,00,000/-	30.06.2015	Stamp Duty – Rs. 4,97,500 MOA – Rs. 27,35,000/-

**Details of Allotment of Equity Shares**

Date of Allotment	No. Of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Total Paid up Capital (Rs.)	Cumulative Paid up Capital (Rs.)	Allotment Particulars
03.07.2014	50,000	10/-	10/-	Cash	5,00,000/-	5,00,000/-	Allotment to subscribers to the Memorandum
28.09.2015	13,18,95,000	2/-	2/-	-	26,37,90,000/-	26,37,90,000/-	Allotment to GRSL shareholders pursuant to the Order of Hon'ble High Court and

							Scheme of Demerger
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**Shareholding of Promoter & Promoter Group**

Sr. No	Name / Joint Name	No. of Shares	% of holding
1	Balvantsinh Chandansinh Rajput	2,10,74,515	15.98
2	Bhikhiben Balvantsinh Rajput	1,89,52,500	14.37
3	Dharmendrakumar Balvantsinh Rajput	91,77,04	0.70
4	Jayeshkumar Kanubhai Thakkar	6,23,765	0.47
5	Kanubhai Jivatram Thakkar	2,08,58,788	15.81
6	Thakkar Manjulaben Kanubhai	1,84,65,000	14.00
7	Hansaben Chandansinh Rajput	2,70,000	0.20
8	Profitline Securities Private Limited	91,87,500	6.97
9	Shantiniketan Financial Services Private Limited	78,75,000	5.97
	<b>Total Promoter Group Holding</b>	<b>9,79,54,772</b>	<b>74.48</b>

## a) Top ten shareholders on the date of filing the Information Memorandum

Sr. No.	Name	No. of Shares	% of holding
1	Balvantsinh Chandansinh Rajput	2,10,74,515	15.98
2	Kanubhai Jivatram Thakkar	2,08,58,788	15.81
3	Bhikhiben Balvantsinh Rajput	1,89,52,500	14.37
4	Thakkar Manjulaben Kanubhai	1,84,65,000	14.00
5	Profitline Securities Private Limited	91,87,500	6.97
6	Shantiniketan Financial Services Private Limited	78,75,000	5.97
7	Anand Rathi Share And Stock Brokers Limited	40,70,767	3.09
8	Mentor Capital Limited	38,31,829	2.91
9	Kunvarji Fincorp Private Limited	25,00,000	1.90
10	Mehrangarh Financial Advisors Private Limited	21,50,361	1.63

## b) Top ten shareholders prior to allotment of shares pursuant to the Scheme of Arrangement

Sr. No.	Name	No. of Shares	% of holding
1	Gokul Refoils and Solvent Limited Representative - Mr. Bipinkumar Thakkar	49,993	99.986
2	Gokul Refoils and Solvent Limited Nominee - Mr. Kanubhai Thakkar	1	0.002
3	Gokul Refoils and Solvent Limited Nominee - Mrs. Manjulaben Thakkar	1	0.002
4	Gokul Refoils and Solvent Limited Nominee - Mr. Jayeshkumar Thakkar	1	0.002
5	Gokul Refoils and Solvent Limited Nominee - Mr. Dipakkumar Harwani	1	0.002
6	Gokul Refoils and Solvent Limited Nominee - Mrs. Bhavana Thakkar	1	0.002
7	Gokul Refoils and Solvent Limited Nominee - Mr. Hiteshkumar Thakkar	1	0.002
8	Gokul Refoils and Solvent Limited Nominee - Mr. Dipak Thakkar	1	0.002

c) Top ten shareholders of the Company on the date of incorporation.

Sr. No.	Name	No. of Shares	% of holding
1	Gokul Refoils and Solvent Limited Representative - Mr. Bipinkumar Thakkar	49,993	99.986
2	Gokul Refoils and Solvent Limited Nominee - Mr. Kanubhai Thakkar	1	0.002
3	Gokul Refoils and Solvent Limited Nominee - Mrs. Manjulaben Thakkar	1	0.002
4	Gokul Refoils and Solvent Limited Nominee - Mr. Jayeshkumar Thakkar	1	0.002
5	Gokul Refoils and Solvent Limited Nominee - Mr. Dipakkumar Harwani	1	0.002
6	Gokul Refoils and Solvent Limited Nominee - Mrs. Bhavana Thakkar	1	0.002
7	Gokul Refoils and Solvent Limited Nominee - Mr. Hiteshkumar Thakkar	1	0.002
8	Gokul Refoils and Solvent Limited Nominee - Mr. Dipak Thakkar	1	0.002

**Notes:**

- 1) The Company, its directors, its promoters have not entered into any buy-back, stand by or similar arrangements to purchase equity shares of the Company from any person.
- 2) There shall be only one denomination for the Equity Shares of the Company, subject to applicable regulations and Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.



## SCHEME OF ARRANGEMENT

The Scheme of Arrangement is reproduced as under:

### PREAMBLE

#### A. DESCRIPTION OF COMPANIES:

- a. Gokul Refoils and Solvent Limited ('GRSL') is a Company incorporated on 29 December 1992 under the name of Gokul Refoils and Solvent Private Limited having its registered office at State Highway No. 41, Nr. Sujapur Patia – 384151. The Company was subsequently converted into public company and consequently the name was changed to Gokul Refoils and Solvent Limited as on 1 July 1994. GRSL is one of the leading FMCG Companies of India with international presence, dealing in edible oils such as Soya bean oil, Cottonseed oil, Palm oil (Palmolein), Sunflower oil, Mustard oil, Groundnut oil, Vanaspati and Industrial oil such as Castor oil. The equity shares of GRSL are listed on BSE Limited and National Stock Exchange of India.
- b. Gokul Agro Resources Limited ('GARL') is a Company incorporated on 3 July 2014 having its registered office at 89, Meghpur, Borichi, Galpadar Road, Near Sharma Resort, Gandhidham-370240. GARL is also engaged in the business of Soya bean oil, Cottonseed oil, Palm oil (Palmolein), Sunflower oil, Mustard oil, Groundnut oil, Vanaspati and Industrial oil such as Castor oil.
- c. Gokul Agri International Limited ('GAIL') is a Company incorporated on 23 May 2014 having its registered office at State Highway No. 41, Near Sujapur Patia, Sidhpur- 384151. GAIL is also engaged in the business of Soya bean oil, Cottonseed oil, Palm oil (Palmolein), Sunflower oil, Mustard oil, Groundnut oil, Vanaspati and Industrial oil such as Castor oil.

#### B. RATIONALE FOR THE SCHEME OF DEMERGER

Gokul Refoils and Solvent Limited, Gokul Agro Resources Limited and Gokul Agri International Limited are all part of the same group ('Gokul Group'). GRSL has the following Manufacturing Undertakings:

- a. Haldia Undertaking;
- b. Gandhidham Undertaking; and
- c. Sidhpur Undertaking

Along with the above undertakings, GRSL has also following Power Generation Undertakings:

- a. Gandhidham Windmill Undertaking;
- b. Sidhpur Windmill Undertaking.

In order to achieve geographical operational efficiencies and unlock shareholders value, the Management of GRSL has proposed to separate each business Undertakings based on commercial objectives and relevant geographies of the Undertakings into separate Companies. Further, the Management of GRSL also wishes to revalue the Fixed Assets of its remaining undertaking in order to

reflect true and fair value of the Assets. Therefore, with a view to effect such reorganization the present Scheme is proposed for:

- Transfer of Gandhidham Undertaking and Gandhidham Windmill Undertaking into GARL;
- Transfer of Sidhpur Undertaking and Sidhpur Windmill Undertaking into GAIL; and
- Revaluation of the Fixed Assets of the Remaining Undertaking of the Demerged Company as on the Appointed Date to represent the fair value of the Assets of the Remaining Undertaking the Demerged Company.

The above transfers will be carried in the following manner:

- Demerger of Gandhidham Undertaking and Gandhidham Windmill Undertaking from GRSL to GARL as per provisions of Section 2(19AA) of the Income- Tax Act, 1961('IT Act'). Upon the effectiveness of the scheme, GARL will be listed on the Stock Exchanges where shares of GRSL are listed;
- Transfer of Sidhpur Undertaking and Sidhpur Windmill Undertaking from GRSL to GAIL.

The re-structuring exercise would, *inter-alia*, achieve the following:

- a. Restructuring would result in two independent listed Companies, which would provide opportunities to the respective businesses to attract different set of investors, strategic partners, lenders, other stakeholders, thereby unlocking value of respective business and existing shareholders.
- b. Restructuring of businesses would enable respective management(s) to concentrate on core businesses and strengthen competences and provide independent opportunities to increase scale of operations, etc.;
- c. Restructuring would result in focused management attention to the respective businesses and segregation of businesses with distinct risk-reward profiles.

### **C. PARTS OF THE SCHEME OF THE ARRANGEMENT**

The Scheme is divided into the following parts:

**PART I** – Definition, share Capital and Date of taking effect;

**PART II** -- Transfer Gandhidham Undertaking and Gandhidham Windmill Undertaking form GRSL to GARL;

**PART III** – Transfer of Sidhpur Undertaking and Sidhpur Windmill Undertaking from GRSL to GAIL;

**PART IV** – Restructuring of Share Capital of GRSL, GARL, GAI;

**PART V** – Reorganization of GRSL

**PART VI** – Common Clauses & General terms and conditions

**PART I – DEFINITIONS, SHARE CAPITAL AND DATE OF TAKING EFFECT;****1. DEFINITIONS**

In this scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the same meaning mentioned herein below:

- 1.1** “Act” or the “the Act” means The Companies Act, 1956 and The Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in the force. It is being clarified that as on the date of approval of the scheme by the Board of Directors of GRSL, GARL and GAIL, Section 100 to 103 and section 391 to 394 of the Companies Act, 1956 and corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this scheme to particular provisions of the act are reference to the particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of the Companies Act, 2013, such reference shall unless a different intention appears, be construed as reference to the provisions so re-enacted.
- 1.2** “Appointed Date” means January 1, 2015 or such other date as may be fixed or approved by the Hon’ble High Court of Gujarat at Ahmedabad or National Company Law Tribunal (‘NCLT’) or any other appropriate authority.
- 1.3** “Board of Directors” means the Board of Directors of GRSL, GARL, GAIL, as the context may require and includes committee thereof.
- 1.4** “Court” or “High Court” means the Hon’ble High Court of Gujarat at Ahmedabad or National Company Law Tribunal (‘NCLT’), if and when applicable;
- 1.5** “Gandhidham Undertaking” means the Gandhidham business division of Gokul Refoils and Solvent Limited on a going concern basis including assets including investments and liabilities, pertaining to Gandhidham Undertaking. Without limiting generality of the foregoing, Gandhidham Undertaking shall include but not limited to:
- a. All the assets and properties as on the Appointed Date pertaining to the Gandhidham Undertaking;
  - b. All the debts, liabilities, duties and obligations including contingent liabilities pertaining to Gandhidham Undertaking;
  - c. Without prejudice to the generality of above, the Gandhidham Undertaking shall include land or piece of land, buildings, the movable properties covering plant and machinery, equipment, furniture, fixtures, vehicles, Capital work in progress, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature and wheresoever situated including but without being limited to cash in hand, bank balance, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses (including but not limited to sales tax registrations, VAT registrations, tax registrations), contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorizations, trademarks, trade names, labels, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including labels, designs, know-how, domain

names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, permissions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the IT Act such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT / Sales Tax law, VAT/sales tax setoff, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / Service Tax Credits, etc.);

- d. All employees engaged in or in relation to the Gandhidham Undertaking as on the Effective Date;
- e. All records, files, papers, engineering and process information, computer programs, computer software, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Gandhidham Undertaking.

Explanation A: Whether any particular asset or liability should be included or excluded as asset or liability of the Gandhidham Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of GRSL and GARL;

Explanation B: For the purpose of this Scheme, it is clarified that liabilities pertaining to the Gandhidham Undertaking of GRSL shall comprise the liabilities, borrowings, debts and loans as agreed between GRSL and GARL which will cover:

- a. The liabilities, which arise out of the activities or operations of the Gandhidham Undertaking;
- b. Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Gandhidham Undertaking;
- c. Liabilities other than those referred to in sub-clauses a. and b. above and not directly relatable to the Remaining Undertaking of GRSL, being the amounts of general or multipurpose borrowings of GRSL shall be allocated to the Gandhidham Undertaking of GRSL in the same proportion which the value of the assets transferred under this sub-clause bears to the total value of the assets of GRSL immediately before giving effect to this Scheme. The parties shall mutually agree upon the identification of the liabilities to be transferred to GARL as liabilities pertaining to the Gandhidham Undertaking.

**1.6** “Gandhidham Windmill Undertaking” means the Gandhidham Windmill Business Undertaking of GRSL on a going concern basis including assets & liabilities pertaining to Gandhidham Windmill Undertaking. Without limiting generality of the foregoing, Gandhidham Windmill Undertaking shall include;

- a. All assets and liabilities of GRSL pertaining to Gandhidham Windmill Undertaking

- b. Without prejudice to the generality of the provisions of above, the Gandhidham Windmill Undertaking shall include –

The whole of the undertaking of Gandhidham Windmill Undertaking of GRSL, as a going concern, including all debts, liabilities, duties and obligations and all the assets and properties, whether moveable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building, all fixed and moveable plant and machinery, transmission cables, blades, roaters, spares, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, quota, rights, import quotas, licenses, registrations, copyrights, patents, trade names, trademarks and other industrial rights and licenses in respect of the Gandhidham Windmill Undertaking, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts and all other rights, claims and owners of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favour of or enjoyed by GRSL in connection with or pertaining or relatable to the Gandhidham Windmill Undertaking and all earnest money and/ or deposits including security deposits paid by GRSL in connection with or relating to Gandhidham Windmill Undertaking and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the IT Act such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT / Sales Tax law, VAT/sales tax setoff, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / Service tax credits, etc.) relating to the Gandhidham Windmill Undertaking; For the purpose of this Scheme, it is clarified that liabilities pertaining to the Gandhidham Windmill Undertaking include:

- The liabilities which arise out of the activities or operations of the Gandhidham Windmill Undertaking.
  - Specific loans and borrowings (including debentures, if any) raised, incurred and utilized solely for the activities or operation of Gandhidham Windmill Undertaking.
  - Liabilities other than those referred, to in Sub-clauses a. and b. above, being the amounts of general or multipurpose borrowings of GRSL, allocated to Gandhidham Windmill Undertaking based on discussion between management of GRSL and GAIL
- c. All employees of GRSL employed in Gandhidham Windmill Undertaking as on the Effective Date.
- d. Any particular asset or liability should be included or excluded as an asset or liability of the Gandhidham Windmill Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of GRSL and GARL.

**1.7** “Demerged Undertakings” means collectively Gandhidham Undertaking and Gandhidham Windmill Undertaking as defined in clause 1.5 and 1.6 respectively.

**1.8** “Effective Date” means the last of the date on which the conditions specified in clause 26 of the Scheme are fulfilled with respect to a particular Part of the Scheme.

- 1.9** “Expenses” or “Specified items” includes amount to be written-off towards obsolete or unrealizable assets whether fixed or current or tangible or intangible of the Demerged Company; any diminution in value of investments in the subsidiary companies and/or Joint Ventures whether in India or overseas, if any, whether existing or occurring in future; all the expenses / costs incurred in carrying out and implementing this Scheme; any additional depreciation on account of any upward revaluation of assets; any impairment, amortization and/or write-off of goodwill; and such other expenditure as may be decided and considered necessary by the Board of Directors of GRSL. For the purpose of this clause, if any issue / question arises with respect to identification and/or quantification of the nature and amount of the expenses, the decision / clarification of the Board of Directors of GRSL shall be final.
- 1.10** “Gokul Agri International Limited” or “GAIL” or “Transferee Company 2” means Gokul Agri International Limited, a Company incorporated under the Act and having its registered office at State Highway No. 41, Near Sujapur Patia, Sidhpur - 384151 in the State of Gujarat.
- 1.11** “Gokul Agro Resources Limited” or “GARL” or “Resulting Company” or “Transferee Company 1” means Gokul Agro Resources Limited, a Company incorporated under the Act and having its registered office at B - 402, Shapath Hexa, Near Ganesh Meridian, Opp. Gujarat High Court, Sola , Ahmedabad - 380060 in the State of Gujarat.
- 1.12** “Gokul Refoils and Solvent Limited” or “GRSL” or “Demerged Company” or “Transferor Company” means Gokul Refoils and Solvent Limited, a Company incorporated under the Act and having its registered office at State Highway No. 41, Near Sujapur Patia, Sidhpur - 384151 in the State of Gujarat.
- 1.13** “Record Date” means such date after the Effective Date which will be mutually fixed by the Board of Directors of GRSL and GARL or any committee / person duly authorized by the respective Board of Directors, to determine the members of Demerged Company to whom equity shares of the Resulting Company will be allotted pursuant to clause 5.1 of this Scheme.
- 1.14** “Remaining Undertaking” means the undertaking along with businesses, activities and operations presently being managed by the Demerged Company, excluding the Gandhidham Undertaking and Gandhidham Windmill Undertaking, Sidhpur Undertaking and Sidhpur Windmill Undertaking.
- 1.15** “Scheme” or “the Scheme” or “this Scheme” means this Composite Scheme of Arrangement in its present form or with any modification(s) approved or imposed or directed by the High Court or NCLT, as the case may be.
- 1.16** “Sidhpur Undertaking” means the Sidhpur business Undertaking of GRSL on a going concern basis including assets & liabilities pertaining to Sidhpur Undertaking Without limiting generality of the foregoing, Sidhpur Undertaking shall include;
- a. All the assets and properties as on the Appointed Date pertaining to the Sidhpur Undertaking Including the investments of GRSL in its subsidiaries being part of the Sidhpur Undertaking along with balances pertaining to such subsidiaries;
  - b. All the debts, liabilities, duties and obligations including contingent liabilities pertaining to the Sidhpur Undertaking;
  - c. Without prejudice to the generality of above, the Sidhpur Undertaking shall include land or piece of land, buildings, the movable properties covering plant and machinery, equipment,

furniture, fixtures, vehicles, Capital work in progress, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature and wheresoever situated including but without being limited to cash in hand, bank balance, investments claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorizations, trademarks, trade names, labels, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including labels, designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions permissions, and approvals of whatsoever nature and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the IT Act such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT / Sales Tax law, VAT/sales tax setoff, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / Service tax credits, etc.) relating to the Sidhpur Undertaking;

- d. All employees engaged in or in relation to the Sidhpur Undertaking as on the Effective Date;
- e. All records, files, papers, engineering and process information, computer programs, computer software, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Sidhpur Undertaking;

Explanation A: Whether any particular asset or liability should be included or excluded as an asset or liability of the Sidhpur Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of GRSL and GAIL.

**1.17** “Sidhpur Windmill Undertaking” means the Sidhpur Windmill business Undertaking of GRSL on a going concern basis including assets & liabilities pertaining to Sidhpur Windmill Undertaking. Without limiting generality of the foregoing, Sidhpur Windmill Undertaking shall include;

- a. All assets and liabilities of GRSL pertaining to Sidhpur Windmill Undertaking
- b. Without prejudice to the generality of the provisions of above, the Sidhpur Windmill Undertaking shall include –

The whole of the undertaking of Sidhpur Windmill Undertaking of GRSL, as a going concern, including all debts, liabilities, duties and obligations and all the assets and properties, whether moveable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building, all fixed and moveable plant and machinery, transmission cables, blades, roaters, spares, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, quota, rights, import quotas, licenses, registrations, copyrights, patents,

trade names, trademarks and other industrial rights and licenses in respect of the Sidhpur Windmill Undertaking, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts and all other rights, claims and owners of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favour of or enjoyed by GRSL in connection with or pertaining or relatable to the Sidhpur Windmill Undertaking and all earnest money and/ or deposits including security deposits paid by GRSL in connection with or relating to Sidhpur Windmill Undertaking and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the IT Act such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT / Sales Tax law, VAT/sales tax setoff, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / Service tax credits, etc.) relating to the Sidhpur Windmill Undertaking; For the purpose of this Scheme, it is clarified that liabilities pertaining to the Sidhpur Windmill Undertaking include:

- The liabilities which arise out of the activities or operations of the Sidhpur Windmill Undertaking.
  - Specific loans and borrowings (including debentures, if any) raised, incurred and utilized solely for the activities or operation of Sidhpur Windmill Undertaking.
  - Liabilities other than those referred, to in Sub-clauses a. and b. above, being the amounts of general or multipurpose borrowings of GRSL, allocated to Sidhpur Windmill Undertaking based on discussion between management of GRSL and GAIL.
- c. All employees of GRSL employed in Sidhpur Windmill Undertaking as on the Effective Date.
- d. Any particular asset or liability should be included or excluded as an asset or liability of the Sidhpur Windmill Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of GRSL and GAIL.

**1.18** “Sidhpur Undertakings” means collectively Sidhpur Undertaking and Sidhpur Windmill Undertaking as defined in clause 1.16 and 1.17 respectively.

**In this Part, unless the context otherwise requires:**

- 1.1** the words denoting the singular shall include the plural and vice versa;
- 1.2** headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- 1.3** references to the word “include” or “including” shall be construed without limitation;
- 1.4** a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;



- 1.5 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- 1.6 word(s) and expression(s) which are used in this Scheme and not defined in part, shall, unless repugnant or contrary to the context or meaning hereof, and as the context may require, have the same meaning ascribed to them under the Act or the Securities Contracts (Regulations) Act, 1956 or Depositories Act, 1996 or other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## 2. SHARE CAPITAL

- 2.1 The share capital of Gokul Refoils and Solvent Limited (i.e. Demerged Company / Transferor Company) as at 31 March 2014 is as under:

Particulars	Amount (in Rs.)
<b>Authorized Share Capital</b> 175,000,000 equity shares of Rs. 2/- each	350,000,000
<b>TOTAL</b>	<b>350,000,000</b>
<b>Issued, Subscribed and Paid-up share capital</b> 131,895,000 equity shares of Rs. 2/- each fully paid up	263,790,000
<b>TOTAL</b>	<b>263,790,000</b>

There has been no change in the share capital of GRSL subsequent to the above.

- 2.2 The share capital of Gokul Agro Resources Limited (i.e. Resulting Company / Transferee Co. 1) as at July 2014, being the date of incorporation, is as under:

Particulars	Amount (in Rs.)
<b>Authorized Share Capital</b> 50,000 equity shares of Rs. 10/- each	5,00,000
<b>TOTAL</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Paid-up share capital</b> 50,000 equity shares of Rs. 10/- each fully paid up	5,00,000
<b>TOTAL</b>	<b>5,00,000</b>

There has been no change in the capital structure of GARL subsequent to above.

- 2.3 The share capital of Gokul Agri International Limited (i.e. Transferee Co. 2) as at May 23, 2014, being the date of incorporation, is as under:

Particulars	Amount (in Rs.)
<b>Authorized Share Capital</b> 2,000,000 equity shares of Rs. 10/- each	20,000,000
<b>TOTAL</b>	<b>20,000,000</b>
<b>Issued, Subscribed and Paid-up share capital</b> 50,000 equity shares of Rs. 10/- each fully paid up	5,00,000
<b>TOTAL</b>	<b>5,00,000</b>

There has been no change in the capital structure of GAIL subsequent to above.

**3. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) approved or directed by the High Court or NCLT or any other appropriate authority shall be effective from the Appointed Date, but shall be operative from the Effective Date.

**PART - II****DEMERGER OF GANDHIDHAM UNDERTAKING AND GANDHIDHAM WINDMILL UNDERTAKING FROM GRSL TO GARL****4. TRANSFER AND VESTING OF GANDHIDHAM UNDERTAKING AND GANDHIDHAM WINDMILL UNDERTAKING OF DEMERGED COMPANY**

- 4.1** With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the Gandhidham Undertaking as defined in clause 1.5 and the whole of the Gandhidham Windmill Undertaking as defined in clause 1.6 shall (collectively referred to as “Demerged Undertakings” as described in clause 1.7 of the Scheme), pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and Section 2(19AA) of the Income-tax Act, 1961 and without any further act, instrument, deed, matter or thing, stand transferred to and vested into, as a going concern, so as to vest in GARL all rights, title and interest pertaining to the Demerged Undertakings.
- 4.2** Without prejudice to the generality of above, in respect of such of the assets of the Demerged Undertakings as are moveable in nature or are otherwise capable of transfer and vesting by manual delivery or by endorsement and/or delivery or by physical possession including plant, machinery and equipment, the same may be transferred to and vested into GARL, as follows;
- A. All the moveable assets capable of being transferred and vested by delivery, including plant and machinery, shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to GARL along with such other documents as may be necessary towards the end and intent that the property therein passes to GARL on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of GARL accordingly. The investments being part of Demerged Undertakings will be transferred to GARL by executing appropriate share transfer deeds. Such transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of GRSL and GARL, being a date after the sanction of the Scheme by the High Court.
  - B. The moveable assets, other than those specified above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of GARL. GARL may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of GARL to recover or realize the same is in substitution of the right of GRSL and that appropriate entry should be passed in their respective books to record the aforesaid charges.
- 4.3** With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations, secured or unsecured, of every kind, nature and description of Demerged Undertakings, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to GARL, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon,

contingent liabilities, duties and obligations, secured or unsecured, of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.

- 4.4** With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by GRSL required to carry on operations of the Demerged Undertakings shall stand vested in or transferred to GARL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of GARL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses etc. shall vest in and become available to GARL as if they were originally obtained by GARL. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by GRSL relating to the Demerged Undertakings, are concerned, the same shall vest with and be available to GARL on the same terms and conditions as applicable to Demerged Company, as if the same had been allotted and/or granted and / or sanctioned and/or allowed to GARL.
- 4.5** All patents, trademarks, copyrights, or any kind of intellectual property, if any, registered with the concerned authority or application submitted at any time on or before the Effective Date or being used by GRSL, pertaining to the Demerged Undertakings shall stand transferred and vested in the name of GARL without any further act or deed. GARL, however, shall after the Scheme becoming effective file the relevant intimation with the concerned statutory authorities.
- 4.6** GRSL in relation to Demerged Undertakings may be entitled to various benefits under incentive schemes and policies in relation to the Demerged Undertakings and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies pertaining to Demerged Undertakings shall be transferred to and vested into GARL and all benefits, entitlements and incentives of any nature whatsoever including benefits under income tax, excise (including modified value added tax, central value added tax), sales tax (including deferment of any tax), service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to Demerged Undertakings, to the extent statutorily available, shall be claimed by GARL.
- 4.7** Upon the coming into effect of this Scheme on the Appointed Date such of the borrowings of GRSL relating to Demerged Undertakings as identified by the Board of Directors of GRSL, shall without any further act or deed be and stand transferred to GARL, and shall thereupon become the debts and liabilities of GARL, which shall meet, discharge and satisfy the same.
- 4.8** The transfer of the borrowings in terms of the above clause shall be without prejudice to any agreements or arrangements including in respect of security entered into between GRSL and the lenders existing on the Appointed Date which shall continue in full force (till such time as the individual agreements are signed between the lenders and GARL) notwithstanding that the liability for repayment of the principal amount and payments of interest or any other dues is taken over by GARL. GRSL shall make repayments of such principal amounts and payments of interest or any other dues thereon on behalf of GARL, and GARL shall be under an obligation to place with GRSL funds at the relevant time so as to enable GARL to make payments to the lenders on or before their respective due dates.
- 4.9** The transfer and vesting of the Demerged Undertakings as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertakings to

the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertakings. The security and charge over the assets forming part of the Demerged Undertakings which relate to any liabilities pertaining to the business other than the Demerged Undertakings, or liabilities of GRSL other than liabilities of the Demerged Undertakings, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to any liabilities except ascertainable to Demerged Undertakings. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

*Provided further* that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of GARL shall continue with respect to such assets or any part thereof of GARL and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Demerged Undertakings vested in GARL, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by GRSL in relation to the Demerged Undertakings which shall vest in GARL by virtue of the vesting of the Demerged Undertakings into GARL and there shall not be any obligation to create any further or additional security therefore after the Scheme has become effective.

*Provided further* that all the loans, advances and other facilities sanctioned to GRSL in relation to the Demerged Undertakings by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to GARL and the said loans and advances may be drawn and utilized either partly or fully by GRSL from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by GRSL in relation to the Demerged Undertakings (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to GARL and all the obligations of GRSL in relation to the Demerged Undertakings under any loan agreement shall be construed and shall become the obligation of GARL without any further act or deed on the part of the Resulting Company.

- 4.10** Where any of the liabilities and obligations attributed to the Demerged Undertakings on the Appointed Date has been discharged by GRSL on behalf of GARL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of GARL.
- 4.11** It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the Demerged Undertakings which GRSL owns or to which GRSL is a party and which cannot be transferred to GARL or to its successor in business, for any reason whatsoever, GRSL shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of GARL to which the Demerged Undertakings is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

## **5. CONSIDERATION**

- 5.1** Upon this Scheme becoming effective, GARL shall without any further application or deed, issue and allot shares, at par, credited as fully paid-up, to the extent indicated below to the shareholders of GRSL, and whose name appear in the Register of Members on the Record Date or to such of

their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the respective Board of Directors in the following manner:

**“1 (One) fully paid up Equity Share of Rs.2/- (Rupees Two Only) each of GARL shall be issued and allotted for every 1 (One) fully paid up Equity Share of Rs. 2/-(Rupees Two Only) each held in GRSL”**

- 5.2** In so far as the issue of equity shares pursuant to the above clause is concerned, the same shall be issued and allotted in dematerialized form to those equity shareholders who hold equity Shares in GRSL in dematerialized form, in to the account with the Depository Participant in which the equity shares of GRSL are held or such other account with the Depository Participant as is intimated by the equity shareholders to the Resulting Company before the Record Date. All those equity shareholders of GRSL who hold equity Shares of GRSL in physical form shall also have the option to receive the shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to GARL before the Record Date. In the event that GARL has received notice from any equity shareholder of GRSL that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of the GARL, then GARL shall issue equity shares, in physical form to such equity Shareholders.
- 5.3** In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of GRSL, the board of directors or any committee thereof of GRSL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in GRSL as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in GRSL and in relation to the shares issued by GARL after the effectiveness of this Scheme. The board of directors of GRSL and GARL shall be empowered to jointly remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transaction period.
- 5.4** The equity shares issued by GARL in terms of clause 5.1 of the Scheme will be listed and/or admitted to trading on the Stock Exchanges, where the shares of GRSL are listed and/or admitted to trading, subject to necessary approval to be obtained from regulatory authorities and all necessary compliances and applications will be made in this respect by GARL.
- 5.5** Shares to be issued by GARL pursuant to clause 5.1 of the Scheme in respect of any Equity shares of GRSL which are held in abeyance under the provisions of Section 206A (corresponding notified Section 126 of the Companies Act, 2013) of the Act or otherwise, if any, shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by GARL.
- 5.6** Approval of this Scheme by the shareholders of GRSL shall be deemed to be the due compliance of the provisions of Section 81(1A) (corresponding section 62(1) of the Companies Act, 2013) and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by GARL to the equity shareholders of GRSL, as provided in this Scheme.
- 5.7** The Equity shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.
- 5.8** There shall be no change in the shareholding pattern or control in GARL between the record date and the listing of the Equity shares allotted by GARL pursuant to the Scheme.

**5.9** The Shares to be issued by GARL shall be subject to the Scheme and the Memorandum and Articles of Association of the Resulting Company.

**5.10** The approval of this Scheme by the shareholders of both the companies under Sections 391 and 394 of the Act shall be deemed to have the approval under Sections 16, 31, 94 (corresponding section 13, 14 and 61 of the Companies Act 2013 respectively) and other applicable provisions of the Act and any other consents and approvals required in this regard.

## **6. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY**

On the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company shall account for demerger in its books as under:

**6.1** GARL shall record the assets, liabilities and debts of the Demerged Undertakings, at their respective book values as appearing in the books of Demerged Company at the close of business on the day immediately preceding the Appointed Date.

**6.2** GARL shall credit to the Share Capital account in its books of account, the aggregate face value of the equity shares issued and allotted under clause 5.1 of the Scheme to shareholder of Demerged Company.

**6.3** Upon Scheme being effective and upon issue of shares by GARL to the shareholders of GRSL as envisaged in clause 5.1 of the Scheme, the shares of GARL held by GRSL (whether in its own name or Jointly or through any nominee) shall stand automatically cancelled.

**6.4** The difference, being the excess of value of Net Assets Value of the Demerged Undertakings from GRSL and recorded by GARL in terms of clause 6.1 above, over the amount credited as share capital as per clause 6.2 and after adjusting cancellation of shares held by GRSL (whether in its own name or jointly or through any nominee), shall be credited to Capital Reserve of GARL. Deficit, if any, shall be debited to Goodwill Account of GARL. ("Net Assets Value" shall be computed as the value of assets less the value of liabilities, of the Demerged Undertakings transferred to Resulting Company and recorded in Resulting Company in terms of clause 6.1 of the Scheme).

## **7. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY**

**7.1** Demerged Company shall reduce from its books, the book value of assets and liabilities transferred as part of the Demerged Undertakings to the Resulting Company, pursuant to the Scheme.

**7.2** Upon Scheme being effective, the Investments made by the Demerged Company in Equity Shares of the Resulting Company, appearing in the books of the Demerged Company shall stand cancelled and the same shall be adjusted against the Securities Premium Account of the Demerged Company as envisaged in clause 13.2 herein below.

**7.3** The amount being the Net Assets Value of the Demerged Undertakings transferred pursuant to the Scheme shall be adjusted against Securities Premium Account as envisaged in clause 13.1 herein below, to the extent available. The balance shall be adjusted against the General Reserve Account to the extent available followed by Profit & Loss Account to the extent available. If the difference is a credit balance, the same shall be credited to Capital Reserve Account.

**8. DECLARATION OF DIVIDEND**

- 8.1** For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent GRSL from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of any such dividend.
- 8.2** GRSL shall not utilize the profits or income, if any, relating to the Demerged Undertakings for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of GARL.



**PART III****TRANSFER OF SIDHPUR UNDERTAKING AND SIDHPUR WINDMILL UNDERTAKING FROM GRSL TO GAIL****9. TRANSFER AND VESTING OF SIDHPUR UNDERTAKING AND SIDHPUR WINDMILL UNDERTAKING OF GRSL**

**9.1** With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the Sidhpur Undertaking as defined in clause 1.16 of the Scheme and the whole of the Sidhpur Windmill

**9.2** Undertaking as defined in clause 1.17 of the Scheme (collectively referred to as “Sidhpur Undertakings” as described in clause 1.18 of the Scheme) shall, pursuant to the provisions of Sections 391 to 394 of the Act and all other applicable provisions of the Act, and without any further act, instrument, deed, matter or thing, shall stand transferred to and vested into, as a going concern for considerations as detailed in clause 10 of the Scheme, so as to vest in GAIL all rights, title and interest pertaining to the Sidhpur Undertakings.

a. All the moveable assets of the Sidhpur Undertakings capable of being transferred and vested by Delivery, including plant and machinery, shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to GAIL along with such other documents as may be necessary towards the end and intent that the property therein passes to GAIL on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of GAIL accordingly. Such transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of GRSL and GAIL, being a date after the sanction of the Scheme by the High Court. The investments being part of Sidhpur Undertaking will be transferred to GAIL by executing appropriate share transfer deeds. Such transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of GRSL and GAIL, being a date after the sanction of the Scheme by the High Court.

b. The moveable assets of the Sidhpur Undertakings, other than those specified above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received and deposits with the Government, Semi-Government, local and other authorities and bodies and customers, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of GAIL. GAIL may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance of the Sidhpur Undertakings or make good the same or hold the same to its account and that the right of GAIL to recover or realize the same is in substitution of the right of GRSL and that appropriate entry should be passed in their respective books to record the aforesaid charges.

**9.3** With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations, secured or unsecured, of every kind, nature and description of Sidhpur Undertakings, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to GAIL, so

as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations, secured or unsecured, of GAIL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.

- 9.4** With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by GRSL required to carry on operations of Sidhpur Undertakings shall stand vested in or transferred to GAIL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of GAIL and the benefit of all statutory and regulatory permissions, environmental approvals and [44] consents, registration or other licenses etc. shall vest in and become available to GAIL as if they were originally obtained by GAIL. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by GRSL relating to Sidhpur Undertakings, are concerned, the same shall vest with and be available to GAIL on the same terms and conditions as applicable to GRSL, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to GAIL.
- 9.5** All patents, trademarks, copyrights, or any kind of intellectual property, if any, registered with the concerned authority or application submitted at any time on or before the Effective Date or being used by GRSL, pertaining to Sidhpur Undertakings shall stand transferred and vested in the name of GAIL without any further act or deed. GAIL, however, shall after the Scheme becoming effective file the relevant intimation with the concerned statutory authorities.
- 9.6** GRSL in relation to Sidhpur Undertakings may be entitled to various benefits under incentive schemes and policies in relation to the Sidhpur Undertakings respectively and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies pertaining to Sidhpur Undertakings respectively shall be transferred to and vested into GAIL and all benefits, entitlements and incentives of any nature whatsoever including benefits under income tax, excise (including modified value added tax, central value added tax), sales tax (including deferment of any tax), service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Sidhpur Undertakings, to the extent statutorily available, shall be claimed by GAIL.
- 9.7** Upon the coming into effect of this Scheme on the Appointed Date such of the general and multipurpose borrowings as ascertainable to the Sidhpur Undertakings of GRSL as identified by the Board of Directors of GRSL, shall without any further act or deed be and stand transferred to GAIL, and shall thereupon become the debts and liabilities of GAIL, which shall meet, discharge and satisfy the same.
- 9.8** The transfer of the general and multipurpose borrowings as ascertainable to the Sidhpur Undertakings in terms of the abovementioned clause shall without prejudice to any agreements or arrangements including in respect of security entered into between GRSL and the lenders existing on the Appointed Date which shall continue in full force (till such time as the individual agreements are signed between the lenders and GAIL) notwithstanding that the liability for repayment of the principal amount and payments of interest or any other dues is taken over by GAIL. GRSL shall make repayments of such principal amounts and payments of interest or any other dues thereon on behalf of GAIL, and GAIL shall be under an obligation to place with GRSL funds at the relevant time so as to enable GAIL to make payments to the lenders on or before their respective due dates.

- 9.9** The transfer and vesting of the Sidhpur Undertakings as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the Sidhpur Undertakings respectively to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Sidhpur Undertakings respectively.

The security and charge over the assets forming part of the Sidhpur Undertakings which relate to any liabilities pertaining to the business other than the Sidhpur Undertakings, or liabilities of GRSL other than liabilities of the Sidhpur Undertakings, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to any liabilities except ascertainable to Remaining Undertaking. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

*Provided* further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of GAIL shall continue with respect to such assets or any part thereof of GAIL and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Sidhpur Undertakings vested in GAIL, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by GRSL in relation to the Sidhpur Undertakings which shall vest in GAIL by virtue of the vesting of the Sidhpur Undertakings into GAIL and there shall not be any obligation to create any further or additional security therefore after the Scheme has become effective.

*Provided* further that all the loans, advances and other facilities sanctioned to GRSL in relation to the Sidhpur Undertakings by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to GAIL and the said loans and advances may be drawn and utilized either partly or fully by GRSL from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by GRSL in relation to the Sidhpur Undertakings (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to GAIL and all the obligations of GRSL in relation to the Sidhpur Undertakings under any loan agreement shall be construed and shall become the obligation of GAIL without any further act or deed on the part of the GAIL.

- 9.10** Where any of the liabilities and obligations attributed to the Sidhpur Undertakings on the Appointed Date has been discharged by GRSL on behalf of GAIL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of GAIL.
- 9.11** It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the Sidhpur Undertakings which GRSL owns or to which GRSL is a party and which cannot be transferred to GAIL or to its successor in business, for any reason whatsoever, GRSL shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of GAIL to which the Sidhpur Undertakings is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

## **10. CONSIDERATION**

Subject to the terms and conditions of this Scheme, in consideration of the transfer of the Sidhpur Undertakings, GAIL shall issue such number of shares to GRSL equivalent to the value as may be determined and mutually agreed between the Board of Directors of GRSL and GAIL in respect of the assets and liabilities being transferred pertaining to Sidhpur Undertakings.

#### **11. ACCOUNTING TREATMENT IN THE BOOKS OF GAIL**

On the Scheme becoming effective and with effect from the Appointed Date, GAIL shall account for transfer in its books as under:

- 11.1** All the assets and liabilities related to Sidhpur Undertakings as appearing in the books of accounts of GRSL as on the Appointed Date shall stand transferred to and vested in GAIL pursuant to the Scheme and shall be recorded by GAIL at a value derived by apportioning consideration paid by it amongst all the assets and liabilities pertaining to Sidhpur Undertaking;
- 11.2** The excess, if any, of the balance recorded as per abovementioned clause over the consideration as detailed in clause 10 of the Scheme shall be recorded and credited as Capital reserves in the books of GAIL. Conversely, if the difference of balances as recorded as per abovementioned clause and the consideration as detailed in clause 10 of the Scheme is a shortfall, such amount shall be recorded as Goodwill, as the case may be.

#### **12. ACCOUNTING TREATMENT IN THE BOOKS OF GRSL**

- 12.1** The accounts representing the assets and liabilities pertaining to Sidhpur Undertakings shall stand reduced to the extent of the Book Value of the Sidhpur Undertakings upon transfer to GAIL;
- 12.2** Any difference between consideration received as per clause 10 above and the amount being net assets value in terms of clause 12.1 above shall be adjusted against the balance of Capital Reserve Account (including the amount appropriated as mentioned above in clause 16.1 of the Scheme) and / or against the balance of Securities Premium Account as the Board of Directors of GRSL may decide.

**PART IV****RESTRUCTURING OF SHARE CAPITAL OF GRSL, GARL AND GAIL****13. RESTRUCTURE OF SHARE CAPITAL OF GRSL - UTILIZATION OF SECURITIES PREMIUM**

**13.1** Upon Scheme being effective and upon demerger and transfer of the Demerged Undertakings of GRSL to GARL, the Net Asset Value of the said Demerged Undertakings shall be adjusted against the Securities Premium Account of GRSL as envisaged in clause 7.3 hereinabove.

**13.2** Upon Scheme being effective and upon issue of the shares by GARL to the shareholder of the GRSL in terms of clause 5.1 of the Scheme, the investment made by GRSL in the shares of GARL shall stand cancelled simultaneously as envisaged vide clause 7.2 hereinabove, the said amount shall be adjusted against the Securities Premium Reserve Account of GRSL.

**13.3** The said utilization of the Securities Premium Account of GRSL, as specified in clause 13.1 and clause 13.2 of the Scheme, shall amount to reduction of capital under Sections 78 (corresponding section 52 of the Companies Act, 2013) read with Sections 100 to 103 of the Companies Act, 1956 and shall be effected as an integral part of the Scheme. The Order of the High Court sanctioning the Scheme shall be deemed to be the Order under Section 102 of the Act for the purpose of confirming the reduction. Since the aforesaid reduction does not involve either diminution of liability in respect of unpaid share capital or repayment of paid-up share capital, the provisions of Section 101(2) of the Act shall not be applicable. GRSL shall not be required to undertake the separate procedure for such reduction and it shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

**14. RESTRUCTURE OF SHARE CAPITAL OF GARL**

**14.1** Upon the Scheme being effective, the Equity shares of Rs. 10/- each shall be subdivided in Equity Shares of Rs. 2/- each.

**14.2** Upon the Scheme being effective, the Authorized Share Capital of GARL shall be increased to Rs. 350,000,000 (Rupees Thirty Five Crores Only) without any further act or deed but subject to payment of requisite registration fees and applicable stamp duty. Consequently, the Memorandum of Association and Articles of Association of GARL shall be altered and clause V of Memorandum of Association of GARL shall be replaced with the following clause:

**"The Authorized Share Capital of the Company is Rs. 350,000,000/- (Rupees Thirty Five Crores Only) divided into 175,000,000 (Seventeen Crore Fifty Lacs) Equity Shares of Rs. 2/- (Rupees Two only) each."**

**14.3** Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alteration in the Memorandum and Articles of Association of the Resulting Company viz. Change in the Capital Clause referred above, shall become operative on the Scheme being effective by virtue of the fact that the Shareholders of the Resulting Company while approving the Scheme as a whole, by virtue of written consent letters, have also resolved and accorded the relevant consents as required respectively under Sections 16, 31, 94 and 394 of the Companies Act, 1956 and Sections 13, 14 and 61 of the Companies Act, 2013 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.

**14.4** Upon the Scheme becoming effective and upon the issue of shares by GARL in accordance with clause 5 above, the existing share capital comprising of 50,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each aggregating to Rs. 500,000/- (Rupees Five Lakhs Only) of GARL held by GRSL (whether in its own name or jointly or through any nominee), as on the Record Date, shall without any application or deed, stand cancelled without any payment as envisaged in clause 6.3 of the Scheme.

**14.5** However, considering the issue of the new Equity Shares to be issued by GARL to the shareholders of GRSL as envisage in clause 5.1 of the Scheme, being larger in value as compared to the cancellation as envisaged in clause 14.4 of the Scheme, there shall not be net reduction of the Share Capital of GARL. Hence, the provisions of law under Sec. 100 to 103 shall not be applicable.

## **15. INCREASE IN THE AUTHORISED CAPITAL OF GAIL**

**15.1** Upon the Scheme being effective, the Authorized Share Capital of GAIL shall be increased to Rs. 500,000,000 (Rupees Fifty Crores Only) without any further act or deed but subject to payment of requisite registration fees and applicable stamp duty. Consequently, the Memorandum of Association and Articles of Association of GAIL shall be altered and clause V of Memorandum of Association of GAIL shall be replaced with the following clause:

**“The Authorized Share Capital of the Company is Rs. 500,000,000/- (Rupees Fifty Crores Only) divided into 50,000,000 Equity Shares of Rs. 10/- (Rupees Ten only) each.”**

**15.2** Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alteration in the Memorandum and Articles of Association of GAIL viz. Change in the Capital Clause referred above, shall become operative on the Scheme being effective by virtue of the fact that the Shareholders of GAIL while approving the Scheme as a whole, by virtue of written consent letters, have also resolved and accorded the relevant consents as required respectively under Sections 16, 31, 94 and 394 of the Companies Act, 1956 and Sections 13, 14 and 61 of the Companies Act, 2013 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.

**PART V****REORGANIZATION OF GRSL****16. REORGANIZATION OF GRSL**

With effect from the Appointed Date, the Fixed Assets of the Remaining Undertaking of GRSL shall be reinstated at their respective fair values as on the Appointed Date as may be determined by Board of Directors of GRSL. Such revaluation shall be carried out on the basis of the report of competent valuer appointed by the Board of Directors of GRSL. In this regard, GRSL shall account for revaluation in its books of accounts as under:

- 16.1** The respective Asset account shall be debited or credited based on any upward or downward valuation of the assets with the corresponding effect being given in Capital Reserve Account.
- 16.2** The balance of Capital Reserve Account (including the amount appropriated as mentioned in the above clause) shall be available to be utilized by the Demerged Company towards the adjustment specified in clause 12.2 of the Scheme and towards “Expenses” or “Specified items” as defined in clause 1.9 of the Scheme as may be considered appropriate by the Board of Directors of GRSL from time to time.
- 16.3** The effect of above stated treatment will be given in the stand alone and consolidated annual accounts (financials) of the Demerged Company, as the Board of Directors of GRSL may deem fit by giving required disclosures.

**PART VI****COMMON CLAUSES AND GENERAL TERMS AND CONDITIONS****17. CONDUCT OF BUSINESS AFTER APPOINTED DATE UNTIL THE EFFECTIVE DATE**

**17.1** GRSL in respect of the Demerged Undertakings, shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for GARL. Similarly, GRSL in respect of Sidhpur Undertakings shall also carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for GAIL. GRSL hereby undertakes to hold the Undertakings transferred with utmost prudence until the Effective Date.

**17.2** GRSL in respect of the Demerged Undertakings shall carry on the business and activities with reasonable diligence, business prudence and shall not without the prior written consent of GARL, alienate, charge, mortgage, encumber or otherwise deal with or dispose off the Demerged Undertakings or any part thereof except in respect of activities in the ordinary course of business nor shall it undertake any new businesses within the Demerged Undertakings or a substantial expansion of the Demerged Undertakings;

Similarly, GRSL in respect of the Sidhpur Undertakings, shall carry on the business and activities with reasonable diligence, business prudence and shall not without the prior written consent of GAIL, alienate, charge, mortgage, encumber or otherwise deal with or dispose off the Sidhpur Undertakings, or any part thereof except in respect of activities in the ordinary course of business nor shall it undertake any new businesses within the Sidhpur Undertakings, or a substantial expansion of the Sidhpur Undertakings.

**17.3** With effect from the Appointed Date, all the profits or income accruing or arising to GRSL in respect of the Demerged Undertakings or expenditure or losses arising to or incurred by GRSL in respect of the Demerged Undertakings, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of GARL, as the case may be;

Similarly, with effect from the Appointed Date, all the profits or income accruing or arising to GRSL in respect of the Sidhpur Undertakings, or expenditure or losses arising to or incurred by GRSL in respect of the Sidhpur Undertakings, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of GAIL, as the case may be.

**17.4** GRSL shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees related to Demerged Undertakings, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of GARL.

Similarly, GRSL shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees related to Sidhpur Undertakings, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of GAIL.



- 17.5** GRSL shall not vary the terms and conditions of any agreements or contracts in relation to the Demerged Undertakings, except in the ordinary course of business or without the prior consent of GARL, or pursuant to any pre-existing obligation undertaken by them, as the case may be.

Similarly, GRSL shall not vary the terms and conditions of any agreements or contracts in relation to the Sidhpur Undertakings, except in the ordinary course of business or without the prior consent of GAIL or pursuant to any pre-existing obligation undertaken by them, as the case may be.

- 17.6** GRSL, GARL and GAIL shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules for such consents, approvals and sanctions, which may be required pursuant to this Scheme.

## **18. LEGAL PROCEEDINGS**

- 18.1** All legal proceedings, of whatsoever nature by or against GRSL pending and/or arising after appointed date but before the Effective Date and relating to the Demerged Undertakings, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against GARL, be in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.

Similarly, all legal proceedings, of whatsoever nature by or against GRSL pending and/or arising after appointed date but before the Effective Date and with respect to the Sidhpur Undertakings, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against GAIL, be in the same manner and to the same extent as would or might have been continued and enforced by or against GRSL.

- 18.2** After the Effective Date, if any proceedings are taken against GRSL in respect of the matters referred to in the clause 18.1 above relating to Demerged Undertakings, the Demerged Company shall defend the same at the cost of GARL and GARL shall reimburse and indemnify GRSL against all liabilities and obligations incurred by GRSL in respect thereof.

Similarly, after the Effective Date, if any proceedings are taken against GRSL in respect of the matters referred to in the clause 18.1 above relating to Sidhpur Undertakings, GRSL shall defend the same at the cost of GAIL and GAIL shall reimburse and indemnify GRSL against all liabilities and obligations incurred by GRSL in respect thereof.

- 18.3** GARL undertakes to have all respective legal or other proceedings initiated by or against GRSL referred to in clause 18.1 and/or clause 18.2 above relating to Demerged Undertakings, transferred into its name and to have the same continued, prosecuted and enforced by or against GARL as the case may be, to the exclusion of GRSL.

Similarly, GAIL undertakes to have all respective legal or other proceedings initiated by or against GRSL referred to in clause 18.1 and/or clause 18.2 above relating to Sidhpur Undertakings, transferred into its name and to have the same continued, prosecuted and enforced by or against GAIL as the case may be, to the exclusion of GRSL.

## **19. CONTRACTS, DEEDS, ETC.**

- 19.1** Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds,

agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Demerged Undertakings, shall continue in full force and effect against or in favour of GARL and may be enforced effectively by or against GARL as fully and effectually as if, instead of GRSL, GARL had been a party thereto.

Similarly, notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Sidhpur Undertakings, shall continue in full force and effect against or in favour of GAIL and may be enforced effectively by or against GAIL as fully and effectually as if, instead of GRSL, GAIL had been a party thereto.

- 19.2** GARL at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement, with respect to Demerged Undertakings, to which GRSL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. GARL shall, be deemed to be authorized to execute any such writings on behalf of GRSL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of GRSL.

Similarly, GAIL, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement, with respect to Sidhpur Undertakings, to which GRSL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. GAIL shall, be deemed to be authorized to execute any such writings on behalf of GRSL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of GRSL.

## **20. SAVING OF CONCLUDED TRANSACTIONS**

- 20.1** The transfer and vesting of the assets, liabilities and obligations of GRSL as per this Scheme and the continuance of the proceedings by or against the Resulting Company under clause 4 & and clause 18 hereof relating to Demerged Undertakings, shall not affect any transaction or proceedings already concluded by GRSL on or before the Effective Date, to that end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by GRSL as acts deeds and things done and executed by and on behalf of GARL.

Similarly, the transfer and vesting of the assets, liabilities and obligations of GRSL as per this Scheme and the continuance of the proceedings by or against GAIL under clause 9 and clause 18 hereof relating to Sidhpur Undertakings, shall not affect any transaction or proceedings already concluded by GRSL on or before the Effective Date, to that end and intent that GAIL accepts and adopts all acts, deeds and things done and executed by GRSL as acts deeds and things done and executed by and on behalf of GAIL.

## **21. STAFF, WORKMEN & EMPLOYEES**

- 21.1** Upon the coming into effect of this Scheme, all employees of GRSL engaged in or in relation to the Demerged Undertakings, and who are in such employment as on the Effective Date shall become the employees of GARL from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favourable

than those on which they are engaged by GRSL and without any interruption of or break in service as a result of the transfer of the Demerged Undertakings.

Similarly, upon the coming into effect of this Scheme, all employees of GRSL engaged in or in relation to the Sidhpur Undertakings and who are in such employment as on the Effective Date shall become the employees of the GAIL from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favourable than those on which they are engaged by Demerged Company and without any interruption of or break in service as a result of the transfer of the Sidhpur Undertakings.

- 21.2** In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by GRSL for the employees related to the Demerged Undertakings, (collectively referred to as the “Funds”), the Funds and such of the investments made by the Funds which are referable to the employees related to the Demerged Undertakings, being transferred to GARL, in terms of the Scheme shall be transferred to GARL and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of GARL, either be continued as separate funds of GARL for the benefit of the employees related to the Demerged Undertakings, or be transferred to and merged with other similar funds of GARL. In the event that GARL does not have its own funds in respect of any of the above, GARL may, subject to necessary approvals and permissions, continue to contribute to relevant funds of GRSL, until such time that GARL creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees related to the Demerged Undertakings, shall be transferred to the funds created by GARL. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of GRSL and GARL may decide to continue to make the said contributions to the Funds of GRSL. It is clarified that the services of the employees of the Demerged Undertakings will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

Likewise, in so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by GRSL for the employees related to the Sidhpur Undertakings (collectively referred to as the “Funds”), the Funds and such of the investments made by the Funds which are referable to the employees related to the Sidhpur Undertakings being transferred to GAIL, in terms of the Scheme shall be transferred to GAIL and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of GAIL, either be continued as separate funds of GAIL for the benefit of the employees related to the Sidhpur Undertakings or be transferred to and merged with other similar funds of GAIL. In the event that GAIL does not have its own funds in respect of any of the above, GAIL may, subject to necessary approvals and permissions, continue to contribute to relevant funds of GRSL, until such time that GAIL creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees related to the Sidhpur Undertakings shall be transferred to the funds created by GAIL. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of GRSL and GAIL may decide to continue to make the said contributions to the Funds of GRSL. It is clarified that the services of the employees of the Sidhpur Undertakings will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

- 21.3** Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertakings and Sidhpur Undertakings shall be decided by the Board of Directors or Committee thereof of GRSL, GARL and GAIL.

**22. REMAINING UNDERTAKING OF GRSL**

**22.1** It is clarified that, the Remaining Undertaking of GRSL shall continue with GRSL as follows:

- a. The Remaining Undertaking of GRSL and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be managed by GRSL.
- b. All legal and other proceedings by or against GRSL under any statute, whether pending on the Appointed Date or which may be initiated in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Undertaking of GRSL (including those relating to any property, right, power, liability, obligation or duty, of GRSL in respect of the Remaining Undertaking of GRSL) shall be continued and enforced by or against GRSL.

**22.2** With effect from the Appointed Date and including the Effective Date –

- a. GRSL shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Undertaking of GRSL for and on its own behalf;
- b. All profit accruing to GRSL thereon or losses arising or incurred by it relating to the Remaining Undertaking of Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of GRSL

**23. TAX CREDITS**

**23.1** GARL will be the successors of GRSL vis-à-vis the Demerged Undertakings. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the Demerged Undertakings and the obligations if any for payment of the tax on any assets forming part of the Demerged Undertakings shall be deemed to have been availed by the Resulting Company or as the case may be deemed to be the obligations of the Resulting Company. Consequently, as the Scheme does not contemplate removal of any asset by the Resulting Company from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by Demerged Company.

Similarly, GAIL will be the successors of GRSL vis-à-vis the Sidhpur Undertakings. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the Sidhpur Undertakings and the obligations if any for payment of the tax on any assets forming part of the Sidhpur Undertakings shall be deemed to have been availed by GAIL or as the case may be deemed to be the obligations of GAIL. Consequently, as the Scheme does not contemplate removal of any asset by GAIL from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by GRSL.

**23.2** With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by Demerged Company relating to the Demerged Undertakings, including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of the Resulting Company.

Similarly, with effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by GRSL relating to the Sidhpur Undertakings including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of GAIL.

**23.3** Demerged Company and the Resulting Company are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates/ returns and claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Demerged Undertakings of Demerged Company as vested with the Resulting Company upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

Similarly, GRSL and GAIL are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates/ returns and claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Sidhpur Undertakings of GRSL as vested with GAIL upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

## **24. APPLICATIONS TO HIGH COURT OR OTHER APPROPRIATE AUTHORITIES**

**24.1** GRSL, GARL and GAIL shall, with all reasonable dispatch, make necessary applications to the High Court or such other appropriate authority, where the registered offices of the GRSL, GARL and GAIL are situated, for seeking order for dispensing with or convening, holding and conducting of meeting of the members and/or creditors of the GRSL, GARL and GAIL, as may be directed by the High Court or such other appropriate authority.

**24.2** On the Scheme being approved by the requisite majorities of the members and / or creditors of the GRSL, GARL and GAIL, whether at a meeting or otherwise, as prescribed under the law and / or as directed by the High Courts or such other appropriate authority or GRSL, GARL and GAIL shall, with all reasonable dispatch, apply to the High Court or such other appropriate authority for sanctioning of the Scheme under Section 391 to 394 of the Act, and for such other order or orders, as the said High Courts or such other authority may deemed fit for carrying this Scheme into effect.

## **25. MODIFICATIONS OR AMENDMENTS TO THE SCHEME**

**25.1** GRSL, GARL and GAIL by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Courts or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The GRSL, GARL and GAIL by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. In case, post approval of the Scheme by the High Court, there is any confusion in interpreting any clause of this Scheme, or otherwise, Board of Directors of GRSL, GARL and GAIL will have complete power to take the most sensible interpretation so as to render the Scheme operational.

**25.2** For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of GRSL, GARL and GAIL may give and are hereby

authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

## **26. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS**

The Scheme is and shall be conditional upon and subject to the followings:

- 26.1** The Scheme being approved by respective requisite majorities in numbers and value of such classes of persons including the member and creditors of the companies as may be directed by the Hon'ble High Court of Judicature of Gujarat at Ahmedabad and / or any other competent authority as may be applicable;
- 26.2** The Scheme being sanctioned by the Hon'ble High Court of Judicature of Gujarat at Ahmedabad and / or any other competent authority, as may be applicable under Section 391 to 394 of the Act; and
- 26.3** Certified Copies of the Order of the Hon'ble High Court or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies, Gujarat.

## **27. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS**

- 27.1** In the event of any of the said sanctions and approvals referred to in above clause not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court and/or order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the GRSL, GARL and GAIL or their respective shareholders or creditors or employees or any other person and save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed.

## **28. COSTS, CHARGES & EXPENSES**

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or High Court's order including this Scheme or in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne by GRSL and GARL in equal share.

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#### STATEMENT OF TAX BENEFITS

##### I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company.

##### II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders.

##### III. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. The provisions of section 2(22)(e) of the IT Act which has the effect of taxing certain payments in the nature of loan or advance, by a company to a shareholder or to any concern in which such shareholder is a member and has substantial interest, as deemed dividend, would not apply to a company in which public are substantially interested.

2. Under section 24(a) of the IT Act, the Company will be eligible for deduction of 30% of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out or deemed to be let out).

3. Subject to compliance of certain conditions laid down in Section 32 of the IT Act, the Company will be entitled to a deduction for depreciation in respect of tangible assets and, intangible assets being in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998 at the rates prescribed under the Income-tax Rules, 1962.

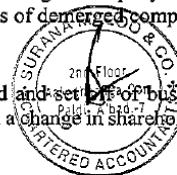
4. The Company will be entitled for exemption under section 10(2A) of the I.T. Act for the share of profits received from the Indian partnership firm in which the company is a partner. As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

5. Under section 35DD of the IT Act, for any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger, the Company is eligible for deduction of an amount equal to one fifth of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place.

6. Under section 71 of the IT Act, business loss suffered by the Company during the year is allowed to be set-off against income from any other head. Balance loss, if any, could be carried forward under section 72 for eight years for claiming set-off against subsequent years' business income. If the accumulated loss suffered by a company comprises unabsorbed depreciation, then such unabsorbed depreciation shall be carried forward to subsequent years indefinitely.

7. Under section 72A(4) of the IT Act, the loss or unabsorbed depreciation directly relatable to the undertakings transferred by way of demerger shall be allowed to be carried forward and set off in the hands of resulting company. Where such loss or unabsorbed depreciation is not directly related to the undertakings transferred, the same shall be apportioned between demerged and resulting company in the same proportion in which the assets of undertakings have been retained by demerged company and transferred to resulting company and be allowed to be carried forward and set off in the hands of demerged company or resulting company as the case may be.

8. Under section 79 of the IT Act, the carry forward and set off of business losses of a company in which public are substantially interested, would not be impacted on a change in shareholding pattern of the Company.



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9. Where any tax is paid under section 115JB(1) of the IT Act (hereinafter referred to as Minimum Alternate Tax or "MAT"), for any assessment year commencing on the 1st day of April 2006, then section 115JAA(1A) provides that credit in respect of tax so paid shall be allowed to the Company in accordance with the provisions of the IT Act. Tax credit eligible to be carried forward will be the difference between the MAT paid and the tax computed as per the normal provisions of the IT Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 10 years succeeding the year in which the MAT credit is allowed.

10. Under section 115-O of the IT Act, the Company will be liable to pay Dividend Distribution Tax (DDT) on the dividend declared, distributed or paid. For the purpose of payment of DDT on the dividends, the dividends so declared, distributed or paid by the domestic company shall be reduced by-

- the dividends received from its Indian subsidiary provided such subsidiary has paid DDT on the same.
- the dividend received from its foreign subsidiary provided such dividend is taxable under section 115BBD of the IT Act.

For the said purpose, a company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company.

*For the purposes of determining the tax on distributed profits, net distributed profits shall be increased to such amount as would, after reduction of the tax on such increased amount be equal to the net distributed profits*

11. Tax on distributed income to shareholders on buy back of shares under section 115QA of the IT Act shall not be applicable to shares listed in recognized stock exchange.

#### **Income from distributed profits**

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income-tax. As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per provisions of Section 115BBD of the Act, dividend received by Indian Company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).

3. As per Section 10(35) of the IT Act, the following income will be exempt in the hands of the Company:

- a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or
- b. Income received in respect of units from the Administrator of the specified undertaking; or
- c. Income received in respect of units from the specified company

However, this exemption does not apply to any income arising from transfer of such units by the unit holder.

For this purpose (i) "Administrator" means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a Company as referred to in Section 2(h) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002. As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.





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### Capital Gains

1. Under Section 10(33) of the IT Act, any income arising from the transfer of a capital asset, being a unit of the Unit Scheme, 1964 referred to in Schedule I to the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002) and where the transfer of such asset takes place on or after the 1<sup>st</sup> day of April 2002 is exempt.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per Section 10(38) of the IT Act, capital gains arising to the Company on transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of business trust (except those which were acquired in consideration of a transfer referred to in clause xvii of section 47) will be exempt in the hands of the Company, provided such transaction is chargeable to securities transaction tax.

For this purpose, "Equity Oriented Fund" means a fund –

- a. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five % of the total proceeds of such funds; and
- b. which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the IT Act.

The long term capital gains exempt under Section 10(38) would be liable to book profit tax under Section 115JB of the IT Act.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3. Under the Second Proviso to Section 48 of the IT Act, long term capital gains of the Company arising on the transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged @ 20% (plus applicable surcharge and education cess) as per Section 112 of the IT Act. Alternatively, at the option of the company, in respect of long term capital gains from the sale of listed securities or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% (plus applicable surcharge and education cess).

4. Under Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the IT Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer. If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

"Long term specified asset" for the purpose of making investment under Section 54EC of the IT Act, means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

- a. by the National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988 or;
- b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.



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If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the FY should not exceed 50 Lacs.

Provided further that the investment in the long-term specified asset during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed fifty lakh rupees.

Under Section 111A of the IT Act, short term capital gains arising to the Company from the sale of a short term capital asset being an equity share or a unit of an equity oriented fund will be taxable at the rate of 15% (plus applicable surcharge and education cess) where such transaction is chargeable to securities transaction tax. Short Term Capital Gains arising from transfer of shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

For this purpose, "equity oriented fund" would have the same meaning as specified in section 10(38) above.

5. As per section 70, short-term capital loss suffered by the Company during the year is allowed to be set off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward under section 74 for eight years for claiming set-off against subsequent years' long term/short term capital gains.

Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

#### IV. GENERAL TAX BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

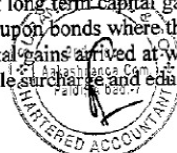
1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax in the hands of shareholder.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on sale of equity shares in the Company would be exempt from tax where the sale transaction has been subjected to securities transaction tax.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3. Under Second Proviso to Section 48 of the IT Act, long term capital gains of the shareholder arising on the transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged @ 20% (plus applicable surcharge and education cess) as per Section 112 of the IT Act. Alternatively, at the option of the shareholder, in respect of long term capital gains from the sale of listed securities (which are not exempt u/s 10 (38) of the IT Act) or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% (plus applicable surcharge and education cess).



4. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within six months from the date of such transfer in the bonds issued by:

- a. National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
- b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the FY should not exceed 50 Lac.

Provided further that the investment in the long-term specified asset during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed fifty lakh rupees.

The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

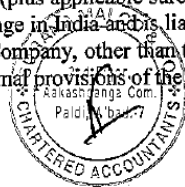
5. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ("HUF") on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of such transfer.

6. As per section 70, short-term capital loss suffered during the year is allowed to be set-off against short term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward under section 74 for eight years for claiming set-off against subsequent years' long-term/short term capital gains.

Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

7. Where the resident shareholder is a corporate assessee, then, to the extent its business consists of purchase and sale of shares of other companies which according to the provisions of the IT Act is treated as Speculation business, the provisions of Explanation to Section 73 may be attracted. In other words, the losses arising on the purchase and sale of such shares shall be allowed to be set off only against the profits arising on the sale of such shares. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.

8. As per the provisions of Section 111A of the IT Act, short-term capital gains from the sale of an equity share of the Company would be taxable at a rate of 15 % (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.



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**V. GENERAL TAX BENEFITS AVAILABLE TO NON-RESIDENTS/ NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIs AND FOREIGN VENTURE CAPITAL INVESTORS)**

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received on the shares of any company is exempted from tax and is not subject to any deduction of tax at source.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per the provisions of Section 10(38) of the IT Act, long-term capital gains arising on transfer of equity shares in the Company would be exempt from tax provided the transaction is chargeable to securities transaction tax.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3. Under Section 111A of the IT Act, short-term capital gains arising from the sale of an equity share, being a short term capital asset in the company, would be taxable at a concessional rate of 15 % (plus applicable surcharge and education cess) where such transaction is liable to securities transaction tax. Short Term Capital Gains arising from transfer of shares in the company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

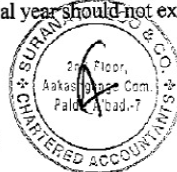
4. In terms of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilized in the purchase of shares.

5. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within six months from the date of transfer and held for a period of three years, from the date of acquisition, in bonds issued by:

- a. National Highway Authority of India constituted under Section 3 of the National Highway Authority of India Act, 1988;
- b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the FY should not exceed 50 Lac.

Provided further that the investment in the long-term specified asset during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed fifty lakh rupees.



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The cost of long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

6. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of such transfer.

7. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non-Resident Indian would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non-Resident/ Non-Resident Indian subject to Tax Residency Certificate being furnished as per prescribed format and Form No. 10F as applicable and other prevalent conditions, if any.

8. As per provisions of Section 115E of the IT Act, Long Term Capital Gain arising to a Non-Resident Indian from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus applicable surcharge and cess).

Further, income from investments and Long term capital gain from assets (other than specified foreign exchange assets) arising to a Non-Resident Indian is taxable at the rate of 20% (plus applicable surcharge and cess).

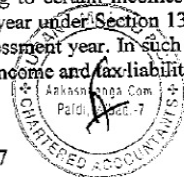
No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the IT Act. Further the benefit of indexation as per first proviso to section 48 shall not be available.

9. As per provisions of Section 115F of the IT Act, Long term capital gain arising to a Non-Resident Indian on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.

10. As per provisions of Section 115G of the IT Act, where the total income of a Non-Resident Indian consists only of investment income / Long term capital gain from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the Non-Resident Indian is not required to file a return of income.

11. As per provisions of Section 115H of the IT Act, where a person who is a Non-Resident Indian in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the IT Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A (Special provisions relating to certain incomes of non-residents) shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

12. As per provisions of Section 115-I of the IT Act, a Non-Resident Indian can opt not to be governed by the provisions of Chapter XII-A (Special provisions relating to certain incomes of non-residents) for any assessment year by furnishing return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the IT Act shall be applicable while determining the taxable income and tax liability arising thereon.



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#### VI. GENERAL TAX BENEFITS AVAILABLE TO MUTUAL FUNDS

As per Section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

#### VII. GENERAL TAX BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS („FII’s“)

1. As per the provisions of Section 10(34) of the IT Act, dividend income (referred to in Section 115-O of the IT Act) would be exempt from tax in the hands of the shareholders of the Company and are not subjected to deduction of tax at source.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares of the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

As per provisions of Section 14A of the IT Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

3. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within six months from the date of transfer and held for a period of three years, from the date of acquisition, in bonds issued by:

- a. National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
- b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the FY should not exceed ` 50 Lac.

Provided further that the investment in the long-term specified asset during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed fifty lakh rupees.

4. Where the Foreign Institutional Investor is a corporate assessee, to the extent its business consists of purchase and sale of shares of other companies, which according to the provisions of the law is treated as Speculation business, provisions of Explanation to Section 73 may be attracted. In other words, the losses arising on the purchase and sale of such shares shall be allowed to be set off only against the profits arising on the sale of such shares. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.



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5. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII subject to Tax Residency Certificate being furnished as per prescribed format and Form No. 10F as applicable and other prevalent conditions, if any.

6. Under the provisions of Section 111A of the IT Act, short-term capital gains arising from transfer of equity share in the Company would be taxable at a concessional rate of 15 % (plus applicable surcharge and education cess) where such transaction which has been subjected to securities transaction tax.

7. As per the provisions of Section 115AD of the IT Act, income (other than income by way of dividends referred to in Section 115-O of the IT Act) of FIIs arising from securities (other than the units purchased in foreign currency referred to Section 115AB of the IT Act) would be taxed at concessional rates, as follows:

Nature of income	Rate of tax (%)
Income in respect of securities	20
Interest referred to in section 194LD	5
Long term capital gains	10
Short term capital gains (Other than short term capital gain referred to in Section 111A)	30

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available.

#### GENERAL TAX BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES / FUNDS

1. As per Section 10(23FB) of the IT Act, any income of a Venture Capital Company or Venture Capital Fund (other than venture capital company or venture capital fund being investment fund as per section 115UB of IT Act) from investment in a Venture capital undertaking would be exempted from income tax subject to the fulfillment of conditions specified.

2. Under Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the Fund/company (if non-resident) would prevail over the provisions of the IT Act to the extent the DTAA is more beneficial to the non-resident subject to Tax Residency Certificate being furnished as per prescribed format and Form No. 10F as applicable and other prevalent conditions, if any.

#### NEW AMENDMENTS UNDER THE IT ACT

The Government of India has recently made amendments in the existing income tax laws to incorporate provisions relating to General Anti-Avoidance Rules (GAAR). GAAR would be effective from assessment year commencing on 1st April 2018 or thereafter.



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#### UNDER THE WEALTH TAX ACT, 1957

Assets as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax. Further the provisions of wealth tax has been abolished by Finance Act, 2015.

#### UNDER THE GIFT-TAX ACT

Gift tax is not leviable in respect of gifts made on or after 1st October, 1998.

Notes:

- a. The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
- b. The above statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
- c. Legislation, its judicial interpretations and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this note.
- d. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- e. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

The statement of possible tax benefits enumerated above is as per the Income Tax Act, 1961 as amended by the Finance Act 2015.

This note has been prepared solely in connection with the proposed listing of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Date : 03.11.2015  
 Place: Ahmedabad



For, Surana Maloo & Co.  
 Chartered Accountants  
 FRN 112171W

*Sunil Maloo*  
 CA. Sunil Maloo  
 Partner  
 M. No. 138564



## SECTION – IV – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

The Indian Edible Oil Industry is highly fragmented with extreme variation in the consumption pattern of Indian consumers of Edible Oil. Apart from cooking, edible oils can be used for a number of other uses and have applications in different industries.

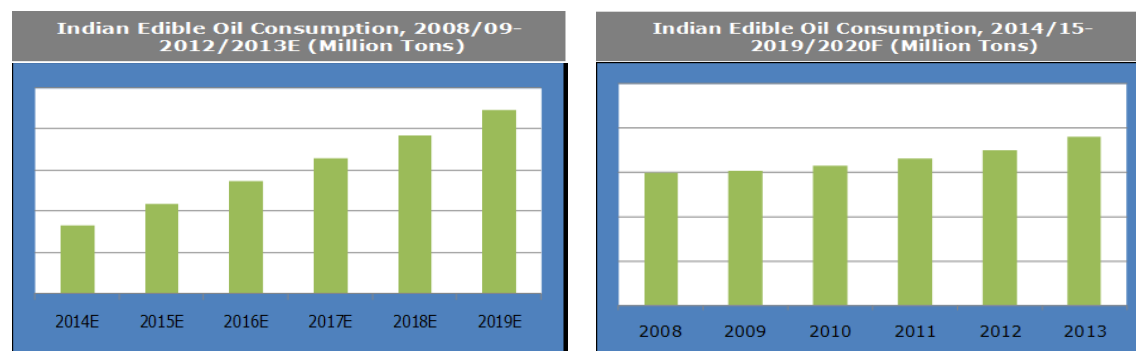
The Indian Edible Oil market continues to be underpenetrated and thereby holds immense business opportunities. Vegetable Oil consumption has increased due to rise in overall household income, surging retail sector, increasing health awareness, growing population and increasing demand. However, increasing demand has not matched with the level of production and thereby facilitating the imports of Edible Oil in the Country. The Indian Edible Oil market is the fourth largest in the world after the U.S.A, China and Brazil and accounts for around 9 percent of the world's oil seed production.

Provided the positive macro and demographic fundamentals, the Edible Oil market has a favourable demand growth outlook over the medium-to-long term. The Indian Edible Oil market is expected to witness robust expansion in the near future. However, rising Edible Oil prices and low yield per hectare are expected to be the challenges for this sector. Mergers and Acquisitions are a major trend in the Indian Edible Oil Industry.

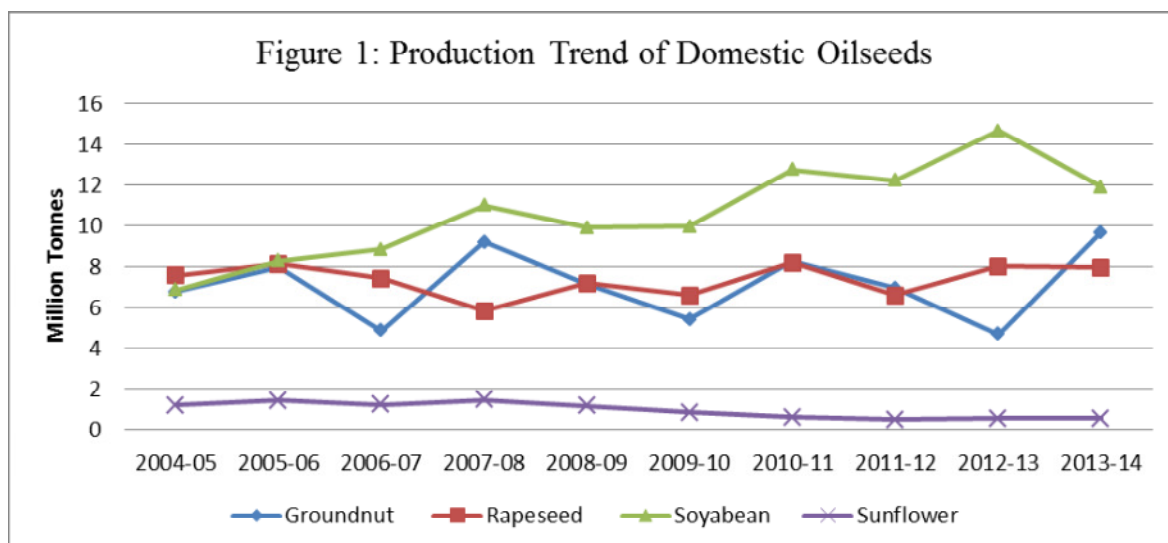
#### Indian Edible Oil Market – Overview:

Edible oils constitute an important component of food expenditure in Indian households. Historically, India has been a major importer of edible oils with almost 30-40% of its requirements being imported till 1980s. In 1986, the Government of India established the Technology Mission on Oilseeds and Pulses (TMOP) in order to enhance the production of oilseeds in the country. The TMOP launched special initiatives on several critical fronts such as improvement of oilseed production and processing technology; additional support to oilseed farmers and processors besides enhanced customs duty on the import of edible oils. Consequently, there was a significant increase in oilseeds area, production, and yields until the late-1990s. However, in order to fulfil its obligations towards various international trade agreements and also meet the increasing demand-supply deficits, India began to reduce import restrictions on edible oils in the late 1990s; and it was gradually brought under Open General License. This led to a significant slump in the domestic oil seeds market, as edible oil prices fell sharply in line with the low international prices prevailing at that time. Subsequently, the duty structure was modified so as to maintain a duty differential between crude and refined varieties in order to protect the domestic industry. Nevertheless, due to high import dependence, domestic edible oil prices remain highly correlated to international edible oil price movement, and this has resulted in volatility in the key credit metrics of rated edible oil companies. At the same time, ICRA notes that edible oil companies with benefits of large-scale integrated operations, multi-product offerings and recognizable branded presence in retail markets have fared better as compared to small/medium-scale domestic oilseed crushers.

#### Consumption Trend of Edible Oil in India



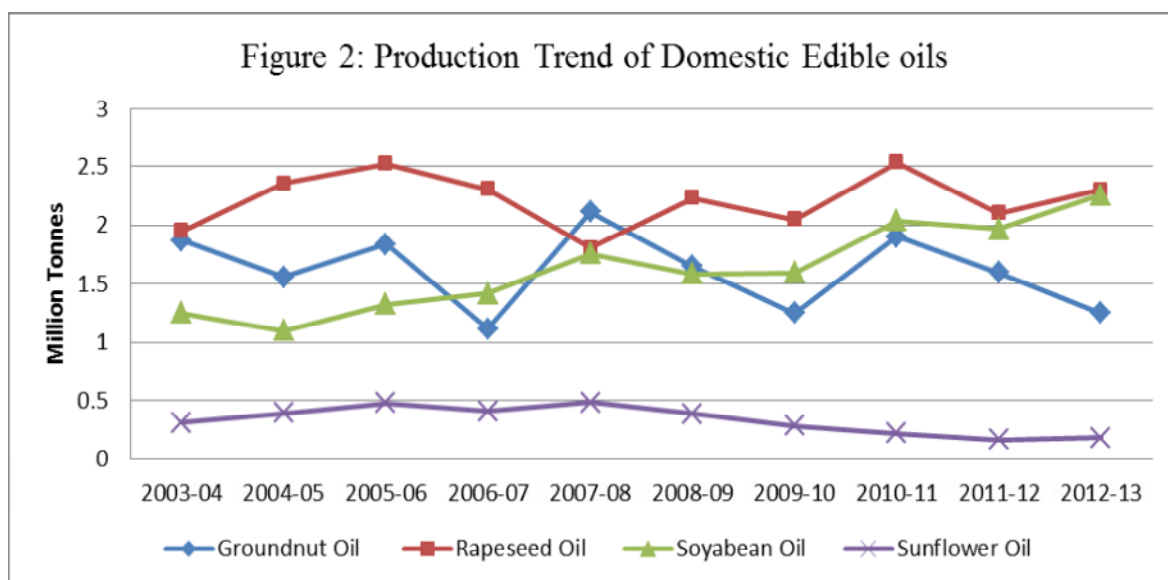
## Production Trend of Domestic Oilseeds



Source: Directorate of Economics and Statistics

- India's Soybean production has increased in the last 10 years at CAGR of 5.72 percent.
- Production of Rapeseed has increased in the last 10 years at CAGR of 0.48 percent.
- Production of Groundnut has increased in the last 10 years at CAGR of 3.63 percent.
- Production of Groundnut increased substantially from 4.60 million tons in 2012-13 to 9.67 million tones 2013-14 showing a growth of about 110%.

## Production Trend of Domestic Oils

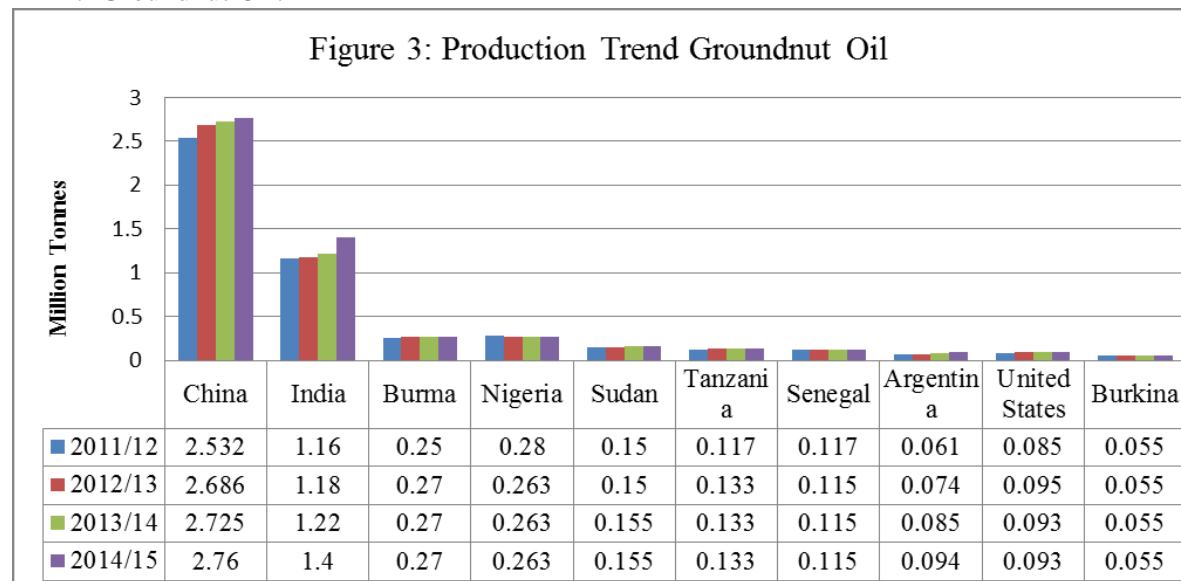


Source: Directorate of Economic and Statistics

- Soybean oil production has increased in the last 10 years at CAGR of 6.10 percent.
- Production of Rapeseed oil has increased in the last 10 years at CAGR of 1.66 percent.

## Global Production Trend of Domestic Oils

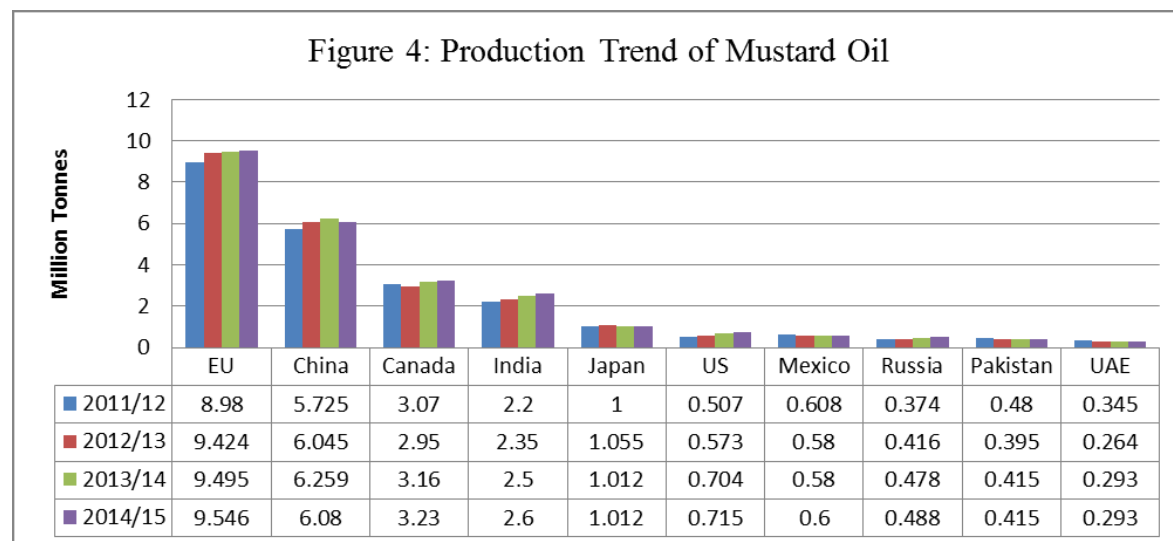
### A. Groundnut Oil:



Source: United States Department of Agriculture

- China is the top producer followed by India and Burma in 2013-14.
- India's share in global production of Groundnut Oil in 2013-14 was 23.85 percent.

### Mustard Oil:

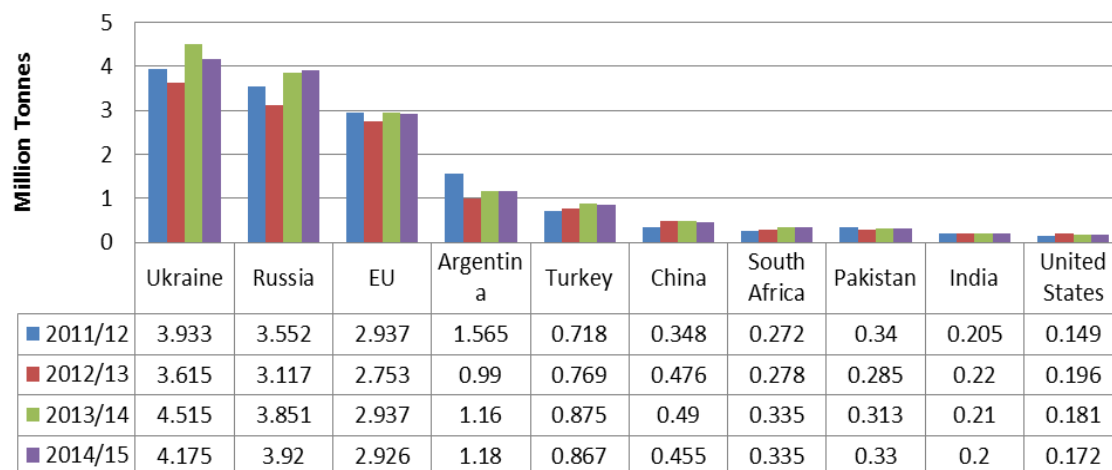


Source: United States Department of Agriculture

- European Union (EU) is the top producer followed by China and Canada in 2013-14. India is the fourth largest producer.
- India's share in global production of mustard oil in 2013-14 was 10.04 percent.

**B. Sunflower Oil:**

Figure 5: Production Trend of Sunflower Oil

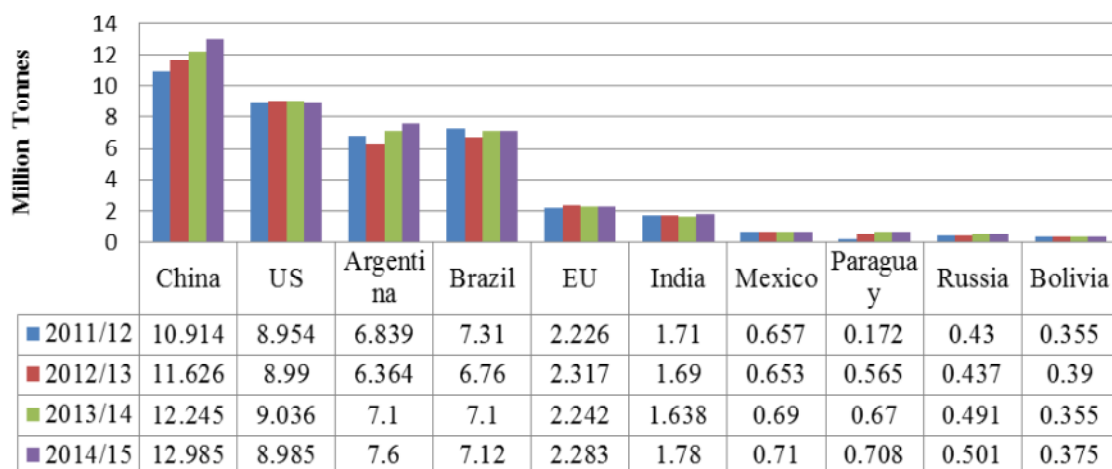


Source: United States Department of Agriculture

- Ukraine is the largest producer followed by Russia and EU in 2013-14. India is the 9th largest producer.
- India's share in global production of sunflower oil in 2013-14 was 1.41 percent.

**C. Soyabean Oil:**

Figure 6: Production Trend of Soybean Oil



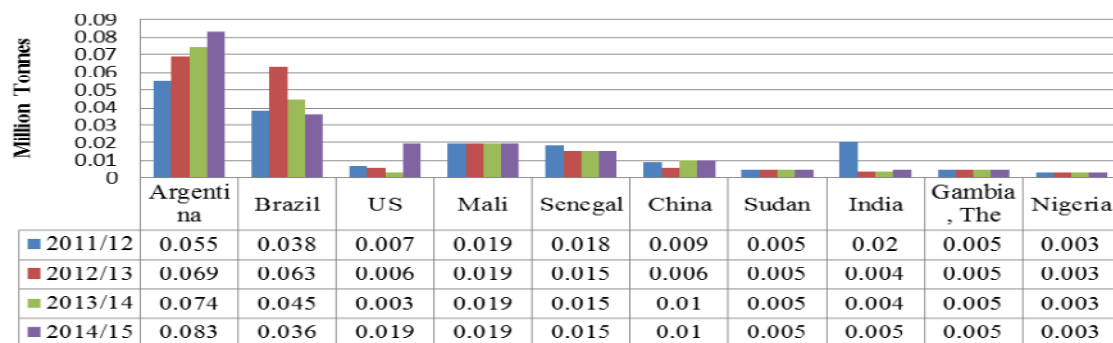
Source: United States Department of Agriculture

- China, United States, Argentina and Brazil were the key producers of Soybean oil in 2013-14.
- India's share in global production of Soybean Oil in 2013-14 was around 3.84 percent.

## Major Exporting & Importing Countries of Edible Oils:

### A. Groundnut Oil:

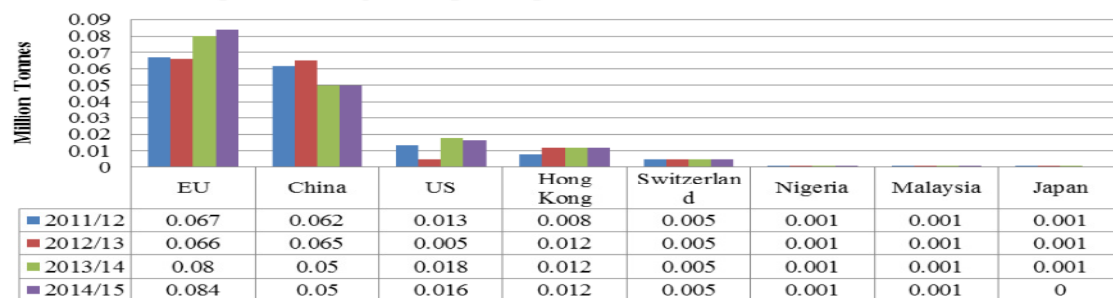
Figure 7: Major Exporting Countries of Groundnut Oil



Source: United States Department of Agriculture

- Argentina and Brazil are the top two exporting countries of Groundnut oil in 2013-14. India was the 8th largest exporting country in world.

Figure 8: Major Importing Countries of Groundnut Oil

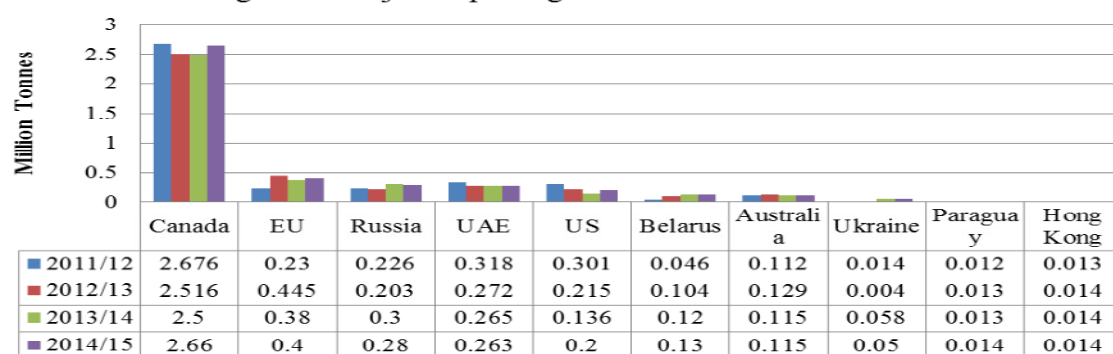


Source: United States Department of Agriculture

- EU and China are the major importing bloc/country of groundnut oil.

### Mustard Oil:

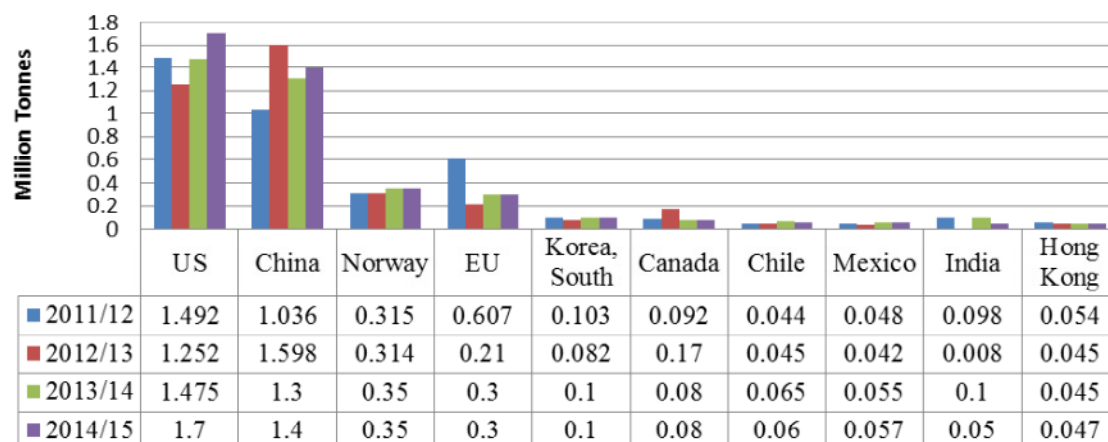
Figure 9: Major Exporting Countries of Mustard Oil



Source: United States Department of Agriculture

- Canada was the largest exporter of Mustard oil in the world followed by EU and Russia.

Figure 10: Major Importing Countries of Mustard Oil

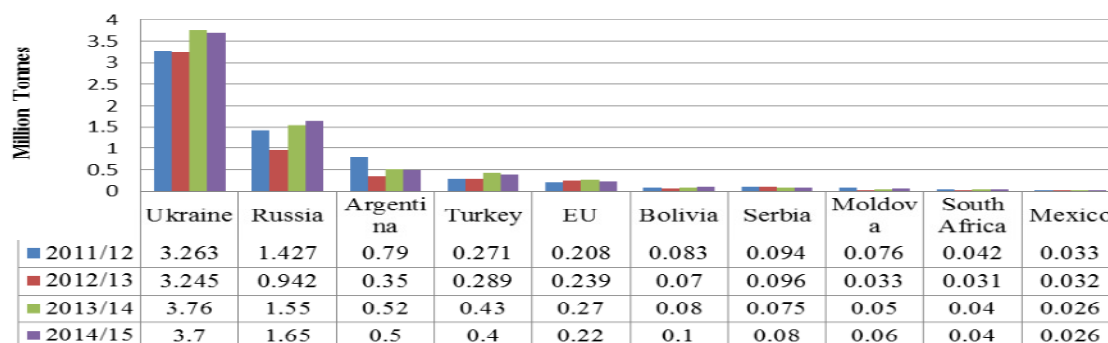


Source: United States Department of Agriculture

- The US and China were the leading importing countries of Mustard oil in the world. India was the 9th largest importing country in 2013-14.

### Sunflower Oil:

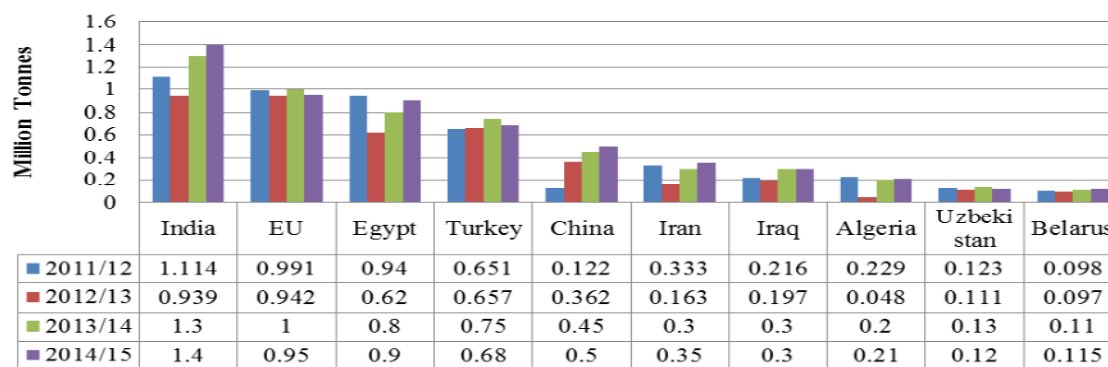
Figure 11: Major Exporting Countries of Sunflower Oils



Source: United States Department of Agriculture

- Ukraine and Russia were the top two global exporters of sunflower oil during 2011-12 and 2013-14.

Figure 12: Major Importing Countries of Sunflower Oil

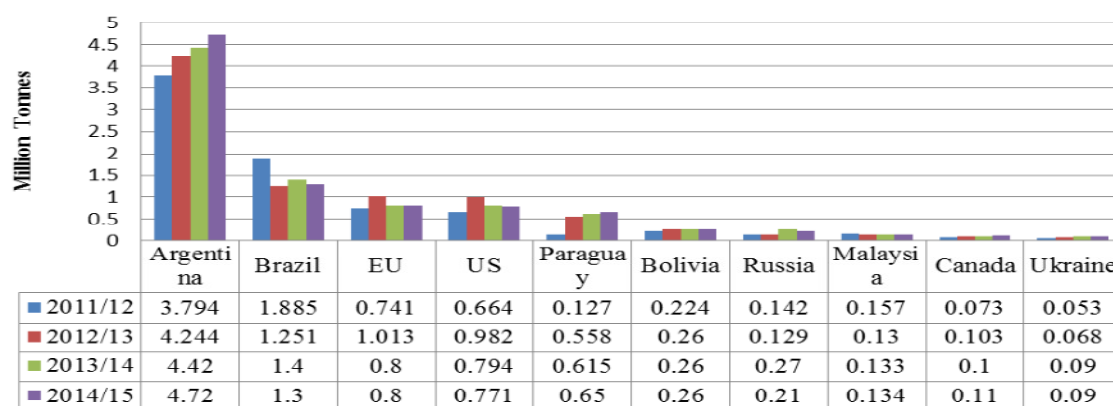


Source: United States Department of Agriculture

- India was the largest importer of Sunflower oil followed by EU, Egypt, and Turkey during 2013-14.
- There was a secular increase in the importation of Sunflower oil of China.

**B. Soyabean Oil:**

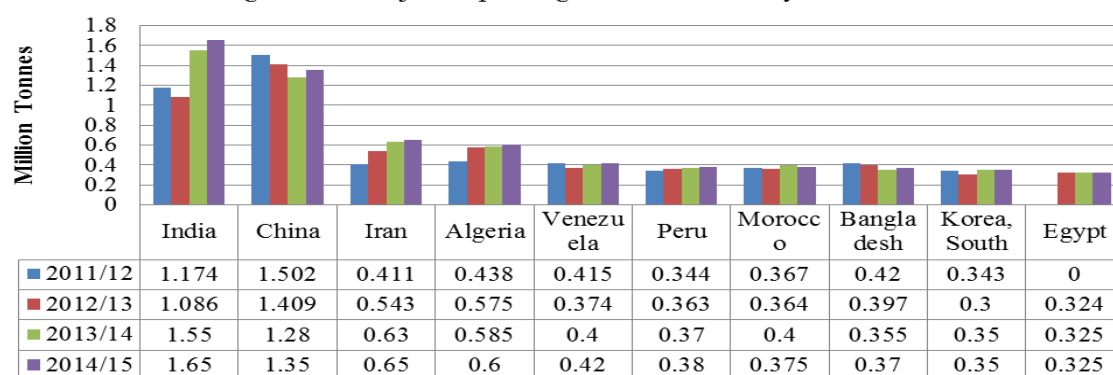
Figure 13: Major Exporting Countries of Soybean Oil



Source: United States Department of Agriculture

- Argentina was the largest exporting country in the world followed by Brazil, EU, and the US during 2013-14.

Figure 14: Major Importing Countries of Soybean Oil

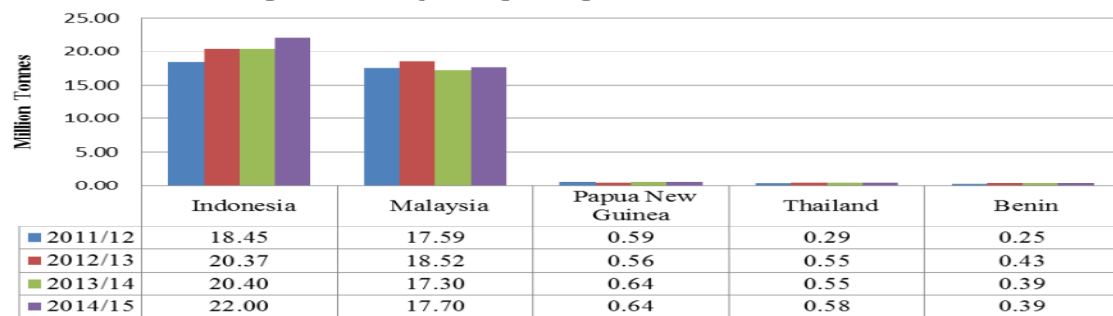


Source: United States Department of Agriculture

- India was the largest importer of soybean oil that constituted 14.53 percent of the global import in the year 2013-14.

**Palm Oil:**

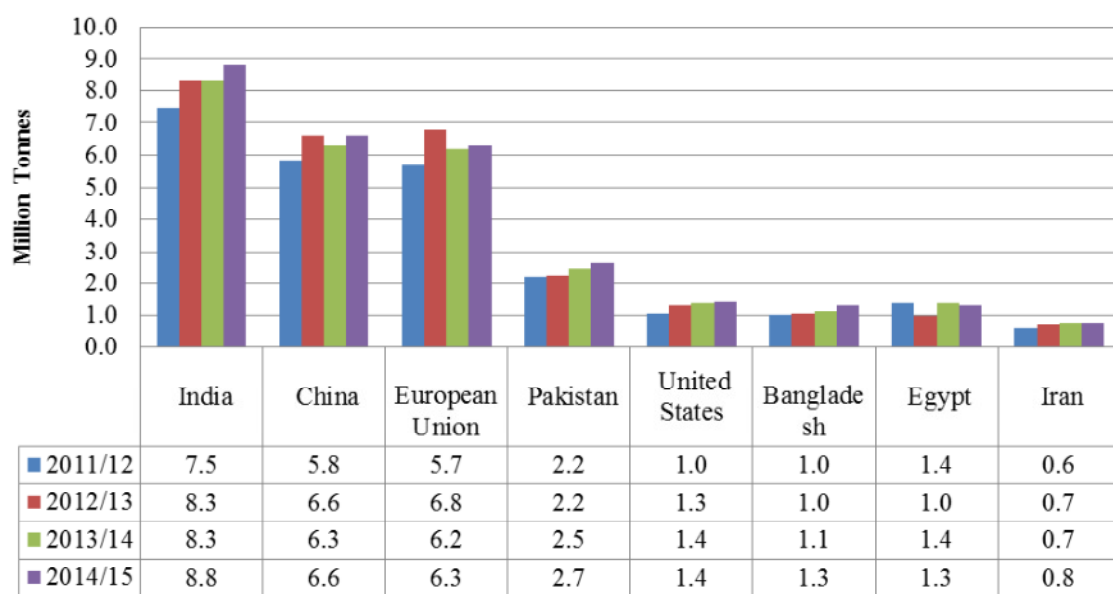
Figure 15: Major Exporting Countries of Palm Oil



Source: United States Department of Agriculture

- Indonesia and Malaysia hold both competitive as well as comparative advantage in exportation of Palm oil in the world.

Figure 16: Major Importing Countries of Palm oil



Source: United States Department of Agriculture

- India is the largest importer of Palm oil in the world followed by China, EU and Pakistan.

### India's Import of Major Edible Oils

(Million Tonnes)

India's Import of Major Edible Oils			
Year	Soyabean Oil	Palm Oil	Sunflower Oil
2010-11	1.2	4.9	0.6
2011-12	0.8	6.5	0.8
2012-13	1.1	8.4	1.1
2013-14	1.3	7.6	1.1
2014-15 (April – Dec)	1.7	6.3	1.3

Source: Department of Commerce

India imports substantial amount of edible oils for its domestic consumption. Among all edible oils importation into India, Palm oil importation share is around 70-80 percent.

### India's top import sources of Palm, Soya and Sunflower Oils

India's top import sources of Palm, Soya and Sunflower Oils	
Edible Oils	Import Source
Palm Oil	Indonesia & Malaysia
Soyabean Oil	Argentina & Brazil
Sunflower Oil	Ukraine & Argentina

Source: Department of Commerce



**BUSINESS OVERVIEW**

Gokul Agro Resources Limited (GARL) is one of the leading FMCG Companies of India with international presence having state of the art manufacturing and processing facilities for various kinds of Edible and Non-Edible oils and meals. It is an ISO 22000:2005 certified company with its customers spread across the world.

GARL operates across the world with its trade and also have a subsidiary in Singapore in order to cater its international trading operations in the key parts of the world. GARL has its extensive marketing and distribution network which reaches out the customers of 11 states in India. We cater these states with products such as Refined Soya bean oil, Cottonseed oil, Palm oil (Palmolein), Sunflower oil, Groundnut oil, Vanaspati oil etc.

GARL has also been engaged in manufacturing and exports of industrial products viz. castor oil of various grades and its derivatives. It also has one of the largest manufacturing facilities to produce various grades of castor oil and also Castor de-oiled cakes etc. GARL's manufacturing facilities have been approved by many international importers / end users and which is why GARL established a huge loyal customer base in various countries across continents. The company supplies its products to United States, South Korea, European Union, China, Singapore, Indonesia, Malaysia, Russia and Vietnam.

The Company owns state of the Art production facility equipped with latest equipment and technology in Gandhidham, Gujarat, India. GARL proximity to ports and connectivity with major rail/road networks not only ensures uninterrupted supply of raw materials with cost effectiveness but also facilitates extensive distribution of our production domestic and international markets at optimal supply chain cost.

**PROCESS OF MANUFACTURING****Seed processing and Solvent Extraction plant:**

Seeds are cleaned to remove impurities like Stones, Broken Seeds, Husks etc, cleaned seed are charged into hoppers through chain conveyor. After opening of dumpers, seeds start to pour in Kettle of the machine, and the steam will be directly passed through seeds. Centrally revolving clamped shaft will mix the seed and steam to make seed soft and will push it to screw press chamber of the machine. Cakes are cleaned to remove impurities like husk, stones particles etc, through pre cleaner and de stoner which will be further fed to the Cracker Breaker to make small pieces. This cake can be fed to the solvent extractor. In the solvent extractor cakes will be sprayed through food grade Hexane and so on will extract the oil content (7 to 9 %) out of the flakes. This mixer will be further fed to De-solventiser Toaster to evaporate hexane particles and oil particles. Output of the Toaster section at bottom is De Oil Cake and will be separately collected, conveyed and packed in Gunny Bag or PP bag. Evaporated particles will be fed to Distillation and recuperation section to depart oil and hexane. This recovered hexane will be reused in the process. So produced raw grade oil will be required to go through refining to produce refined Solvent extracted mustard oil.

**Refining Process of Edible Oil:**

**Refining of oil:** Refining means to remove impurities from the oil, which are not desirable. Oil having two types of impurities (a) oil soluble as coloring matter, odiferous compound, free fatty acid, gummy materials etc. (b) other type of impurities are oil insoluble as sand, seed fragment, dust, straw etc.

We are using two methods for refining of raw oil.

- 1) Chemical process
- 2) Physical process

Vegetable oil refining consists of all necessary operations to which oil is submitted in order to obtain a final product of which the colour, taste smell, and stability make it apt for human consumption. Most of the vegetable oils contain impurities, such as fatty acids, phosphatides, pigments, metals, etc., which have to be removed so as to obtain a product. The different steps of the process depend upon the type and quality of the oil to be treated.

**Chemical Process:** In chemical process impurities of oil is removed by the reaction of some chemicals.

The chemical refining consists in:

- Acid conditioning Neutralization
- Separation of gums and soap in centrifuge
- Washing with water with separation of soaps with centrifuge
- Bleaching
- Deodorizing

**Physical process:** In Physical process impurities are removed by physical method means there is no chemical reaction takes place.

- Bleaching
- Deodorizing

Acid conditioning cum neutralizing process:-

**De-gumming:** De-gumming is the process of removal of phosphatides and other limy or mucilaginous material. The process consists of hydrating the gums by subsequent removal by centrifugal separation. The oil so obtained is then sent for neutralization.

**Bleaching:** The oil, after initial purification, is bleached by contact with activated earth and charcoal to improve the colour of the oil to acceptable levels. The process also removes any soap traces left in the oil after water washing any other metallic compounds present in the oil. The process consists of mixing the oil with adequate quantities of bleaching earth, heating it for a specified time temperature cycle followed by removal of bleaching earth from the oil by a filtration process.

**Deodorizing:** The bleached oil still needs deodorizing to remove impurities, which impart objectionable odours or flavors to the oil. The oil is subjected to high temperature and high vacuum conditions. The oil is cooled, mixed with antioxidants and filtered. The final product is sold in the markets as refined vegetable oil.

### **Manufacturing Process of Vanaspati:**

In this process the phase of oil changes by adding hydrogenation at double bond of carbon chain. The main processes involved in manufacturing of Vanaspati are.

**Hydrogenation process:** Hydrogenation is an operation involving the direct addition of hydrogen at the double bonds of the fatty acid chain that enters in the composition of the triglycerides of the oil. It means converting liquid oils to semisolid, plastic fats suitable for shortening or margarine manufacture. The purpose is to adjust the consistency of the oil. The hydrogenation process is performed by batch.

The steps are:

- Heating the incoming oil by exchange with the out coming hydrogenated oil.
- Final heating of the incoming oil by HP Steam to the required temperature.
- Hydrogenating the batch in the reactor. After the Ni-catalyst is mixed the hydrogen is introduced in the oil and dispersed by the agitator blades.

- Drain of the reactor to the drop tank.
- Cooling by means of the heat exchange with the incoming oil.
- Filtration of the oil to remove the catalyst.

**Bleaching Process:** Filtered oil from autoclave is feed in post bleacher, this oil is bleach with bleaching earth .The temperature of bleacher keep in between 100-110OC; the bleaching is done under vacuum of 26” Hg. Bleaching time remains 30 minutes. This bleach oil is filtered through PLF & send for deodorization.

**Deodorization Process:** Some smell is developed during hydrogenation & bleaching process, this smell is removed in deodorization process. In Deo., oil is deodorized under high vacuum of 2-5 Torr. Temperature of deo keeps 225-250OC. The odiferous compounds basically are aldehyde, Ketones, alcohols etc. these compounds are volatile in nature, on high temperature & under vacuum these compound distilled out. After deodorization oil goes to storage tank & from storage tank to blending tank where Vitamin & til oil are mixed .Now the blend is ready for packing. After blending this Vanaspati is pack in different pack size, packed material send to cold room where this packed material is kept under low temperature. Vanaspati from cold room is send to the dispatch Godown. Vanaspati is dispatched from the Godown.

**The process of Castor oil is as follows:**

#### **B.S.S. Grade Castor Oil:**

When Castor Seeds are traditionally crushed in traditional type expeller where the Castor seed after cleaning fed to cooking chamber where the seeds are heated with direct as well as indirect steam and then to screw type expeller, the commercial oil comes out, Due to high pressure and heat little dark color oil is obtained. Oil obtained is also having some gums and water. The crude oil so obtained is collected in underground tank, and then transferred to the de-gumming / de-sliming vessel traditionally called neutralizer, where the oil is heated to 110 C so all the foots and fragments are separated and settled. The so obtained oil is called commercial Castor oil. The commercial Castor oil is then charged to Bleacher for further purification and is Purified by adding Bleaching Earth and activated carbon under vacuum and heat, one the process complete the oil is filtered with help of pressure leaf filter to remove carbon and Bleaching Earth added. The filtered oil is light in colour and called B.S.S. Grade Castor Oil.

#### **Manufacturing Process of Tin for Packaging:**

Tin plate shears in shearing machine as per the size required for body cylinder and for top bottom of the can. Sheets sheared in the shearing machine taken to roll forming machine for rolling of sheets to make suitable for side seam welding Sheet rolls are welded in side welding machine and send to Starch former where it stretched and make square and send to flanging machine to flange the square body of the can.

During this top and bottom of the can are made in the power press and top of the tin send to the projection welding machine where handle is welded to it with chapdi. This top bottom and flanged body are send to the seaming machine to seam the top bottom with body after seaming soldering is carried out at top and bottom of the tin to make it leak proof. After soldering tin is ready for different type of tests such as

Pressure Test: The Tin is tested by the air pressure gauge with requisite pressure. Hydraulic Pressure Test: The Tin is tested by the hydraulic pressure with requisite pressure. Handle Pull Test: The Handle of Tin is tested by handle pull test machine by applying 40 Kgs. If the above tests are found O.K., then these Tins are cleaned and coated with laker to prevent from whether effects.

#### **Packaging Facility**

The oils meant for retail and semi retail segments are packed in different types of packaging depending upon

the target market. The Company has state of art packing facility of almost all the factory locations.

The packing facility of Company involves the following.

1. Packing of TIN and Plastic Jar.
2. Manufacturing and packing of Bottles (Automatic machines)
3. Packing of Pouch.

## ABOUT PRODUCTS

The Company is in the following lines of business:

- Seed processing and Solvent Extraction
  - o Oil cake
  - o Solvent extracted oil
  - o De-oiled cake
- Refining of crude Edible oil to produce refined
  - o Castor Oil
  - o Soyabean oil
  - o Sunflower oil
  - o Groundnut oil
  - o Cottonseed oil
  - o Palm oil
- Hydrogenation of oil to produce
  - o Vanaspati ghee

## CAPACITY/CAPACITY UTILIZATION

The plant and machinery installed are based on state-of-the-art technology, acquired from world renowned suppliers. We have existing capacity as mentioned below:

<b>Year 2014-15</b>				
<b>Plant</b>		<b>Installed Capacity in MT</b>	<b>Capacity Utilization in MT</b>	<b>%</b>
Refinery		403200	281075.1739	70%
Castor Seed	Crushing/ Cold Press	672000	249099.07	37%
	Solvent	336000	149440.2105	44%
Soya Seed	Refinery	201600	146771.6537	73%
	Solvent	504000	52364.2263	10%
	Degumming	84000	9689.336	12%
Vanaspati	Vanaspati/HPS/Bakery	63840	28041.64535	44%

<b>Year 2015-16</b>				
<b>Plant</b>		<b>Installed Capacity in MT</b>	<b>Capacity Utilization in MT</b>	<b>%</b>
Refinery		168000	146756.3605	87%
Castor Seed	Crushing/ Cold Press	280000	85334.713	30%
	Solvent	140000	51193.9892	37%
	Refinery	84000	59568.5986	71%
Soya Seed	Solvent	210000	0	0%
	Degumming	35000	0	0%
Vanaspati	Vanaspati/HPS/Bakery	26600	15174.21249	57%

### **INFRASTRUCTURE FACILITIES FOR RAW MATERIALS AND UTILITIES LIKE WATER, ELECTRICITY, ETC.**

#### **Raw Material**

Since all the products pass through the same process we have shown the process wise requirement of raw materials:

<b>Process</b>	<b>Raw materials</b>
Seed processing and Solvent Extraction	Various seeds, steam, power, fuel & water
Refinery	Crude oil of various types, steam, power, fuel & water
Vanaspati	Refined Vegetable oil, steam, power, fuel & water
Soyabean Extraction	Soyabean seeds, Soyabean crude oil, steam, power, fuel & water

#### **Utilities**

<b>Particulars</b>	<b>Avg. Consumption Per Month</b>
Power	22 lakh KWH
Coal	4800 MT
Furnace Oil	10 MT
Water	52,000 KL

#### **Manpower**

Our Company has employed approximately 518 employees at present at various levels. We also hire contract labourer's depending on the requirement. Currently our employee strength at Ahmedabad is 112 and for Gandhidham unit, it is 406.

#### **MARKETING STRATEGY**

At present Company is selling its various range of products under the flagship brand ZAIKA, which is volume driven brand for the Company.

But, Company is planning to increase its market share in Branded Sales and increase in Profitability by launching its NEW Premium Brands quality products such as **VITALIFE**, **MAHEK** and other premium products in different phases through existing marketing and distribution network along with Modern Retail

chain stores such as BIG BAZAAR, RELAINCE RETAIL, RELIANCE CASH AND CARRY, WALL MART, DMART AND OTHER REGIONAL RETAIL CHAIN STORES in respective states.

The Company is also planning to launch phase wise Advertisement Campaign for its premium category products targeting upper middle class and above consumers through various medias viz. Outdoor, print, electronic such as FM Radio stations etc.,.

The Company is also planning to increase its Marketing staff for marketing premium brands to be launched by the company.

The Company is also planning to set up Castor Derivatives Plant adjacent to existing plant, which is considered as a value added industrial products of Castor Oil having good margins which will increase export sales and profitability both.

#### **Details of Registration of Brands including new Brands to be launched**

<b>Sr. No.</b>	<b>Name of Brand</b>	<b>Type of Oil</b>
1	ZAICA	REFINED PALM OLIEN. REFINED SOYABEAN OIL, VANASPATI AND REFINED COTTONSEED OIL
2	MAHEK	PALM SUPER OLIEN AND PREMIUM QUALITY VANASPATI
3	VITALIFE	PREMIUM QUALITY REFINED SUNFLOWER OIL, REFINED RICEBRAN OIL AND REFINED SOYABEAN OIL, DOUBLE FILTERED AND REFINED GROUNDNUT OIL AND REFINED COTTONSEED OIL.
4	RICHFIELD	SPECIAL FATS
5	BISCOPRIDE	BAKERY SHORTENING VANASPATI
6	PUFFPRIDE	BAKERY SHORTENING VANASPATI
7	CREAMPRIDE	BAKERY SHORTENING VANASPATI
8	PRIDE	REFINED PALM OLIEN AND VANASPATI

#### **BUSINESS STRATEGY**

##### **Backward Integration**

As a part of backward integration at the Gandhidham unit, where we are currently using significant capacity in refining crude Soyabean oil, we have setup a Soyabean Solvent Extraction plant. The output of the Solvent Extraction plant shall form part of the input of the existing refining unit at Gandhidham.

##### **Perennial Operations**

Soyabean seed is available in the local market for approximately 4 months in a crop year. For rest of the year we import crude Soyabean oil. During the local crop season and increased supply in the raw material prices in domestic market tend to reduce, resulting into an imbalance between the import prices and local price of crude oil, hence import of crude oil becomes unviable. To ensure that perennial supply of refined Soyabean oil for our customers, our Company is setting up this Soyabean Solvent Extraction plant this will also help to increase our exports.

#### **COMPETITIVE STRENGTH**

##### **1. One of the leading players in the Edible oil industry**

Our Promoter Directors have been in this industry for over 35 years. Wide experience of the Promoters has helped our Company to grow at this rate. This experience has allowed us to leverage our existing in-house production skills, relationships with our customers and market visibility to further enhance our existing strength in the Edible oil industry and to expand our product offerings and geographic presence, both within India & abroad.

## 2. Versatile manufacturing capabilities

Our manufacturing facilities at Gandhidham have the ability to provide comprehensive range of oil products. Moreover, we believe that we are one of the few players in the vegetable oil industry in India that are able to produce a broad variety of oil & derivative products. Our facilities are versatile in nature; we can process various types of oils including Palmoilen, Castor, Soyabean, Cotton, Sunflower, Groundnut, etc. The existing setup is such that we can switch over from processing of one type of oil to another type of oil with no down time. This gives us extreme flexibility to manufacture all types of oils depending on the market requirement and availability of raw materials at competitive rates. Hence, we are not dependent on any particular source of raw material, whether imports or local purchases. Also in case of failure of a particular type of crop, we believe we shall be less affected as we can refine some other oil or can also import oil as we are near to the ports.

## 3. Large-scale, state-of-the-art technology based integrated units

The plant and machinery installed are based on state-of-the-art technology, acquired from world renowned suppliers. We have existing capacity as mentioned below:

Year 2015-16				
Plant		Installed Capacity in MT	Capacity Utilization in MT	%
Refinery		168000	146756.3605	87%
Castor Seed	Crussing/ Cold Press	280000	85334.713	30%
	Solvent	140000	51193.9892	37%
	Refinery	84000	59568.5986	71%
Soya Seed	Solvent	210000	0	0%
	Degumming	35000	0	0%
Vanaspati	Vanaspati/HPS/Bakery	26600	15174.21249	57%

Our manufacturing facilities are quite integrated starting from, our own seed processing facilities, Solvent Extraction capabilities, refineries to refine the crude oil, import of crude oil for refining round the year, packaging of the products in our in-house tin cans manufacturing facilities and manufacturing of Vanaspati ghee. Our existing Gandhidham unit is ISO 9001:2000 certified. We believe that this large-scale and versatile manufacturing infrastructure gives us a significant advantage over other unorganized players in the industry and allows us to compete more effectively with organized manufacturers in this sector. Our large-scale, versatile operations allow us to develop efficient and cost-effective processes for different products at short notice and to maintain capacity to take on new opportunities as they arise. As a result, we are able to reach a wider market through our large scale of operations and to provide a product mix that responds to customer demands.

### Optimum capacity utilization

Our Company has been utilizing its capacities at optimum levels, inspite of the constant increase in its capacities over the years. We have been utilizing our capacities of castor seed crushing - 30%, castor seed solvent processing 37%, castor refining 71%, oil refining - 87%, and Vanaspati - 57% capacity levels. Using the capacities at these levels will allow us to sustain the competition and enable us to achieve economies of

scale, which are not available to the competitors not achieving optimum capacity utilization whether organized or unorganized.

### **High-quality products**

We have invested in high-quality, technologically advanced manufacturing equipments to ensure efficient production of high-quality products. The scale of our operations and our experience in the business, have enabled us to provide higher quality products in response to customers demand for “premium” Edible oil. We believe our high-quality products set us apart from the unorganized sector of the Edible oil industry and enable us to compete with the organized players. We also believe that our investment in technology also allows us to provide a higher quality to our overseas customers demanding bulk quantities, allowing us to attract new customers and differentiate ourselves from other competitors.

### **Our wide product range**

Our Company has wide range of products, offering Sunflower oil, Groundnut oil, Cottonseed oil, Palmolein oil, Vanaspati oil and Soyabean oil. We are engaged in the business of oil refining, seed processing, and Solvent Extraction. The Company has varied oil & derivative products in its product basket allowing the customer to choose from them. Commitment to uphold product excellence using ISO 9002 gives a competitive edge to Company’s products. Our Company mainly deals in Edible oils in bulk quantities and consumer retail packs of 15 Kgs, 15 Litre, 10 Litre, 5 Litre, 1 Litre and 500 ml. Penetration in the rural areas is more with smaller packs. Currently most of our revenues are derived from Edible oils, De-oiled Cakes etc. We also intend to increase our product range by introducing new generation and hygienic products. We derive most of revenue from sales in the domestic market of mentioned below:

- Solvent extracted Oil
- Refined Soyabean Oil
- Refined Sunflower Oil
- Refined Groundnut Oil
- Refined Cotton Oil
- Refined Palm Oil
- Refined Castor Oil
- Hydrogenated Vanaspati Oil / Vegetable Ghee
- De-Oiled Cake

### **Distribution network**

We have a well-established network spread across 11 States catered by our 23 C&F agents and their and 1679 distributors among 11 depots. Our Company has a strong retailing network; going ahead we will further spread our area of operations. We intend to engage more C&F agents, increase the product visibility by our continuous brand building activities through various incentives and promotional schemes for our C&F agents and distributors to have pan India presence. With the help of distribution network & marketing team, we keep ourselves updated about market demand & consumer requirements. Based on this information & marketing team, we reschedule our production & distribution. We keep adequate stocks at our depots so as to make our product available at short notices.

### **Strategic location of our manufacturing plants**

Our plant is strategically located near the source of raw materials to ensure cost savings and optimum logistic benefits. Our manufacturing plant is located at **Gandhidham** – This plant is situated in taluka Anjar, district Kutch, Gujarat. It is very near to the Kandla port thereby ensuring time savings and a cost effective method for import of crude oil during the off season of local seeds availability.



**Export Capability**

In the Solvent Extraction process we have a by-product (De-Oiled Cake) from the different oils which we produce and process, viz. Soyabean, Groundnut, Cotton, etc. We export these by-products, of consistent quality, in bulk quantities, this helps us earn better realizations on our by-products as we save on the logistics cost. Other players with smaller capacities cannot export, as their by-products are in smaller quantity and it is not economically viable to export such small quantities, we also purchase these small quantities from units with small capacities and export. Hence our Company becomes a one point solution supplier for the importers of De-Oiled Cake. This also indirectly allows us to hedge the exchange fluctuation risk related to import of crude oil.

**Increasing global foot print**

Our Company has already invested part of its investment in the foreign subsidiary in Singapore. The Singapore subsidiary is involved into procurement of raw material and trading of commodity.

**HISTORY**

Gokul Agro Resources Limited (the “Resulting Company”) was originally incorporated on July 3, 2014 under the Companies Act, 2013. The Hon’ble High Court of Gujarat at Ahmedabad by its order dated June 12, 2015 has approved the Scheme of Arrangement in nature of Demerger amongst, Gokul Refoils and Solvent Limited and Gokul Agri International Limited and Gokul Agro Resources Limited and their respective shareholders and creditors.

**Main Object of Gokul Agro Resources Limited as set out in Memorandum of Association of the Company is as under:**

To carry on the business of manufactures, cultivators, millers, grinders, processors of all oils, and solvents, seeds and Soya beans nuts and to extract and refine all by-products, derivatives like edible oil, medical oil from such products and allied products and to deal in, buy, sell, market, distribute, trade, import, export in all the aforesaid products. To set up oil seeds, Bran Seed Cakes processing complex for expelling, extraction and refining of oils by mechanical, electrical and/or chemical means from all or any of the kind and/or type of commodities viz rice bran, all type of oil cakes and all kinds of oil bearing seeds and nuts. To manufacture oil derivatives, acid slury, refine, prepare, treat, purchase, sell, import, export, store, distribute or otherwise deal in rice bran, oil cakes and seeds, nuts, soaps, vegetable ghee and deoiled brans, perfumery and all kinds of by-products and ingredients thereof. Also, to manufacture, produce, install, commission, operate, prepare, pay, import, buy, sell, supply, distribute or otherwise deal in all forms of energy, Wind Power, Power generation, production and conversion activities in all its forms, inclusive of but not restricted to various renewable sources like solar energy, wind energy, all forms of biomass, geothermal energy, hydel energy, tidal and wave energy as also defective and efficient utilization of conventional energy forms like coal, oil, gas, electricity and all equipments that may be associated with such energy related activities.

**SUBSIDIARY COMPANY****MAURIGO PTE LIMITED, SINGAPORE**

The Company was incorporated on September 1, 2006 in Republic of Singapore. Mr. Paresh Vedawala, Mr. Kanaiyalal Modi and AW YONG SENG (OU YONG SHENG) were the First Directors of the Company. Further, our wholly owned subsidiary Maurigo Pte Limited (MPL), is engaged in the business of procuring raw materials and trading in Edible / non-edible oils and de-oiled cake in Singapore. It is also into commodity, derivatives trading. These investments have provided global presence to our Company.

**Registration Number** - 200612848E

**Address of Registered Office** - 10, ANSON Road, #43-13, International Plaza, Singapore – 079903

**List of Directors**

Sr. No.	Name	Designation
1	Modi Sirishkumar Jagdishbhai	Director
2	Paresh Wedawala	Director
3	Rajeshkumar Modi	Director

**Capital Structure**

Particulars	Amount (US\$)
Issued Capital	20,00,001
Paid Up Capital	20,00,001

**Shareholding Pattern**

Sr. No.	Name of Share Holders	% of Holding	Nos. of Shares	Amount of Shares (Rs.)
1.	Gokul Agro Resources Limited	100	2000001	2000001

**Financial Summary**

Particulars	As at and for the year ended March 31-				
	2015	2014	2013	2012	2011
Sales and other Income	453250	3459618	16820648	54744272	114384440
Profit / (Loss) for the period	(48073)	15186	(296698)	(111167)	470942
Equity Share Capital	2000001	2000001	2000001	2000001	1500001
Reserves and Surplus	2376844	2424976	2409731	2706429	2817596
Earnings per Share	(0.024)	0.008	(0.15)	(0.06)	0.31
Net Asset Value	2.19	2.21	2.20	2.35	2.88

**MANAGEMENT OF GOKUL AGRO RESOURCES LIMITED****BOARD OF DIRECTORS:**

The general supervision, direction and management of our operation and business are vested in our Board, which exercises its powers subject to the Memorandum of Association and Articles of Association of our Company and the requirements of Indian laws. Our Board of Directors presently comprises 6 Directors, of which 1 is Managing Director, 2 Non-Executive Directors and 3 are Independent Directors. We have 1 Woman Directors on our Board. The following table sets forth details regarding our Board of Directors as of the date of this Information Memorandum:

**The Board of Directors of the Company is as follows:**

Mr. Balvantsinh Rajput	- Chairman, Non-Executive Director
Mr. Kanubhai Thakkar	- Managing Director
Mr. Bipinkumar Thakkar	- Non-Executive Director
Mr. Piyushchandra Vyas	- Independent Director
Dr. Dipoooba Devada	- Independent Director
Mr. Karansinhji Mahida	- Independent Director

**Details regarding Board of Directors of the Company are given below:**

<b>Name, Occupation, Nationality and DIN</b>	<b>Age</b>	<b>Address</b>	<b>Directorships</b>
Mr. Balvantsinh Rajput <b>Designation:</b> Chairman, Non-Executive Director <b>Occupation:</b> Service <b>Nationality:</b> Indian <b>DIN:</b> 00315565	53	12, Ambikanagar Society, Opp. GEB, Sidhpur – 384151	1. Gokul Refoils and Solvent Limited 2. Gujarat Gokul Power Limited 3. Gokul Minex Private Limited 4. Gokul Infracon Private Limited 5. Gokul Infratech Private Limited 6. Gokul Solvex Private Limited 7. Gokul Agri International Limited 8. Gokul Agro Resources Limited
Mr. Kanubhai Thakkar <b>Designation:</b> Managing Director <b>Occupation:</b> Service <b>Nationality:</b> Indian <b>DIN:</b> 00315616	53	29, Ambikanagar Society, Opp. GEB, Sidhpur – 384151	1. Gokul Refoils and Solvent Limited 2. Gujarat Gokul Power Limited 3. The Solvent Extractors Association of India 4. Gokul Infracon Private Limited 5. Gokul Agro Resources Limited 6. Gokul Agri International Limited
Mr. Bipinkumar Thakkar <b>Designation:</b> Non-Executive Director <b>Occupation:</b> Service	46	B-33 Upasana Co. Op Ho. Soc. Ltd., S. No. 315, On The Canal From Ghodasar To Vatva, Maninagar,	1. Gokul Refoils and Solvent Limited 2. Gokul Minex Private Limited 3. Professional Commodity Services Private Limited 4. Gokul Agri International Limited 5. Gokul Agro Resources Limited

<b>Nationality:</b> Indian <b>DIN:</b> 06782371		Ahmedabad – 380008	6. Banas Agromarket Infrastructure LLP
Mr. Piyushchandra Vyas <b>Designation:</b> Independent Director <b>Occupation:</b> Service <b>Nationality:</b> Indian <b>DIN:</b> 01260934	73	'Hari Om', 29/B, Vasuki Society, Vasna, Ahmedabad – 380007	1. Gokul Refoils and Solvent Limited 2. Gokul Agri International Limited 3. Gokul Agro Resources Limited
Dr. Dipooaba Devada <b>Designation:</b> Independent Director <b>Occupation:</b> Service <b>Nationality:</b> Indian <b>DIN:</b> 01260934	55	35/3, Adyapak Nivas, Gujarat Vidyapith, Ashram Road, Ahmedabad – 380009	1. Gokul Refoils and Solvent Limited 2. Gokul Agri International Limited 3. Gokul Agro Resources Limited
Mr. Karansinhji Mahida <b>Designation:</b> Independent Director <b>Occupation:</b> Service <b>Nationality:</b> Indian <b>DIN:</b> 02237323	67	1759/B, Sector 2D, Sector 2, Gandhinagar – 382002	1. Gokul Refoils and Solvent Limited 2. Gokul Agri International Limited 3. Gokul Agro Resources Limited

**Shareholding of Directors**

Sr. No.	Name of Director	Designation	No. of Shares held	% Shareholding
1	Kanubhai Jivatram Thakkar	Managing Director	2,08,58,788	15.81
2	Balvantsinh Chandansinh Rajput	Chairman and Non-Executive Director	2,10,74,515	15.98
3	Piyushchandra Ramchandra Vyas	Independent Director	300	0.00
4	Dipooaba Halaji Devada	Independent Director	-	-
5	Karansinhji Dolatsinhji Mahida	Independent Director	-	-
6	Bipinkumar Jayantilal Thakkar	Non-Executive Director	-	-

**Brief Biography of the Directors****Mr. Balvantsinh Rajput – Chairman, Non-Executive Director**

Mr. Balvantsinh Rajput, aged 53 years, a resident Indian national, is a Chairman of our Company.

Mr. Balvantsinh Rajput, started as a commodity trader and has come a long way in establishing the fortunes of the group in the past 25 years. He has experience of about 3 decades, both in edible oil and non-edible oil businesses.

He started his career in the year 1982 by setting up an oil mill of 50 TTD capacities. Later in the year 1992 he laid the foundation of our Group Company. He is associated with various Trade Associations and is an active politician. At present he is a sitting M.L.A. of Gujarat legislative assembly representing Sidhpur constituency. He is a co-chairman of SEA Imported Vegetable Oil Processing committee. He is also associated with various Trade Associations.

**Mr. Kanubhai Thakkar – Managing Director**

Mr. Kanubhai Thakkar, aged 53 years, a resident Indian national, is a Managing Director of our Company.

Mr. Kanubhai Thakkar is currently serving as a Managing Director and has been instrumental in the formation of the group. He started as a commodity trader and has about 3 decades of experience in edible oils. He is the recipient of the “Oil Man of the Year” award in the year 2005 from ‘Glob oil India’.

He is actively involved in the business development activities and major expansion initiatives undertaken by the group. He plays a vital role in the hedging activities undertaken by the Company. He was instrumental in setting up & developing a subsidiary in Singapore to establish a presence in global market. Under his able leadership our Company is expanding its Gandhidham plant.

Presently he is the Chairman of Western Zone Solvent Extractors’ Association of India and an office bearer of various committees like; SEA International Oil and Oil meal Trade Council, SEA Imports Vegetable Oil Processors Council, SEA Castor seed and Oil Promotion Council.

**Mr. Bipinkumar Thakkar – Non-Executive Director**

Mr. Bipinkumar Thakkar, aged about 46 years, is a Non-Executive Director of the Company. He is Competent Professional having 20 Years of Experience in the field of Agriculture, Food Processing Industries, Power Sector, Real Estate Sector, new Projects and relationship management and Finance & Accounts. He is having expertise in key-working areas like, diverse industry verticals like, power, edible oil, real estate and food processing. He is actively involved in the upcoming 125 MW captive lignite based power plant in one of the associated company namely Gujarat Gokul Power Limited since 8 years and also Projects like SWA, Haldia Refinery, Mining Projects and other diversified business. His association with Gokul Refoils and Solvent Limited as Board Member shall further cement the Company's growth.

**Mr. Piyushchandra Vyas – Independent Director**

Mr. Piyushchandra Vyas, 73 Years, is an Independent Director of our Company. He holds a Bachelors Degree in Commerce and L.L.B. He has worked with SBI for 6 years as a Grade I officer.

He has worked with the Gujarat Industrial Investment Corporations Limited as Financial Controller for 17 years. He has also worked as Executive Director (Finance) with Gujarat State Police Housing & Corporation

Limited for 5 years. He has held the post of GM with the Mafatlal Finance Company also. He has also been associated with the Gujarat Chamber of Commerce as Dy. Secretary General and Indo American Chamber of Commerce as Secretary. He was Director in many Companies. His rich experience in Corporate Governance shall always show the correct path to the Company and achieve its target successfully.

**Dr. Dipooaba Devada – Independent Director**

Dr. Dipooaba Devada, 54 Years, is an Independent Director of Our Company. She is Post graduate in Science & Education and a Ph.D. She is currently the Principal of Dada Dukhayal College of Education and a life member of the All India Association of Educational Research, Gujarat Ganit Mandal & Gujarat Statistical Association. She is appointed as Pro Vice Chancellor of Hemchandracharya North Gujarat University with effect from 5th October, 2013. She would be assisting to the Vice Chancellor. The administrative functions of this University are spread in five districts of Gujarat State and supervise functioning of approx. 300 educational institutions. Company shall gain to be guided with her roots in education field and very valuable experience to handle administrative functions of Educational Institutions.

**Mr. Karansinhji Mahida – Independent Director**

Mr. Karansinhji Mahida, aged about 66 years, is an Independent Director of the Company. He has rich experience of more than 31 years in Government and Government Corporations in various capacities. In addition to this he has served as an Additional Secretary to the Government of Gujarat. His elevation to the position of repute in State Governance itself speaks of his capabilities. His advice to the Board of Gokul Refoils and Solvent Limited shall remain invaluable.

**Compensation of Managing Directors/ Whole Time Directors**

**Mr. Kanubhai Thakkar** has been appointed as the Managing Director of the Company by the Board of Directors in their meeting held on June 30, 2015 with total maximum remuneration of Rs. 6,00,000/- per month for a period of 3 years with effect from July 1, 2015 subject to approval of shareholders.

## CORPORATE GOVERNANCE

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to the Company immediately upon the listing of its Equity Shares on the Stock Exchanges. The Company is fully compliant with the provisions of Clause 49 of the Listing Agreement.

GARL philosophy envisages the attainment of the highest standards of Corporate Governance by timely disclosures, transparent accounting policies, responsibility and fairness. The Management of the Company is of the view that good Corporate Governance Policy is one which results in the control of the Company in a regular manner, which makes management transparent, ethical, accountable and fair resulting in enhanced shareholder value.

Shareholders of the Company normally have a little role to play in the routine management of corporate operations. However, they absolutely have the right to elect their representatives (Directors) to manage their interests and to obtain the information based on that they need to make investments and voting decisions. The Board of Directors of our Company has adopted a set of Practices for a good Corporate Governance to ensure the efficient and effective discharge of their duties and responsibilities individually and collectively to the shareholders of the Company.

### COMPOSITION OF BOARD OF DIRECTORS:

The Board of Directors of the Company comprises of Executive and Non-executive Directors as under.

Sr. No.	Name	Designation	Category
1	Mr. Kanubhai Thakkar	Managing Director	Executive & Non-Independent
2	Mr. Balvantsinh Rajput	Chairman	Non-Executive & Non-Independent
3	Mr. Bipinkumar Thakkar	Non-Executive Director	Non-Executive & Non-Independent
4	Mr. Piyushchandra Vyas	Independent Director	Non- Executive & Independent
5	Dr. Dipoooba Devada	Independent Director	Non- Executive & Independent
6	Mr. Karansinghji Mahida	Independent Director	Non- Executive & Independent

### COMMITTEES OF THE BOARD:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Shareholders Relationship Committee
4. CSR Committee
5. Risk Management Committee
6. Anti-Sexual Harassment Committee

#### 1. Audit Committee:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, and other applicable regulations, the Company has framed an Audit Committee consisting following members:

1. Mr. Karansinghji Mahida
2. Mr. Piyushchandra Vyas
3. Dr. Dipoooba Devada
4. Mr. Kanubhai Thakkar

Company Secretary of the Company shall act as the Secretary of the Audit Committee.



The Audit Committee is to look after the additional assurance as to reliability of financial information and statutory financial statements and as to the adequacy of internal accounting and controls systems. It would be a link between the Management, and the statutory auditors.

The Audit Committee is vested with the following powers, roles and responsibilities.

1. Providing recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Reviewing & monitoring auditor's independence and performance, and effectiveness of audit process;
3. Examining financial statement and the auditors' report thereon;
4. Scrutinizing inter-corporate loans and investments;
5. Evaluating internal financial controls & risk management systems;
6. Monitoring the end use of funds raised through public offers and related matters;
7. Valuation of undertakings or assets of the company, wherever it is necessary;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Any other responsibilities as may be assigned by the Board from time to time.

## **2. Nomination & Remuneration Committee:**

In pursuance of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a committee of the Board of Directors is constituted to be called as "Nomination & Remuneration Committee" with the following members.

1. Mr. Piyushchandra Vyas
2. Mr. Karansinghji Mahida
3. Dr. Dipoooba Devada
4. Mr. Kanubhai Thakkar

The committee is authorized to formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

Apart from discharging the above -mentioned functions, the Remuneration Committee also discharges the following functions:

1. Framing policies and compensation including salaries and salary adjustments, incentives, bonuses, promotion, benefits, stock options and performance targets of the top executives;
2. Remuneration of Directors; and
3. Strategies for attracting and retaining employees and employee development program.

## **3. Shareholders / Investors Grievances Committee**

In pursuance of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a committee of the Board of Directors is constituted to be called as "Shareholders / Investors Grievances Committee" with the following members.

Ms. Chinar Jethwani	- Investor Relation Officer
Mr. Piyushchandra Vyas	- Member
Mr. Karansinghji Mahida	- Member
Dr. Dipoooba Devada	- Member
Mr. Kanubhai Thakkar	- Member

The Committee is set up to oversee redressal of shareholder and investor grievances, and, inter alia, approve sub-division / consolidation / issue of duplicate share certificates, transmission of shares and issue & allotment of shares upon exercise of Options under the Company's Employee Stock Option Schemes etc. The Committee assisted by the Company Secretary, performs the crucial role of overview of shareholder servicing and redressing complaints.

#### **4. CSR Committee:**

Pursuant to the provisions of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is constituted comprising of the following members of the Board of Directors of the Company as the members of CSR Committee.

1. Mr. Kanubhai Thakkar
2. Mr. Bipinkumar Thakkar
3. Ms. Dipoooba Devada

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

The committee shall, inter-alia, include the following.

1. To formulate and to recommend to the Board, CSR Policy which shall indicate the activities to be undertaken by the Company as per Companies Act, 2013.
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company.
3. To monitor the CSR Policy of the Company from time to time.
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The quorum of the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher. The committee is further authorized to do all such acts, deeds and things which may be necessary for giving effect to the functions to be executed by the CSR Committee.

#### **5. Risk Management Committee:**

The provisions of Section 134 (3) (n) of the Companies Act, 2013 necessitate that the Board's Report should contain a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

Further, the provisions of Section 177 (4) (vii) of the Companies Act, 2013 require that every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia include evaluation of risk management systems.

The following members of the Board shall constitute the Risk Management Committee, and shall look after the affairs falling under the purview of the said Committee.

- |                           |            |
|---------------------------|------------|
| 1. Mr. Karansinhji Mahida | - Chairman |
| 2. Dr. Dipoooba Devada    | - Member   |
| 3. Mr. Piyushchandra Vyas | - Member   |
| 4. Mr. Kanubhai Thakkar   | - Member   |

The members of Risk Management Committee shall place their recommendations from time to time for review, perusal and approval of the Board of Directors.

#### 6. Anti-Sexual Harassment Committee:

Pursuant to the Guidelines and Norms laid down by the Hon'ble Supreme Court in the case of Vishaka and Others v/s State of Rajasthan and Others, it is necessary and expedient for employers in work places as well as other responsible persons or institutions to observe certain guidelines to ensure the prevention of sexual harassment of women. In line of the same, it shall be the duty of the employer or other responsible persons in work places or other institutions to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of acts of sexual harassment by taking all steps required.

In compliance of the Rules passed by the Ministry of Law and Justice for the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company constituted an anti-sexual harassment committee.

The Board Members discussed the matter and considered the constitution of Anti-Sexual Harassment Committee for the Company.

A Committee to be constituted by the Management to consider and redress complaints of Sexual Harassment. The Committee to be comprised of minimum 4 members. One of them shall be a woman employee at a senior level at workplace from amongst employees, who shall be designated as the **Presiding Officer**. Two members from employees preferably committed to the cause of women or who have experience in social work or have a legal knowledge. And one member from amongst Non-Governmental Organizations or Associations committed to the cause of women or a person familiar with the issues relating to the sexual harassment.

At least one half of the total members shall be women.

#### Committee:

Sr. No.	AT H.O. – Ahmedabad		AT PLANT - Gandhidham	
1	Ms. Chinar Jethwani	Presiding Officer	Ms. Dixita Modh	Presiding Officer
2	Ms. Swati Soni	Member	Ms. Chinar Jethwani	Member
3	Dr. Manoj Upadhyaya	Member	Mr. Ashutosh Bhambhani	Member
4	Ms. Vinita Thakkar	Member	Ms. Himanshi Thakkar	Member
5	Mr. Chirag Shah	Member	Mr. Amit Sheth	Member

The Committee shall adopt and follow the policy framed and approved by the Board of Directors of the Company.

The role, powers, scope of functions and duties of the Audit committee and shareholders/Investors' Grievance Committee of the Board are as per the applicable provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Since, the Company was not listed, the Clause 49 of the listing Agreement was not applicable to the Company. However the same is complied with and will be complied with continuously, with effect from the date of this Memorandum.

The Directors have no interest in the transactions of the Company, otherwise than as directors of the Company and of those companies in which they are Directors.

**Change in Board of Directors since the Company's inception**

The following are the changes to the Board of Directors of the Company since inception.

Sr. no.	Particulars	Name of Director	Date of Appointment / Cessation
1	Appointment of Director	Mr. Dipak Thakkar	02.02.2015
2	Reconstitution of the Board	Appointment of – 1. Mr. Balvantsinh Rajput 2. Mr. Bipinkumar Thakkar 3. Mr. Piyushchandra Vyas 4. Dr. Dipoooba Devada 5. Mr. Karansinghji Mahida  Resignation of- 1. Mr. Jayesh Thakkar 2. Mr. Dipak Thakkar 3. Mr. Hitesh Thakkar	20.04.2015
3	Change in Designation (from Director to Managing Director)	Mr. Kanubhai Thakkar	01.07.2015

**KEY MANAGERIAL PERSONNEL****Mr. Hitesh Thakkar – CEO**

Mr. Hitesh Thakkar, CEO of the Company is Professional Engineer with over 13 years of experience in setting up and operating edible oil plants. He is having strong experience in the areas of project management, operations, developing relationship with institutional buyers, expanding distribution network He has played a vital role in the growth story of Gokul Group by leading project teams to set-up seed processing and extraction plants, refineries and power plants at Sidhpur, Gandhidham and Haldia.

**Mr. Dipak Thakkar – VP-EXIM**

Mr. Dipak Thakkar is currently serving as VP - EXIM with the Company. He is done with his higher studies in the streams of Engineering and Business Management. He has done his B.E. (Hons.) Mechanical Engineering from BIST, Pilani at UAE and Masters in Business Administration from Management Development Institute of Singapore. He has also been well versed with Export - Import Procedures and Documentations and Comprehensive Framework for Stock Market, Nifty, Currency, Gold, Silver along with its Technical Analysis. He has overall experience of more than 2 years with leading Corporates at UAE and with Gokul Group as well.

**Dr. Manoj Kumar Upadhyaya – VP-Legal**

Dr. Manoj Upadhyaya possesses Highest Educational Qualifications available in the Country in Law / Literature with Distinction such as M.A. (English), LLM (Labor Law), Ph.D. in Constitutional Law, Ph.D. in English Literature and Masters in Business Law. He is having vast experience for over 30 years in the Legal Field with various leading Corporates. He has served in different positions such as Legal Officer, General Manager - Legal, VP - Legal with Reliance Industries Limited, Tata International Limited, Adani Group, Gokul Group etc. During his tenure, he has handled issues related to Secretarial, Insurance, Indirect Taxation;

Representations before SEBI, Competition Commission, Tribunals, High Courts and Supreme Court etc. He has been dealing with multifarious types of litigations, relevant from the point of Modern Corporate Sector.

**Mr. Manish Kella – CFO**

Mr. Manish Kella is having over all more than 20 years' experience and 15 years of post-qualification experience in the field of Legal/Secretarial and Finance. He has worked with various leading corporates in edible oil industry in various positions such as a Company Secretary and Compliance Officer, Finance and Taxation Head etc. During his tenure in Secretarial and Finance stream, he has handled various assignments of corporate restructuring. He has also made his remarkable contribution in the field of Finance in addition to the Secretarial and Compliance Field. He has a vast experience of dealing with various Government Departments and liaisoning with Statutory Authorities including Crisis Management.

**Ms. Chinar Jethwani – CS**

Ms. Chinar Jethwani is a qualified member of the Institute of Company Secretaries of India. She possesses Academic Qualifications such as Bachelors in Commerce, CS, Diploma in Legal Studies and presently pursuing LLB. She is having close to 3 years of experience with a Public Listed Company and an NBFC – Micro Finance Company. She has also served as a member to the Legal Advisory Committee of Gujarat Chamber of Commerce and Industries, and currently serving as an Independent Director on the Board of couple of renowned companies.

Promoters / Members of Promoter Group of GARL are as under

1. Mr. Balvantsinh Rajput
2. Mr. Kanubhai Thakkar
3. Mrs. Bhikhiben Rajput
4. Mrs. Manjulaben Thakkar
5. Mrs. Hansaben Rajput
6. Mr. Jayesh Thakkar
7. Mr. Dharmendrasinh Rajput
8. Shantiniketan Financial Services Private Limited
9. Profitline Securities Private Limited

Brief profile of Promoters is as under.

**1. Mr. Balvantsinh Rajput**



PAN – ABFPR4053A  
Passport Number - F0473938

Mr. Balvantsinh Rajput is the Chairman of the Company. He began as a commodity trader. He with span of time entered in to agro product industry. Gokul Refoils and Solvent Limited (GRSL) is one of the well-known edible oil industries under his leadership. Mr. Balvantsinh Rajput has articulated, designed and implemented the growth story of Gokul Group. His vision to produce products of great taste and purity and reach it to each and every kitchen in India has shown the path of success to the Group. He is co-chairman of the Vegetable Oil Processing Committee constituted by Solvent Extractors Association of India (SEA). He is also associated with various Trade Associations.

**2. Mr. Kanubhai Thakkar**



PAN – AARPT7593C  
Passport Number - G2020260

Mr. Kanubhai Thakkar is the Managing Director of the Company. He has experience of more than 3 decades both in edible and non-edible oils business. He is actively involved in the business development activities and major expansion initiatives undertaken by the Company. He has been conferred the honour of “The Oil Man of the Year-2005” by ‘Globeoil India’, one of world’s premier vegetable oil research organization. He is also the Chairman of Western Zone Solvent Extractors Association of India and office bearer of various committees like SEA international oil and Oil Meal Traders Council, SEA Imports Vegetable Oil Processors Council, SEA Castor seed and Oil Promotion Council.

**3. Mrs. Bhikhiben Rajput**

PAN – ABFPR3417A  
Passport Number - A9020052

Mrs. Bhikhiben Rajput is one of the promoters' of our company. She is the wife of our promoter Mr. Balvantsinh Rajput. Currently she is not associated with our Company in any managerial capacity.

**4. Mrs. Manjulaben Thakkar**

PAN – AARPT7598K  
Passport Number – E0411136

Mrs. Manjulaben Thakkar is one of the promoters' of our company. She is the wife of our promoter Mr. Kanubhai Thakkar. Currently she is not associated with our Company in any managerial capacity.

**5. Mrs. Hansaben Rajput**

PAN – ABFPR4135D

Mrs. Hansaben Rajput is one of the promoters' of our company. She is the mother of our promoter Mr. Balvantsinh Rajput. Currently she is not associated with our Company in any managerial capacity.

**6. Mr. Jayesh Thakkar**

PAN – AIKPT6912C  
Passport Number - Z2124668

Mr. Jayesh Thakkar is currently serving as Vice President - Corporate Planning & Strategy in GRSL. He has done with his higher education in Mechanical Engineering from BIST, Pilani, UAE and Masters in Management and Strategy from The London School of Economics and Political Science, London. He was awarded Merit Scholarship for B.E. (Hons.) in Mechanical Engineering from the Birla Institute of Science & Technology, UAE. During his studies at London, he had been a Member of Management & Strategy, Finance Society and Alternative Investment Society at LSE.

He has overall experience of more than 5 years in Mechanical Department with the reputed Corporates in UAE and in Corporate Planning field with Gokul Group. He has been actively looking after the Future Planning and Strategies Formulation for the Company.

#### 7. Mr. Dharmendrasinh Rajput



PAN – AQNPR5541C  
Passport Number - F3109675

Mr. Dharmendrasinh Rajput has done BE (Mechanical) from Shrinivas Institute of Technology. Considering his qualifications, he has been appointed as President- Corporate Strategies with effect from 1<sup>st</sup> October, 2012 in one of our group companies and looking after export related activities. His scope of work includes overall responsibilities of Strategy Management.

#### 8. Shantiniketan Financial Services Private Limited

Shantiniketan Financial Services Private Limited was originally incorporated on January 29, 1996. The Company was promoted by Mr. Chhedilal Agrawal and Mr. Amlendu Sharma to carry on the business of Merchant Banking; to act as Investors, Financiers, Guarantors and to lend or deal with Money in various respects; to promote the formation and mobilization of capital, to manage capital and all other investments; and to act as underwriters, sub-underwriters, Management Advisors to Corporate Bodies and various persons, etc.

CIN - U67120WB1996PTC076814  
PAN - AA ECS4326E

#### Address of Registered Office

33A, Jawaharlal Nehru Road, 17th Floor, Flat - 14/A-1, Kolkata - 700071

#### List of Directors

Sr. No.	Name	DIN	Designation	Address
1	Jayeshkumar Kanubhai Thakkar	03050068	Director	29, Ambica Nagar Society, Opp. GEB, Sidhpur – 384151
2	Bhav nabnabn Kanubhai Thakkar	03630628	Director	Bahuchar Krupa Bunglow, State Highway No. 41, Sidhpur – 384151



**Capital Structure**

Particulars	Amount (Rs.)
<b>Authorized Capital</b>	
42,50,000 Equity Shares of Rs. 10/- each	4,25,00,000
Total	4,25,00,000
<b>Issued, Subscribed &amp; Paid Up Capital</b>	
41,32,300 Equity Shares of Rs. 10/- each	4,13,23,000
Total	4,13,23,000

**Shareholding Pattern**

Sr. No.	Name of Share Holders	% of Holding	Nos. of Shares	Amount of Shares (Rs.)
1.	Jayeshkumar Kanubhai Thakkar	93.65	38,70,000	3,87,00,000
2.	Bhavnaben Kanubhai Thakkar	6.35	2,62,300	26,23,000
	Total	100.00	41,32,300	4,13,23,000

**Financial Summary**

Particulars	As at and for the year ended March 31-				
	2014	2013	2012	2011	2010
Sales and other Income	2,17,067	-	-	25,20,000	23,62,500
Profit / (Loss) for the period	1,06,952	(84,202)	(32,288)	24,73,913	31,28,389
Equity Share Capital	4,13,23,000	4,13,23,000	4,13,23,000	4,13,23,000	4,13,23,000
Reserves and Surplus	12,55,19,191	12,54,12,239	12,54,96,441	12,55,28,729	12,30,54,816
Earnings Per Share (Basic & Diluted)	0.026	0.020	0.008	0.60	0.76
Net Asset Value	40.38	40.35	40.37	40.38	39.78

**9. Profitline Securities Private Limited**

Profitline Financial Services Private Limited was originally incorporated on January 23, 1996. The Company was promoted by Mr. Chhedilal Agrawal and Mr. Amlendu Sharma to carry on the business of Merchant Banking; to act as Investors, Financiers, Guarantors and to lend or deal with Money in various respects; to promote the formation and mobilization of capital, to manage capital and all other investments; and to act as underwriters, sub-underwriters, Management Advisors to Corporate Bodies and various persons, etc.

**CIN** - U67120WB1996PTC076752  
**PAN** - AABCP8381K

**Address of Registered Office**

33A, Jawaharlal Nehru Road, 17th Floor, Flat - 14/A-1, Kolkata - 700071

**List of Directors**

Name of Director	DIN	Designation	Address
Vinuji Amrutji Rajput	02537250	Director	8, Bahucharnagar Society, Kholwada, Sidhpur-384151

Dharmendrasinh Balvantsinh. Rajput	03050088	Director	12, Ambica Nagar Society, Opp. GEB, Sidhpur- 384151.
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### Capital Structure

Particulars	Amount (Rs.)
<b>Authorized Capital</b>	
40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000
Total	4,00,00,000
<b>Issued, Subscribed &amp; Paid Up Capital</b>	
40,00,000 Equity Shares of Rs. 10/- each	4,00,00,000
Total	4,00,00,000

### Shareholding Pattern

Sr. No.	Name of Share Holders	% of Holding	Nos. of Shares	Amount of Shares (Rs.)
1	Dharmendrasinh Rajput	50	20,00,000	2,00,00,000
2	Balvantsinh Rajput (On behalf of Arjunkumar Rajput)	50	20,00,000	2,00,00,000
	TOTAL	100	4000000	40000000

### Financial Summary

Particulars	As at and for the year ended on March 31 (Rs. In Lakhs)				
	2011	2012	2013	2014	2015
Sales and other Income	95.30	665.48	154.52	0.34	0.24
Profit / (Loss) for the period	32.44	-0.96	-2.19	-0.24	-0.47
Equity Share Capital	400.00	400.00	400.00	400.00	400.00
Reserves and Surplus	1063.35	1062.39	1060.20	1060.00	1059.57
Earnings Per Share (Basic & Diluted)	0.81	-0.02	-0.05	-0.01	-0.11
Net Asset Value	0.00	0.00	0.00	0.00	0.00

### CURRENCY OF PRESENTATION

In this Information Memorandum all references to 'Rupees' and 'Rs' are to Indian Rupees, the legal currency of India.

### DIVIDEND POLICY

There is no set dividend payment policy. Dividend is intended to be declared based on the quantum and availability of future profits and will be disbursed based on shareholder approval based on the recommendation of the Board of Directors.

**SECTION V – FINANCIAL INFORMATION****INDEPENDENT AUDITOR’S REPORT****Report on the Financial Statements**

We have audited the accompanying financial statements of **GOKUL AGRO RESOURCES LIMITED** (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

**Management’s Responsibility for the Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal controls systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the period ended on 31<sup>st</sup> March, 2015.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on the matters specified in paragraphs 3 & 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For, Surana Maloo & Co.  
Chartered Accountants  
FRN 112171W**

**Sd/-  
Per, Vidhan Surana  
(Partner)  
M. No: 041841**

**Place** : Ahmedabad  
**Date** : 27<sup>th</sup> May, 2015

**Annexure to the Auditors' Report**

A statement on the matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015 of **Gokul Agro Resources Limited** for the period 03.07.2014 to 31.03.2015.

We report that:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Auditors Remark</b>
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Physical Verification had been done by the Management at the reasonable Internal and they haven't found any material discrepancies.
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	Not Applicable
	(b) are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its Business. If not, the inadequacies in such procedures should be reported;	Not Applicable
	(c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	Not Applicable
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,	No, the company hasn't granted any loans Secured or unsecured.
	(a) whether receipt of the principal amount and interest are also regular; and	Not Applicable
	(b) if overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	Not Applicable
(iv)	Is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services? Whether there is a continuing failure to correct major weaknesses in internal control system?	As informed to us there is an adequate internal control system commensurate with the size of the company and nature of its business.
(v)	in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the	The Company hasn't accepted deposits during

	provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	the period.
(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;	Not Applicable
(vii)	(a) is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	Yes
	(b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	Not Applicable
	(c) whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.	Not Applicable
(viii)	whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	Not Applicable
(ix)	whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	Not Applicable
(x)	whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	Not Applicable
(xi)	whether term loans were applied for the purpose for which the loans were obtained;	Not Applicable

(xii)	whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	No such fraud on or by the company had been noticed or reported during the period.
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**For, Surana Maloo & Co.  
Chartered Accountants  
FRN 112171W**

**Sd/-  
Per, Vidhan Surana  
(Partner)  
M. No: 041841**

**Place : Ahmedabad**

**Date : 27<sup>th</sup> May, 2015**

<b>Gokul Agro Resources Limited</b> CIN - U15142GJ2014PLC080010 <b>Balance Sheet As at 31st March, 2015</b>		
Particulars	Note No.	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	1	500,000
(b) Reserves and surplus	2	(64,357)
<b>2 Current liabilities</b>		
(a) Short Term Borrowings	3	17,823,169
(b) Trade Payables	4	5,525,720
(c) Other Liabilities	5	544,599
<b>TOTAL</b>		<b>24,329,132</b>
<b>II. ASSETS</b>		
<b>Non-Current Assets</b>		
<b>1 (a) Fixed Assets</b>		
a. Tangible Assets	6	7,048,379
b. Intangible Assets		1,606,112
c. Capital Work in Progress		7,076,996
(b) Long Term Loans and Advances	7	5,858,000
<b>2 Current assets</b>		
(a) Short-term loans and advances	8	1,025,252
(b) Cash and cash equivalents	9	1,714,392
<b>TOTAL</b>		<b>24,329,132</b>
Significant Accounting Policies Notes to Accounts		A to B 1 to 10
<b>For and on behalf of the Board</b>  <b>Sd/-</b> <b>Kanubhai J. Thakkar</b> (Director) DIN - 00315616  <b>Sd/-</b> <b>Bipinbhai J. Thakkar</b> (Director) DIN - 06782371  Date : 27th May, 2015 Place : Ahmedabad		As per our report of even date, <b>For, Surana Maloo &amp; Co.</b> Chartered Accountants FRN - 112171W  <b>Sd/-</b> <b>Per, Vidhan Surana</b> Partner Membership No:041841  Date : 27th May, 2015 Place : Ahmedabad



<b>Gokul Agro Resources Limited</b> CIN - U15142GJ2014PLC080010 <b>Profit and Loss statement for the period ended 31st March, 2015</b>		
Particulars	Note No.	For the Period ended 31 March, 2015
<b>Expenses:</b>		
Bank Charges		751
Legal Expenses		63,606
<b>Total expenses</b>		<b>64,357</b>
<b>(Loss) for the period</b>		<b>(64,357)</b>
Earnings per equity share: Basic & Diluted		(1.73)
Significant Accounting Policies	A to B	
Notes to Accounts	1 to 10	
<b>For and on behalf of the Board</b>	As per our report of even date, <b>For, Surana Maloo &amp; Co.</b> Chartered Accountants FRN - 112171W	
<b>Sd/-</b> <b>Kanubhai J. Thakkar</b> (Director) DIN - 00315616		
<b>Sd/-</b> <b>Bipinbhai J. Thakkar</b> (Director) DIN - 06782371	<b>Sd/-</b> <b>Per, Vidhan Surana</b> Partner Membership No:041841	
Date : 27th May, 2015 Place : Ahmedabad	Date : 27th May, 2015 Place : Ahmedabad	

**Gokul Agro Resources Limited**

CIN - U15142GJ2014PLC080010

**Cash Flow Statement for the Period Ended on 31st March, 2015****[Amount in Rupees]**

Particulars	2014-15
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Profit(loss) before taxation and extraordinary items	<b>(64,357)</b>
<b>Operating Profit before working capital changes</b>	(64,357)
<b>Change in working Capital :</b>	
<b>Adjustment for Decrease (Increase) in operating assets</b>	
Other Current Assets	(1,250,252)
<b>Adjustment for (Decrease) Increase in operating liabilities</b>	
Other Current Liabilities	6,070,319
<b>Cash Generated from Operations</b>	<b>4,755,710</b>
<b>Cash Flow before extraordinary items</b>	<b>4,755,710</b>
Extraordinary Items/Prior Period Items	-
<b>Net cash from Operating Activities</b>	<b>4,755,710</b>
<b>B. NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	
Purchase of Fixed Assets	<b>(15,731,487)</b>
Advance for Capital Assets	<b>(5,858,000)</b>
<b>Net Cash from Investment Activities</b>	<b>(21,589,487)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Issue of Share Capital	500,000
Short Term Borrowing from Holding Company	17,823,169
<b>Net Cash from financial activities</b>	<b>18,323,169</b>
<b>NET INCREASE /(-) DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,489,392</b>
<b>FOREIGN EXCHANGE RATE FLUCTUATION</b>	-
<b>OPENING BALANCE IN CASH AND CASH EQUIVALENTS</b>	-
<b>CLOSING BALANCE IN CASH AND CASH EQUIVALENTS</b>	<b>1,489,392</b>

**Notes on Cash Flow Statement:**

- The above statement has been prepared following the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents consists of Cash on Hand, Balances with Banks and Fixed Deposit having having maturity of less than three months.

**For and on behalf of the Board**

Sd/-

**Kanubhai J. Thakkar**

(Director)

DIN - 00315616

As per our report of even

**For, Surana Maloo & Co.**

Chartered Accountants

FRN - 112171W

Sd/-

**Bipinbhai J. Thakkar**

(Director)

DIN - 06782371

Sd/-

**Per, Vidhan Surana**

Partner

Membership No:041841

Date : 27th May, 2015

Place : Ahmedabad

Date : 27th May, 2015

Place : Ahmedabad

**GOKUL AGRO RESOURCES LIMITED****Significant Accounting Policies:-****A Basis of preparation of financial statements**

- 1 The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 as adopted consistently by the company.
- 2 Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the company.

**B Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

**C Revenue Recognition**

Sale of goods is recognised on transfer of significant risk and rewards of ownership which is generally on shipment and dispatch to customers. Sale is inclusive of excise duty but exclusive of VAT. Sales includes income/loss on bargain settlements. Revenue/Loss from bargain settlement of goods is recongnized at the time of settlement of transactions. Export benefits/Value Added tax benefits are recognized as Income when the right to receive credit as per the terms of the scheme is established and there is no significant uncertainty regarding the claim. Other revenue/cost are recognized on accrual basis. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking in to account the amount outstanding and the rate applicable. Share of profit and loss from partnership firm is recognized when the company's right/obligation to receive/pay is established.

**D Fixed Assets****1 Tangible Assets**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

<b>2 Intangible Assets</b>	
	Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
<b>E Depreciation on fixed assets</b>	
<b>1 Tangible Assets</b>	
	Depreciation on Fixed Assets is provided on Straight Line Method basis and according to the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
<b>2 Intangible Assets</b>	
	Intangible assets consists of Computer Software's and Trademark are depreciated over a period of ten years.
<b>F Employee Retirement Benefit :-</b>	
	Company makes contributions in respect of provident fund to Government authorities and the liability is limited to the extent of contributions. The employees of the company are entitled to leave as per leave policy of the company.
<b>G Lease Rent:-</b>	
	Lease rentals are expenses with reference to lease terms and other considerations.
<b>H Taxation:-</b>	
	Taxation expense comprises current tax and deferred tax charge or credit. Provision for income tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. Advance tax and tax deducted at source are adjusted against provision for taxation and balance, if any, are shown in the balance sheet under respective heads.
<b>I Deferred Taxation</b>	
	Deferred tax resulting from timing differences between book and tax profit is accounted for under the liability method at the current rate of Income tax to the extent that the timing differences are expected to crystallize as deferred tax charge/ benefit in the profit and loss a/c and as deferred tax Assets/Liability in the Balance-Sheet.
<b>J Borrowing Cost</b>	
	Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily take substantial period of time to get ready for intended use. All other borrowing cost are charged to
<b>K Related Party Transaction</b>	
	Parties are considered to be related if at any time during the year; one party has the ability to control the other party or to exercise significant influence over the other party in making financial and / or operating decision.
<b>L Earning Per Share (EPS)</b>	
	The earning considered in ascertaining the company's EPS comprises the net profit for the period after tax attributed to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.
<b>M Provision, Contingent Liabilities and Contingent Assets</b>	
	Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes, Contingent assets are neither recognised nor disclosed in the financial statements.



<b>Note 2 Reserves &amp; Surplus</b>		<b>As at 31 March 2015</b>
<b>Particulars</b>		
<b>a. Surplus/(Deficit) of Profit &amp; Loss Account</b>		
Opening balance		-
Add:- Net Profit/(Loss) For the current year		(64,357)
<b>Closing Balance</b>		<b>(64,357)</b>
<b>Note 3 Short Term Borrowings</b>		
<b>Particulars</b>		<b>As at 31 March 2015</b>
<b>Unsecured</b>		
- From Holding Company		17,823,169
<b>Total</b>		<b>17,823,169</b>
<b>Note 4 Trade Payables</b>		
<b>Particulars</b>		<b>As at 31 March 2015</b>
Sundry Creditors for Expenses		5,096,513
Other Payables		429,207
<b>Total</b>		<b>5,525,720</b>
<b>Note 5 Other Current Liabilities</b>		
<b>Particulars</b>		<b>As at 31 March 2015</b>
Duties & Taxes		544,599
<b>Total</b>		<b>544,599</b>
<b>Note 7 Long Term Loans &amp; Advances</b>		
<b>Particulars</b>		<b>As at 31 March 2015</b>
<b>a. Capital Advances</b>		
Secured Considered Good		
- Advance for Capital Goods		5,800,000
<b>b. Security Deposits</b>		
Secured Considered Good		
- Electricity Deposit		35,000
- VAT Deposit		10,000
- CST Deposit		10,000
- Other Deposit		3,000
<b>Total</b>		<b>5,858,000</b>
<b>Note 8 Short-term loans &amp; advances</b>		
<b>Particulars</b>		<b>As at 31 March 2015</b>
Prepaid Expenses		955,007
Advance given to Vendors		42,500
Value Added Tax Receivables		25,000
Interest Accrued but not due		2,745
<b>Total</b>		<b>1,025,252</b>
<b>Note 9 Cash and Cash Equivalents</b>		
<b>Particulars</b>		<b>As at 31 March 2015</b>
a. Balances with banks in Current Accounts		1,304,663
b. Balance with bank in Fixed deposits		
Having Maturity less than Twelve Months*		200,000
Having Maturity more than Twelve Months*		25,000
*(Above fixed deposits are pledged with Govt. Department)		
c. Cash on hand		184,729
<b>Total</b>		<b>1,714,392</b>

## Gokul Agro Resources Limited

## Note: 6 Fixed Assets

Sr. No.	Name of Assets	Rate	Gross Block			Depreciation		Net Block		
			As on 01.04.2014	Addition during the year	Deduction during the year	As on 01.04.2014	for the year	during the period	As on 31.03.2015	As on 31.03.2014
<b>(A)</b>	<b>Tangible Assets</b>									
1	Computer Server	19.10%	-	3,369,870	-	192,570	-	192,570	3,197,300	-
2	Computer Accessories		-	2,237,355	-	131,826	-	131,826	2,105,529	-
3	Furniture & Fixtures		-	147,589	-	2,761	-	2,761	144,828	-
4	Office Equipments	40.00%	-	1,516,405	-	15,583	-	15,583	1,500,722	-
	<b>Total (A)</b>		-	<b>7,391,219</b>	-	<b>342,840</b>	-	<b>342,840</b>	<b>7,048,379</b>	-
<b>(B)</b>	<b>Intangible Assets</b>	40.00%								
1	Software and License		-	1,520,334	-	45,304	-	45,304	1,575,030	-
2	Patents and Trade Mark		-	32,000	-	918	-	918	31,082	-
	<b>Total (B)</b>		-	<b>1,552,334</b>	-	<b>46,222</b>	-	<b>46,222</b>	<b>1,606,112</b>	-
<b>(C)</b>	<b>Capital Work in Progress</b>	40.00%								
1	Pre Operative Expenses (Refer Note No. 10 (4))		-	7,076,996	-	-	-	-	7,076,996	-
	<b>Total (C)</b>		-	<b>7,076,996</b>	-	-	-	-	<b>7,076,996</b>	-
	<b>Current Year Total</b>		-	<b>16,120,549</b>	-	<b>389,062</b>	-	<b>389,062</b>	<b>15,731,487</b>	-
	<b>Previous Year Total</b>		-	-	-	-	-	-	-	-

**Gokul Agro Resources Limited**

**Note 10. General Notes forming the parts of Accounts:**

- 1 As this is the first year of the company hence previous year's figures are not given. Figures have been rounded off to nearest of rupee.
- 2 In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value, if realized, during the ordinary course of business.
- 3 The Board of Directors of the company in their meeting dated 31st July 2014 have approved the composite scheme of arrangement between Gokul Refoils & Solvents Ltd (GRSL) and Gokul Agro Resources Ltd (GARL) and Gokul Agri International Ltd (GAIL) and their respective shareholders and creditors. As per draft scheme the whole of the Gandhidham undertaking and Gandhidham Windmill Undertaking shall be transferred to and vested into GARL as a going concern so as to vest in GARL all rights, title and interest pertaining to the said Gandhidham undertakings. GARL shall issue "1 (One) Fully paid Equity Share of Rs. 2 each of GARL shall be issued and allotted for every (1) fully paid Equity share of Rs. 2 each held in GRSL.
- 4 As per the scheme of arrangement the appointed date of the demerger is 1st January, 2015 but shall be operative from the Effective date subject to approval of the Honorable High Court of Gujarat. At present the scheme of arrangement is pending before Honorable High Court of Gujarat for approval. Therefore, all the expenses incurred up to 31st March, 2015 are considered as "Pre Operative Expenses" (pending allocation). These shall be charged to revenue when the company receives the approval of arrangement scheme by Honorable High Court of Gujarat. Detailed breakup of the Pre Operative Expenses (pending allocation) is as under :-

Particulars	Amount
Advertisement Exp.	76,475
Audit Fees Expense	1,769,670
Conveyance Exp	45,013
Courier Expenses	31,709
Depreciation	389,062
Design and Packaging Charges	74,158
Electricity Exp	37,151
General Office Expense	385,668
Insurance Expenses	1,077
Internet Expense	32,733
Legal & Professional Expenses	828,386
Petrol & Diesel Exp	143,597
Rent, Rates & Taxes	402,617
Salary Exps.	1,074,653
Staff Welfare Exps.	47,055
Stationery, Printing & Xerox Expense	49,866
Software Maintenance Exps.	1,277,798
Subscription & Membership	42,108
Travelling Expenses	346,931
Website Development Exps.	21,271
<b>Total</b>	<b>7,076,996</b>



5	Expenditure incurred by the company on employee who were in receipt of remuneration exceeding Rs.6,000,000/- or more per annum or Rs. 500,000/- or more per month Rs.NIL		
6	<b>Payment to Auditors :</b>		
	<b>Particulars</b>	<b>31st March 2015</b>	
		<b>Amount (Rs)</b>	
	i) For Audit Fees	1,500,000	
	ii) For Other Services	200,000	
	iii) For Reimbursement of Expenses	75,000	
	Total Rs:	1,775,000	
7	<b>Payments to Managing Director:</b>		
	<b>Particulars</b>	<b>31st March 2015</b>	
		<b>Amount (Rs)</b>	
	Salaries	NIL	
	Total	NIL	
8	<b>Contingent liability and capital commitments.</b>		
	<b>Particulars</b>	<b>31st March 2015</b>	
	Guarantee given to bank	NIL	
	Contracts remaining to be executed on capital account	NIL	
9	<b>Value of Imports on C. I. F Basis in respect of</b>		
	<b>Particulars</b>	<b>31st March 2015</b>	
	Raw Material	NIL	
	Capital Goods-	NIL	
	Packing Material	NIL	
10	<b>Expenditure in Foreign currency</b>		
	<b>Particulars</b>	<b>31st March 2015</b>	
		<b>Singapore Dollars</b>	<b>INR</b>
	Travelling Expense of Directors	4,422	208,332
11	<b>Earnings in Foreign currency</b>		
	<b>Particulars</b>	<b>31st March 2015</b>	
	Exports at FOB value	NIL	

**12 Related party Disclosure. :-**

Disclosures as required by Accounting Standard 18 "Related Party Disclosures" are given below.

**A Related Party**

1	Gokul Refoils & Solvent Ltd.	Holding Company
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**B. Key Managerial Personnel**

1	Kanubhai J. Thakkar	Director
2	Jayesh K. Thakkar	Director up to 20th April, 2015
3	Hiteshkumar Thakkar	Director up to 20th April, 2015
4	Dipakkumar K. Thakkar	Director up to 20th April, 2015
5	Balvantsinh Chandansinh Rajput	Director w.e.f. 20th April, 2015
6	Piyushchandra Ramchandra Vyas	Director w.e.f. 20th April, 2015
7	Dipooba Halaji Devada	Director w.e.f. 20th April, 2015
8	Karansinghji Dolatsinghji Mahida	Director w.e.f. 20th April, 2015
9	Bipinkumar Jayantilal Thakkar	Director w.e.f. 20th April, 2015

**C. Relative of Key Management Personnel**

1	Manjulaben K. Thakkar	Wife of Shri Kanubhai J. Thakkar
2	Bhavnaben K. Thakkar	Daughter of Shri Kanubhai J. Thakkar
3	Dipak Harwani	Son in Law of Shri Kanubhai J. Thakkar
4	Vinitaben J. Thakkar	Wife of Shri Jayesh K. Thakkar
5	Himanshi D.Thakkar	Wife of Dipakkumar K. Thakkar

**D Transactions with related parties :**

Sr. No.	Nature of Transaction	Holding Company	Key Managerial Personnel	Relatives of Key Managerial Personnel
		31/03/2015	31/03/2015	31/03/2015
		Rs.	Rs.	Rs.
1	Salary and Bonus	-	300,000	85,126
2	Rent Paid	-	198,000	198,000
3	Issue of Share Capital	500,000	-	-
4	<b>Deposits</b>			
	Deposit Accepted	17,823,169		
	Deposit Re-paid	-	-	-
	Closing Balance	17,823,169		

**13 Particulars of Earnings Per Share:**

Earning per share computed in accordance with Accounting Standard 20 issued by The Institute of Chartered Accountants of India.

Particulars	2014-15
Net Profit attributable to Share Holders	(64,357)
Number of Equity shares/Weighted Equity Shares	37,123
Nominal value of share	10
Earning per share (Basic/Diluted)	(1.73)

In the absence of details of number of potential Equity Shares to be issued to shareholders of GRSL pursuant to the Composite scheme of arrangement as referred to note No. 3, the working of Dilutive Earning per share is not given.

**14 Provisions of gratuity payable under Payment of Gratuity Act is not applicable to the Company during the period under reference.**

**For and on behalf of the Board**

**Sd/-**

**Kanubhai J. Thakkar**

(Director)

DIN - 00315616

**As per our report of even date,**

For, Surana Maloo & Co.

Chartered Accountants

FRN - 112171W

**Sd/-**

**Bipinbhai J. Thakkar**

(Director)

DIN - 06782371

**Sd/-**

**Per, Vidhan Surana**

Partner

Membership No:041841

Date : 27th May, 2015

Place : Ahmedabad

Date : 27th May, 2015

Place : Ahmedabad

**MANAGEMENT DISCUSSIONS AND ANALYSIS****Industry Structure & Development**

The Indian Edible Oil Industry is highly fragmented with extreme variation in the consumption pattern of Indian consumers of Edible Oil. Apart from cooking, edible oils can be used for a number of other uses and have applications in different industries.

The Indian Edible Oil market continues to be underpenetrated and thereby holds immense business opportunities. Vegetable Oil consumption has increased due to rise in overall household income, surging retail sector, increasing health awareness, growing population and increasing demand. However, increasing demand has not matched with the level of production and thereby facilitating the imports of Edible Oil in the Country. The Indian Edible Oil market is the fourth largest in the world after the U.S.A, China and Brazil and accounts for around 9 per cent of the world's oil seed production.

Provided the positive macro and demographic fundamentals, the Edible Oil market has a favourable demand growth outlook over the medium-to-long term. The Indian Edible Oil market is expected to witness robust expansion in the near future. However, rising Edible Oil prices and low yield per hectare are expected to be the challenges for this sector. Mergers and Acquisitions are a major trend in the Indian Edible Oil Industry.

**Indian Edible Oil Market – Overview:**

Edible oils constitute an important component of food expenditure in Indian households. Historically, India has been a major importer of edible oils with almost 30-40% of its requirements being imported till 1980s. In 1986, the Government of India established the Technology Mission on Oilseeds and Pulses (TMOP) in order to enhance the production of oilseeds in the country. The TMOP launched special initiatives on several critical fronts such as improvement of oilseed production and processing technology; additional support to oilseed farmers and processors besides enhanced customs duty on the import of edible oils. Consequently, there was a significant increase in oilseeds area, production, and yields until the late-1990s. However, in order to fulfill its obligations towards various international trade agreements and also meet the increasing demand-supply deficits, India began to reduce import restrictions on edible oils in the late 1990s; and it was gradually brought under Open General License. This led to a significant slump in the domestic oil seeds market, as edible oil prices fell sharply in line with the low international prices prevailing at that time. Subsequently, the duty structure was modified so as to maintain a duty differential between crude and refined varieties in order to protect the domestic industry. Nevertheless, due to high import dependence, domestic edible oil prices remain highly correlated to international edible oil price movement, and this has resulted in volatility in the key credit metrics of rated edible oil companies. At the same time, ICRA notes that edible oil companies with benefits of large-scale integrated operations, multi-product offerings and recognizable branded presence in retail markets have fared better as compared to small/medium-scale domestic oilseed crushers.

**Existing Business Facilities:**

Gokul Agro Resources Limited (GARL) is incorporated on July 3, 2014. The unit of the Company situated at Gandhidham, Kutch is accredited with Food Quality Assurance Certification such as ISO 22000:2005. The manufacturing unit (factory) of the Company is located at 89, Meghpur – Borichi, Nr. Sharma Resort, Galpadar Road, Tal: Anjar, Dist. Kutch – 370110.

GARL is currently engaged in the business of Manufacturing & Distribution of Edible and Non-edible Oils such as Soyabean Oil, Palm Oil (Palmolein) Sunflower Oil, Mustered Oil, Vanaspati and other Industrial Oils such as Castor Oil etc.

The present operations of the Company may be broadly categorized under Four Heads:

1. Manufacturing
2. Marketing
3. Trading
4. Exports

**Technology & Manufacturing:**

The Company has the most integrated automatic and continuous plant.

**Refinery Plant**, the technology to refine crude edible oil is a tested one and not very complex. Most of the suppliers offer the process plants that are broadly similar – variation being in the sizes and detailed specifications. However, through addition of certain equipment, it is possible to impart greater flexibility in terms of the types of crude oils which can be processed and decrease the process losses.

**Business Model - Marketing & Distribution Network:**

The products of the Company are marketed through retail as well as wholesale distribution channels. The end-users of the products are Households and Institutional Buyers [Hospitality / Food Processing]. Management system of Gandhidham Unit is an ISO 22000:2005 certified, which is valid till 22.07.2016.

The Company has extensive marketing and distribution network which reaches out the customers of 11 states across India through more than 23 C&F Agents including own depots and 1679 dealers and distributors.

The Company caters to International and Domestic market across India. GARL will be selling its products such as Soya bean Oil, Cottonseed Oil, Palm Oil (Palmolein), Sunflower Oil, Groundnut Oil, etc., under the Flagship Brand name 'Zaika' and Vanaspati under the brand 'Tandurast', while other by-products will be sold under the name 'Bisco Pride' and 'Puff Pride'. The Company makes available its range of products in Pouch, Bottle, Jar, Tin, etc.

As an initiative to increase its branded sales proportion and visibility of products in the urban markets, the Company has placed its products in Big Bazaar, Reliance Retail, Wall mart, D Mart and other regional retail chain stores in respective States.

**Brand Equity:**

The Company is planning to launch phase wise Advertisement Campaign through outdoor hoardings and electronic media for promoting its own branded consumer packing, which has good response in the market. The Company is also planning to increase its marketing staff for marketing premium brands to be launched by the Company.

**Human Assets**

Success of any organization depends upon the engagement and motivation levels of its employees. In Human Resources, our emphasis is to give autonomy to people at different levels and create a sense of ownership in order to unleash their potential.

The Human Resources Division is playing a significant role in achieving the overall business objectives by creating a common vision, building capability amongst people and more importantly, with a view to motivating and retaining talent and providing growth opportunities for them in their respective work areas, identified talent has been given new challenges through engagement, mobility and special projects.

**Significant developments subsequent to the last financial year**

The followings are the significant developments occurred in our company

<b>Year</b>	<b>Key Milestones</b>
July 2014	Incorporation of the Company
August 2014	Scheme of Arrangement in nature of Demerger filed with Hon'ble High Court of Gujarat
April 2015	Reconstitution of Board of Directors of GARL.
June 2015	Approval of Scheme of Arrangement in nature of Demerger and Issue of Order by Hon'ble High Court of Gujarat  Constitution of various committees to the Board  Formation and Adoption of Business Policies
July 2015	Filing of High Court Order with ROC
July 2015	Sub-division of Face Value of Shares of GARL pursuant to High Court Order  Increase in Authorized Share Capital of GARL pursuant to High Court Order
August 2015	Obtained Rating from ICRA – BBB Stable
September 2015	Allotment of Shares of GARL to shareholders of GRSL
November 2015	Application to BSE and NSE for Auto-listing of shares of GARL pursuant to High Court Order

**Factors that may affect the results of operations**

Our business is subject to regulation under the Prevention of Food Adulteration Act, 1954, the Gujarat Essential Articles (Licenses, Control and Stock, Declarations) Order, 1981, Edible Oils Packing (Regulation) Order, 1998, Vegetable Oil Products (Control) Order, 1947 etc., in the areas in which we operate, pollution control laws like the Environmental Protection Act, 1986, the Water (Prevention and Control of Pollution) Act, 1981, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Waste (Management and Handling) Rules, 1989 and various other statutory enactments. If we cannot comply with any of the provisions of all applicable regulations, our business prospects and results of operations could be adversely affected.

We currently have production facilities at Gandhidham-Anjar. Our production facilities are subject to operating risks, such as the breakdown or failure of equipment, performance below expected levels of output or efficiency, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Our production facilities use heavy equipment and machinery, and whilst that equipment and machinery is insured, the breakdown or failure of such equipment or machinery may result in us having to make repairs or procure replacements, which may take considerable time or expense. Accordingly,

any significant operational problems or the loss of our manufacturing facilities for an extended period of time could adversely affect our business or results of operations.

Our Company uses certain chemicals for refining, which are subject to laws and regulations related to environmental, health laws and prevailing regulations in India and abroad. Under these laws and regulations, our Company is required to control its use of raw materials under specified standards and discharge of effluents, which are hazardous to environment and biological lives. If we fail to comply with these laws and operational regulations, then we may be imposed with penalties, fines or imprisonment. As a result of the same, operations of our Company can be suspended and our manufacturing licenses / permissions can be withdrawn or terminated which may adversely affect our profitability. At present we have obtained the permission of the Gujarat Pollution Control Board for using hazardous chemicals. Further in case, any new regulation is imposed in this regard, we may have to incur additional expenditure or be required to acquire additional equipment with such specification as may be prescribed by the concerned authorities, in order to comply with such new law or regulation.

**GROUP ENTITIES FINANCIAL AND OTHER INFORMATION****1. Gokul Refoils and Solvent Limited****CIN - L15142GJ1992PLC018745**

Gokul Refoils and Solvent Limited (GRSL) is one of the leading FMCG Companies of India with international presence, dealing in edible oils such as Soya bean oil, Cottonseed oil, Palm oil (Palmolein), Sunflower oil, Mustard oil, Groundnut oil, Vanaspati and Industrial oils such as Castor Oil. It is an ISO 22000:2005 certified company with a wide customer base spread globally.

Today, GRSL stands as a Multinational conglomerate with its subsidiaries located strategically at key world business centers. To facilitate its international trading operations it has set up offices in Singapore and Mauritius. Its extensive marketing and distribution network helps it to reach the customers in 20 states in India.

GRSL's industrial products viz. castor oil, de-oiled cakes etc. has established a loyal customer base in various countries across continents. The company supplies products to United States, South Korea, European Union, China, Singapore, Indonesia, Malaysia and Vietnam.

The Company owns four production plants equipped with latest equipment and technology in the states of Gujarat and West Bengal in India. Their proximity to ports and connectivity with major rail/road networks not only ensures uninterrupted supply of raw materials with cost effectiveness but also facilitates extensive distribution of our production domestic and international markets at optimal supply chain cost.

**List of Directors**

<b>Name of Director</b>	<b>DIN</b>	<b>Designation</b>	<b>Address</b>
Balvantsinh Chandansinh Rajput	00315565	Chairman and Managing Director	12, Ambika Nagar Society, Opp. GEB, Sidhpur-384151.
Kanubhai Jivatram Thakkar	00315616	Director	29, Ambika Nagar Society, Opp. GEB, Sidhpur, 384151.
Bipinkumar Jayantilal Thakkar	06782371	Wholetime Director	B-33 Upasana Co. Op Ho. Soc. Ltd., S. No. 315, on the Canal from Ghodasar to Vatva, Maninagar, Ahmedabad- 380008, Gujarat, India
Piyushchandra Ramchandra Vyas	01260934	Director	"Hari Om", 29/B Vasuki Society, Vasna Ahmedabad-380007.
Dipooba Halaji Devada	01849583	Director	35/3, Adyapak Nivas, Gujarat Vidhyapith, Ashram Road Ahmedabad- 380014.
Karansinhji Dolatsinh Mahida	02237323	Director	1759/B, Sector-2D, Sector-2, Gandhinagar, 382002.
Mahesh Kunji lal Agrawal	N.A	Group CEO & CFO	B-73, Shakti Enclave, Judges Bunaglow Road, Ahmedabad- 380054
Kalpesh Poonamchand Desai	N.A	Company Secretary	7, Tulsi Raw House, Jodhpur Village Road, Ahmedabad-380015

**Capital Structure**

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorized Capital</b>	
13,18,95,000 Equity Shares of Rs. 2/- each	26,37,90,000
Total	26,37,90,000



<b>Issued, Subscribed &amp; Paid Up Capital</b>	
13,18,95,000 Equity Shares of Rs. 2/- each	26,37,90,000
Total	26,37,90,000

**Financial Summary**

<b>Particulars</b>	<b>As at and for the year ended on March 31 (Rs. In Crores)</b>				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Sales and other Income	4464.54	6407.09	5815.38	6227.01	5830.54
Profit / (Loss) for the period	61.98	-107.09	12.93	3.09	12.43
Equity Share Capital	26.38	26.38	26.38	26.38	26.38
Reserves and Surplus	411.47	304.38	317.3	320.39	332.81
Earnings Per Share (Basic & Diluted)	4.7	-8.12	0.98	0.23	0.94
Net Asset Value	3.31	2.51	2.61	2.63	2.72

**2. Gokul Agri International Limited (Subsidiary of GRSL)****CIN - U15143GJ2014PLC079574**

Gokul Agri International Limited (GAIL) is a Public Company incorporated on 23 May 2014. It is classified as Indian Non-Government Company and is registered at Registrar of Companies, Ahmedabad. It's a wholly owned subsidiary of Gokul Refoils and Solvent Limited It is involved in Production, processing and preservation of meat, fish, fruit vegetables, oils and fats, Edible and Non-Edible Oils. Its authorized share capital is Rs. 860,000,000 and its paid up capital is Rs. 820,000,000. GAIL is one of the Resultant Company in the Scheme of Arrangement in nature of Demerger filed with and duly approved by Honorable High Court of Gujarat.

**List of Directors**

<b>Name of Director</b>	<b>DIN</b>	<b>Designation</b>	<b>Address</b>
Balvantsinh Chandansinh Rajput	00315565	Managing Director	12, Ambika Nagar Society, Opp. GEB, Sidhpur-384151.
Kanubhai JivatramThakkar	00315616	Director	29, Ambika Nagar Society, Opp. GEB, Sidhpur, 384151.
Bipinkumar Jayantilal Thakkar	06782371	Whole-time Director	B-33 Upasana Co. Op Ho. Soc. Ltd., S. No. 315, on the Canal from Ghodasar to Vatva, Maninagar, Ahmedabad- 380008, Gujarat, India
Piyushchandra Ramchandra Vyas	01260934	Director	"Hari Om", 29/B Vasuki Society, Vasna Ahmedabad-380007.
Dipooba Halaji Devada	01849583	Director	35/3, Adyapak Nivas, Gujarat Vidhyapith, Ashram Road Ahmedabad- 380014.
Karansinhji Dolatsinh Mahida	02237323	Director	1759/B, Sector-2D, Sector-2, Gandhinagar, 382002.

**Capital Structure**

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorized Capital</b>	
50,000 Equity Shares of Rs. 10/- each	5,00,000
8,59,50,000 Preference Shares of Rs. 10/- each	85,95,00,000

Total	86,00,00,000
<b>Issued, Subscribed &amp; Paid Up Capital</b>	
50,000 Equity Shares of Rs. 10/- each	5,00,000
8,19,50,000 Preference Shares of Rs. 10/- each	81,95,00,000
Total	82,00,00,000

**Shareholding Pattern**

Sr. No.	Name of Share Holders	% of Holding	Nos. of Shares	Amount of Shares (Rs.)
	<b>Equity Share Capital:</b>			
1	Gokul Refoils and Solvent Limited	100	49994	499940
2	Balvantsinh Rajput (Nominee of Gokul Refoils and solvent Limited)	0	1	10
3	Bhikhiben Rajput (Nominee of Gokul Refoils and Solvent Limited)	0	1	10
4	Dharmendrakumar Rajput (Nominee of Gokul Refoils and solvent Limited)	0	1	10
5	Digeeshsinh Rajput (Nominee of Gokul Refoils and solvent Limited)	0	1	10
6	Heenaben Rajput (Nominee of Gokul Refoils and solvent Limited)	0	1	10
7	Rashmiben Rajput (Nominee of Gokul Refoils and solvent Limited)	0	1	10
	<b>Total (A)</b>	<b>100</b>	<b>50000</b>	<b>500000</b>
	<b>Preference Share Capital:</b>			
1	Gokul Refoils and Solvent Limited	100	8,19,50,000	81,95,00,000
	<b>Total (B)</b>	<b>100</b>	<b>8,19,50,000</b>	<b>81,95,00,000</b>
	<b>Total A+B</b>	<b>100</b>	<b>8,20,00,000</b>	<b>82,00,00,000</b>

**Financial Summary**

Particulars	As at and for the year ended on March 31 Rs. In Lakhs)				
	2011	2012	2013	2014	2015
Sales and other Income	-	-	-	-	0.03
Profit / (Loss) for the period	-	-	-	-	-7.78
Equity Share Capital	-	-	-	-	5.00
Reserves and Surplus	-	-	-	-	-7.78
Earnings Per Share (Basic & Diluted)	-	-	-	-	-19.86
Net Asset Value	-	-	-	-	-

**3. Gujarat Gokul Power Limited****CIN - U40104GJ2007PLC050262**

GGPL is incorporated as a power generation company. GGPL is a joint venture between Gokul Refoils and Solvent Limited (GRSL) and Gujarat Mineral Development Corporation (GMDC). GMDC is a Government of Gujarat enterprise, looking after the exploration and management of Mineral deposits in the state of Gujarat. GMDC owns all the major lignite deposits in the state. GRSL's venture with GMDC in GGPL assures the uninterrupted supply high quality lignite to the power project.

GGPL has concrete plan to set up an 125 MW power Project near Surat (Gujarat) India. The plant is proposed to be situated right on the bank of one of the best lignite mines in Gujarat.

The power produced by GGPL will mainly be consumed actively by GRSL and GMDC. However, surplus supplies will be sold to Gujarat Urja Vibhag Nigam Limited as per the Gujarat Electricity Regulation Commission norms.

### List of Directors

Name of Director	DIN	Designation	Address
Dinesh Mishra	00107299	Director	C-4, Sundaram Flats, L.D. Engg. College Compound, Gulbai Tekra, Ahmedabad- 380015
Balvantsinh Chandansinh Rajput	00315565	Director	12, Ambika Nagar Society, Opp. GEB, Sidhpur-384151.
Kanubhai Jivatram Thakkar	00315616	Director	29, Ambika Nagar Society, Opp. GEB, Sidhpur-384151.
Manjulaben Kanubhai Thakkar	00315634	Director	29, Ambika Nagar Society, Opp. GEB, Sidhpur-384151.
Bhikhiben Balvantsinh Rajput	01054941	Director	12, Ambika Nagar Society, Opp. GEB, Sidhpur-384151.
Ajaykumar Thakor	01399229	Director	48, Devkutir Bunglows, Opp. Sarpanch House, Post Ambli Bopal, Ahmedabad-380001

### Capital Structure

Particulars	Amount (Rs.)
<b>Authorized Capital</b>	
50,000 Equity Shares of Rs. 10/- each	5,00,000
Total	5,00,000
<b>Issued, Subscribed &amp; Paid Up Capital</b>	
50,000 Equity Shares of Rs. 10/- each	5,00,000
Total	5,00,000

### Shareholding Pattern

Sr. No.	Name of Share Holders	% of Holding	Nos. of Shares	Amount of Shares (Rs.)
1	Gokul Refiols and Solvent Limited (Nominee- Balvantsinh Rajput)	48.36	24180	241800
2	Gokul Overseas (Nominee Dharmendrakumar Rajput)	48	24000	240000
3	Bhikhiben Rajput	1.2	600	6000
4	Ajaykumar Thakor	0.02	10	100
5	Dinesh Mishra	0.02	10	100
6	Hansaben Rajput	1.2	600	6000
7	Manjulaben Thakker	1.2	600	6000
	Total	100	50,000	500000

**Financial Summary**

Particulars	As at and for the year ended on March 31 (Rs. In Lakhs)				
	2011	2012	2013	2014	2015
Sales and other Income	0.00	0.00	0.00	0.00	2.75
Profit / (Loss) for the period	-23.12	-1.83	-3.96	-2.10	0.99
Equity Share Capital	5.00	5.00	5.00	5.00	5.00
Reserves and Surplus	-23.12	-24.95	-28.91	-31.01	-30.10
Earnings Per Share (Basic & Diluted)	-46.23	-3.66	-7.92	-4.21	1.83
Net Asset Value	-	-	-	-	-

**4. Gokul Infracon Private Limited****CIN - U70101GJ2009PTC057970**

Gokul Infracon Private Limited is an entity engaged in the Business of construction and to act builders, contractors and to act as developing, maintaining and operating any infrastructure facility like road including toll road, a bridge or a rail system, a highway project including or other activities being an integral part of the highway project, power plants, a port, airport, inland waterway or inland port, commercial centre, and any other structural or architectural work or any kind whatsoever.

The Company has launched "SWA" project located near Tapovan Circle, at Chandkheda, Ahmedabad, Gujarat, which is the emerging and hub of the Ahmedabad city. SWA is situated near Airport and between Ahmedabad and Gandhinagar which have the wonderful area for hangout in nearby area like Akshardham, Iscon Temple, Vaishnodevi Temple, Science City Coffee Shop, Restaurant, Agora Mall etc.

**List of Directors**

Name of Director	DIN	Designation	Address
Balvantsinh Chandansinh Rajput	00315565	Director	12, Ambika Nagar Society, Opp. GEB, Sidhpur- 384151.
Kanubhai Jivatram Thakkar	00315616	Director	29, Ambika Nagar Society, Opp.GEB, Sidhpur, 384151.

**Capital Structure**

Particulars	Amount (Rs.)
<b>Authorized Capital</b>	
50,00,000 Equity Shares of Rs. 10/- each	5,00,00,000
Total	5,00,00,000
<b>Issued, Subscribed &amp; Paid Up Capital</b>	
50,00,000 Equity Shares of Rs. 10/- each	5,00,00,000
Total	5,00,00,000

**Shareholding Pattern**

Sr. No.	Name of Share Holders	% of Holding	Nos. of Shares	Amount of Shares (Rs.)
1	Balvantsinh Rajput	50	2500000	25000000
2	Kanubhai Thakkar	50	2500000	25000000
	Total	100	5000000	50000000

**Financial Summary**

Particulars	As at and for the year ended on March 31 (Rs. In Lakhs)				
	2011	2012	2013	2014	2015
Sales and other Income	3.34	0.20	1227.25	6100.53	895.87
Profit / (Loss) for the period	-9.94	4.93	-33.28	-1023.50	-18.39
Equity Share Capital	500.00	500.00	500.00	500.00	500.00
Reserves and Surplus	-9.94	-14.87	-33.28	-1071.65	-1090.04
Earnings Per Share (Basic & Diluted)	-0.79	-0.10	-0.67	-20.47	-0.37
Net Asset Value	0.00	0.00	0.00	0.00	0.00

**5. Professional Commodity Services Private Limited (subsidiary of GRSL)****CIN - U51100GJ2004PTC044916**

Professional Commodity Services Private Limited (PCSPL) is a wholly owned subsidiary of GRSL (Gokul Refoils and Solvent Limited). PCSPL is an active member of NCDEX (National Commodity & Derivatives Exchange Limited) and mainly takes care of hedging operations.

**List of Directors**

Name of Director	DIN	Designation	Address
Bipinkumar Jayantilal Thakkar	06782371	Director	B-33 Upasana Co. Op Ho. Soc. Ltd., S. No. 315, on the Canal from Ghodasar to Vatva, Maninagar, Ahmedabad- 380008, Gujarat, India
Dharmendrasinh Balvantsinh Rajput	03050088	Director	12, Ambica Nagar Society, Opp. GEB, Sidhpur, 384151.
Vinuji Amrutji Rajput	02537250	Director	8, Bahucharnagar Society, Kholwada, Sidhpur-384151.

**Capital Structure**

Particulars	Amount (Rs.)
<b>Authorized Capital</b>	
6,00,000 Equity Shares of Rs. 10/- each	60,00,000
Total	60,00,000
<b>Issued, Subscribed &amp; Paid Up Capital</b>	
6,00,000 Equity Shares of Rs. 10/- each	60,00,000
Total	60,00,000

**Shareholding Pattern**

Sr. No.	Name of Share Holders	% of Holding	Nos. of Shares	Amount of Shares (Rs.)
1	Gokul Refoils and Solvent Limited	99.96	5,99,800	5998000
2	Gokul Refoils and Solvent Limited (Balvantsinh Rajput-Nominee)	0.04	100	1000
3	Gokul Refoils and Solvent Limited (Dharmendrasinh Rajput-Nominee)	0.04	100	1000
	Total	100	600000	6000000

**Financial Summary**

Particulars	As at and for the year ended on March 31 (Rs. In Lakhs)				
	2011	2012	2013	2014	2015
Sales and other Income	158.67	31.57	13.42	48.81	64.98
Profit / (Loss) for the period	106.57	-12.93	2.83	6.08	-3.80
Equity Share Capital	60.00	60.00	60.00	60.00	60.00
Reserves and Surplus	122.20	109.27	112.10	118.18	114.38
Earnings Per Share (Basic & Diluted)	17.76	-2.15	0.47	1.01	-0.63
Net Asset Value	3.04	2.82	2.87	2.97	2.90

**6. Maurigo International Limited (subsidiary of GRSL)**

Maurigo International Limited is a wholly owned subsidiary of Gokul Refoils and Solvent Limited (GRSL). Mauritius Subsidiary procures raw material and trades in commodities.

The Company was incorporated in the Republic of Mauritius on 20 October 2003 as a private company limited by shares. The Company has obtained a Global Business License Category 2 under the Financial Services limited Development Act 2001.

The principal activity of the Company is commodity trade in Chicago Board of Trade (CBOT) and the Malaysia Derivatives Exchange (MDEX), Kuala Lumpur, Malaysia.

**Shareholding Pattern**

Sr. No.	Name of Share Holders	% of Holding	Nos. of Shares	Amount of Shares (Rs.) 1 Singapore Dollar= 46.65 RS.
1	Gokul Refoils and Solvent Limited	100	`2760295	128767761.8
	Total	100	`2760295	128767761.8

**Financial Summary**

Particulars	As at and for the year ended on March 31 (Rs. In Lakhs)				
	2011	2012	2013	2014	2015
Sales and other Income	11.84	1.19	0.04	4.69	0.04
Profit / (Loss) for the period	11.86	-1.47	-3.17	0.10	-4.78
Equity Share Capital	1.00	1.00	1.00	1.00	1.00
Reserves and Surplus	0.00	0.00	0.00	0.00	0.00
Earnings Per Share (Basic & Diluted)	0.00	0.00	0.00	0.00	0.00
Net Asset Value	0.0001	0.0001	0.0001	0.0001	0.0001

**7. Gokul Refoils Pte Limited****Registration No. 20143039N**

Gokul Refoils Pte Limited is a Company incorporated on October 10, 2014 having Registered Office at 10 Anson Road #43-13, International Plaza, Singapore 079903. The share capital of the Company upon incorporation is in Singapore Dollars. Principal Activities of the Company are to carry on the business of general importers, exporters and trading in general merchandise.

**Shareholding Pattern**

Sr. No.	Name of Share Holders	% of Holding	Nos. of Shares	Amount of Shares (Rs.) 1 Singapore Dollar= 46.65 RS.
1	Gokul Refiols and Solvent Limited	100	1	46.65
	Total	100	1	46.65

**Financial Summary**

Particulars	As at and for the year ended on March 31 (Rs. In Lakhs)				
	2011	2012	2013	2014	2015
Sales and other Income	-	-	-	-	-
Profit / (Loss) for the period	-	-	-	-	-3473
Equity Share Capital	-	-	-	-	1
Reserves and Surplus	-	-	-	-	-3473
Earnings Per Share (Basic & Diluted)	-	-	-	-	-3473
Net Asset Value	-	-	-	-	-

**8. Gokul Overseas**

Gokul Overseas (GO) is a Partnership firm. It was incorporated in the year 1995 as a merchant exporter of Rapeseed extraction meal, Castor seed, Castor extraction meal and Soya bean Extraction Meal to support the government's policy for augmentation and growth of Indian Industrialist, Gokul Overseas setup a Castor Oil derivatives unit in Kandla, Special Economic Zone in February 2006.

Gokul Overseas (GO), a 100% Export Oriented Unit, is one of the leading producers of Castor oil and Castor based derivatives in the country. GO is based at one of the Major Indian Port, Kandla (Gujarat, India). The Port City is at a well-organized business location with proximity to sea route.

Moreover, GO is a highly integrated plant which has facilities right from seed crushing to Castor derivatives production. GO, therefore has a better control over quality castor oil and its derivatives. This makes GO a preferred choice for quality conscious buyers from Pharma industries and other industries. Derivative manufacturing also helps in generating better margins as the value addition takes place in-house and then the products are exported. Castor derivatives are used in Pharma, Lubricant, and Cosmetic, Paints, Paper Chemical, Inks, Adhesives and many other industries. Major importers of Castor derivatives are from U.S.A., EU, Japan, China and Thailand.

**Financial Summary**

Particulars	As at and for the year ended on March 31 (Rs. In Lakhs)				
	2011	2012	2013	2014	2015
Sales and other Income	24365.83	34454.27	30988.70	38054.24	39121.79
Profit / (Loss) for the period	960.40	-50.05	184.28	385.47	400.81
Equity Share Capital	8263.20	5018.87	6136.87	6331.26	8003.11
Net Asset Value	2679.76	2818.18	2706.32	2732.31	2703.90

## **9. Gokul Foundation**

In view of International Standard for higher education and best facilities for the upliftment of the children. Gokul Foundation Trust was set up in 2009 in collaboration with International University to provide international standard education to the students in the field of Engineering, Medical, Pharmacy, Dental, Nursing, Physiotherapy, Management, IT, B-Ed. & CBSE school. Many well-known professionals have been appointed to achieve this purpose. Further, more colleges and a university has been planned at Sidhpur. Trust has also availed permission from the AICTE for recognition of this University. The proposed Engineering College is under construction.



## SECTION VI - LEGAL & OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

#### LITIGATION AGAINST OUR COMPANY

In relation to the Company, persons named as Promoters, Directors, to the best of knowledge of the Company, there are no outstanding material litigations against or any material disputes for tax liabilities, non-payment of statutory dues, overdue to banks / financial institutions, defaults against banks / financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits and arrears on cumulative preference shares issued by the Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII to the Companies Act, 1956), no disciplinary action has been taken by SEBI / Stock Exchanges against the Company, its Directors, its promoters, and the companies/firms promoted by the Promoters. The contingent liabilities of the Company have been disclosed in the Annual Report/Financial Information/Risk Factors.

#### LITIGATION AGAINST GROUP COMPANIES

List of Pending Litigations against Gokul Refoils and Solvent Limited (GRSL) – being a Group Company – is attached to this Information Memorandum as **Annexure A**.

#### GOVERNMENT APPROVALS

Sr. No.	Description of License	Status
1.	IEC Code	Applied and allotted
2.	FIEO Certificate	Applied and allotted
3.	Service Tax Registration	Applied and allotted
4.	Central Excise Registration	Applied and allotted
5.	IEM	Applied and to be allotted
6.	GPCB	Applied and to be dispatched
7.	Food and Drug License	Applied and to be allotted
8	VOP License	Applied and to be allotted
9.	Explosive Licenses [3 Nos.]	Applied and to be allotted
10.	FSSAI Central License	Applied and to be allotted
11.	FSSAI State Licenses – Ghaziabad	Applied and to be allotted
12.	FSSAI State Licenses – Agra	Applied and to be allotted
13.	FSSAI State Licenses – Karnal	Applied and to be allotted
14.	FSSAI State Licenses – Amritsar	Applied and to be allotted
15.	FSSAI State Licenses – Jind	To be applied
16	FSSAI State Licenses – Damtal	Applied and to be allotted

17.	FSSAI State Licenses – Parwanoo	Applied and to be allotted
18.	FSSAI State Licenses – Ludhiyana	Applied and to be allotted
19.	FSSAI State Licenses – Jaipur	To be applied
20.	FSSAI State Licenses – Saharanpur	Applied and to be allotted
21.	FSSAI State Licenses – Dehradun	Applied and to be allotted
22.	FSSAI State Licenses – Haldwani	Applied and to be allotted
23.	FSSAI State Licenses – Jammu	To be applied
24.	FSSAI State Licenses – Jodhpur	To be applied
25.	FSSAI State Licenses – Jhansi	To be applied
26.	FSSAI State Licenses – Lucknow	Applied and to be allotted
27.	FSSAI State Licenses – Delhi	To be applied

**SECTION VII – OTHER REGULATORY AND STATUTORY DISCLOSURES****Authority for the Scheme**

The Honorable High Court of Judicature at Ahmedabad, vide their certified copy of order dated June 12, 2015 have approved the Scheme of Arrangement amongst Gokul Refoils and Solvent Limited (GRSL), Gokul Agro Resources Limited (GARL) and Gokul Agri International Limited (GAIL) and their respective shareholders and creditors (the “Scheme”).

**Prohibition by SEBI**

The Company, its Directors, its Promoters have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

**Caution**

**The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of SEBI circular No. CFD/SCRR/01/2009/03/09 dated September 3, 2009 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.**

**Disclaimer Clause of the BSE**

The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company’s securities will be listed or will continue to be listed on the BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;
- and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

**Disclaimer Clause of the NSE**

Every Person who desires to acquire any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**General Disclaimer from the Company**

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements to be published in terms of Clause 8.3.5.4 of SEBI (DIP) Guidelines, 2000 or any other

material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

### **In Principle Approval from BSE and NSE**

The Company has received in-principle approval under clause 24(f) from BSE bearing no. DCS/AMAL/BS/24(f)/208/2014-15 dated November 14, 2014, in-principle approval under clause 24(f) from NSE bearing no. NSE/LIST/3574 dated November 14, 2014.

- In-principle approval for listing of 13,18,95,000 Equity Shares of Rs. 2/- each of the Company received from National Stock Exchange Limited on January 25, 2016
- In-principle approval for listing of 13,18,95,000 Equity Shares of Rs. 2/- each of the Company received from BSE Limited on February 1, 2016
- Securities and Exchange Board of India (SEBI) granted relaxation under Rule 19 (2) (b) of the Securities Contracts (Regulation) Rules, 1957 vide its letter dated February 17, 2016.

### **Listing**

Application will be made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares.

The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within such period as approved by SEBI.

### **Demat Credit**

The Company has executed Agreements with NSDL and CDSL for admitting its securities in Demat form and has been allotted ISIN **INE314T01025**.

### **Expert Opinions**

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

### **Previous Rights and Public Issues, if any**

The Company has not made any previous public or rights issue since incorporation.

### **Commission and Brokerage on Previous Issues**

Since the Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

### **Promise vis-à-vis performance**

This is the first time the Company is getting listed on the Stock Exchange.

### **Outstanding Debentures or Bonds and Redeemable Preference Shares and other instruments issued by the Issuer Company outstanding**

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company.

### **Stock Market Data for Equity Shares of the Company**

Equity Shares of the Company are not listed on any stock exchanges. The Company is seeking approval for listing of its shares through this Information Memorandum.

### **Disposal of Investor Grievances**

The Board of Directors of the Company has constituted its Shareholders' and Investors' Grievance Committee. This committee specifically looks into the Shareholders' and Investors' Complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend etc. In addition, the committee also looks into matters that can facilitate better Investor Services and Relations.

The Company has appointed Ms. Chinar Jethwani, Company Secretary as the Compliance Officer and she may be contacted in case of any problems at the following address:

### **Jurisdiction**

This document shall be governed by and construed in all respects in accordance with the laws of India and jurisdiction being limited to the Courts of Ahmedabad.

### **Company Secretary and Compliance Officer**

Ms. Chinar Jethwani  
C/o Gokul Agro Resources Limited  
B - 402, Shapath Hexa, Nr. Ganesh Meridian,  
Opp. Gujarat High Court, Sola, Ahmedabad – 380 060  
Telephone: +91 79 67123500 / 501; +91 9099946778 | Fax: +91 79 67123502  
E-mail: chinar.cs@gokulagro.com

## **PRELIMINARY AND INTERPRETATION**

### **1. [1] Table “F” not to apply**

The regulations contained in Table “F” in the Schedule I to the Companies Act, 2013, shall not apply to the Company, except so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

### **[2] (a) Company to be governed by this Articles**

The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

### **(b) Interpretation**

In this interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context

“**Act**” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the Companies Act 1956, so far as may be applicable.

“**Articles**” means these articles of association of the Company or as altered from time to time.

“**Board of Directors**” or “**Board**” means collective body of Directors of the Company.

“**Company**” means “**GOKUL AGRO RESOURCES LIMITED**”

“**Depository**” means and includes a Company as defined in the Depositories Act 1996.

“**Rules**” means the applicable rule for the time being in force as prescribed in relevant sections of the Act.

“**Seal**” means Common Seal of the Company.

“**Secretarial Standards**” means standards provided by the Institute of Companies Secretaries of India.

“**Securities**” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act 1956.

### **(c) “Number” and “Gender”**

Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

### **(d) Expressions in the Articles to bear the same meaning as in the Act**

Unless the context otherwise requires, words or expression contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

**SHARE CAPITAL AND VARIATION OF RIGHTS****2. Shares under Control of Board**

Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at par or at a premium or at consideration otherwise than in cash and at such time as they may from time to time think fit.

**3. Directors may allot shares otherwise than for cash**

Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

**4. Kinds of Share Capital**

The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

(a) Equity share capital:

(i) with voting rights; and / or

(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

(b) Preference share capital

**5. (1) Issue of Certificate**

Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide –

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first

**(2) Certificate to bear seal**

Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

**(3) One certificate for shares held jointly**

In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

**(6) Option to receive share certificate or hold shares with depository**

Every holder of or subscriber to Securities of the Company shall have the option to receive security certificates or to hold the Securities with a depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any Securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

**(7) Issue of new certificate in place of one defaced, lost or destroyed**

If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be

issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.

**(8) Provisions as to issue certificates to apply *mutatis mutandis* to debentures, etc.**

The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

**(9) Liability of a person holding any shares upon any trust**

Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

**(10) (1) Power to pay commission in connection with securities issued**

The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

**(2) Rate of commission in accordance with Rules**

The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

**(3) Mode of payment of commission**

The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

**(11) (1) Variation of members' rights**

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

**(2) Provisions as to general meetings to apply *mutatis mutandis* to each meeting**

To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply.

**(12) Issue of further shares not to affect rights of existing members**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

**(13) Power to issue redeemable preference shares**

Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.



**(14) Further issue of share capital**

The Board or the Company as the case may be, may, by way of right issue or preferential offer or private placement or any other manner, subject to and in accordance with Act and the Rules, issue further securities to;

- (a) Persons who, at the date of the offer, are holders of equity shares of the Company. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of other person or;
- (b) employees under the employees' stock option or;
- (c) any person whether or not those persons include the persons referred to in clause (a) or clause (b) above;

**LIEN****15. (1) Company's lien on shares**

The company shall have a first and paramount lien—

- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company;

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

**(2) Lien to extend to dividends, etc.**

The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

**(3) Waiver of lien in case of registration**

Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

**(16) As to enforcing lien by sale**

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

**(17) (1) Validity of sale**

To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

**(2) Purchaser to be registered holder**

The purchaser shall be registered as the holder of the shares comprised in any such transfer.

**(3) Validity of Company's receipt**

The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

**(4) Purchaser not affected**

The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

**(18) (1) Application of proceeds of sale**

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

**(2) Payment of residual money**

The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

**(19) Outsider's lien not to affect Company's lien**

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

**(20) Provisions as to lien to apply *mutatis mutandis* to debentures, etc.**

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Calls on shares****(21) (1) Board may make Calls**

The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

**(2) Notice of call**

Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

**(3) Board may extend time for payment**

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

**(4) Revocation or postponement of call**

A call may be revoked or postponed at the discretion of the Board.

**(22) (1) Call to take effect from date of resolution**

A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

**(23) Liability of joint holders of shares**

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**(24) (1) When interest on call or instalment payable**

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the “due date”), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.

**(2) Board may waive Interest**

The Board shall be at liberty to waive payment of any such interest wholly or in part.

**(25) (1) Sums deemed to be calls**

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

**(2) Effect of non-payment of sums**

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**(26) Payment in anticipation of calls may carry interest**

The Board -

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) Upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

**(27) Instalments on shares to be duly paid**

If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

**(28) Calls on shares of same class to be on uniform basis**

All calls shall be made on a uniform basis on all shares falling under the same class.

*Explanation:* Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

**(29) Partial payment not to preclude forfeiture**

Neither a judgment nor a decree in favor of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

**(30) Provisions as to calls to apply *mutatis mutandis* to debentures, etc.**

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Transfer of shares****(31) (1) Instrument of transfer to be executed by transferor and transferee**

The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.

(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

**(32) Board may refuse to register transfer**

The Board may, subject to the right of appeal conferred by the Act decline to register -

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) Any transfer of shares on which the Company has a lien.

**(33) Board may decline to recognize instrument of transfer**

In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless –

- (a) The instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) The instrument of transfer is in respect of only one class of shares.

**(34) Transfer of shares when suspended**

On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty- five days in the aggregate in any year.

**(35) Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.**

The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Transmission of shares****(36) (1) Title to shares on death of a member**

On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.

**(2) Estate of deceased member liable**

Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

**(37) (1) Transmission Clause**

Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

- (a) To be registered himself as holder of the share; or
- (b) To make such transfer of the share as the deceased or insolvent member could have made.

**(2) Board's right unaffected**

The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

**(3) Indemnity to the Company**

The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

**(38) (1) Right to election of holder of share**

If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

**(2) Manner of testifying election**

If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

**(3) Limitations applicable to notice**

All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

**(39) Claimant to be entitled to same advantage**

A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

**(40) Provisions as to transmission to apply *mutatis mutandis* to debentures, etc.**

The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Forfeiture of shares****(41) If call or instalments not paid notice must be given**

If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalments remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid,

together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

**(42) Form of notice**

The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

**(43) In default of payment of shares to be forfeited**

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

**(44) Receipt of part amount or grant of indulgence not to affect forfeiture**

Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

**(45) Entry of forfeiture in register of members**

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

**(46) Effect of forfeiture**

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

**(47) (1) Forfeited shares may be sold, etc.**

A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.

**(2) Cancellation of forfeiture**

At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**(48) (1) Members still liable to pay money owing at the time of forfeiture**

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

**(2) Member still liable to pay money owing at time of forfeiture and interest**

All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any

allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

**(3) Cesser of liability**

The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

**(49) (1) Certificate of forfeiture**

A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

**(2) Title of purchaser and transferee of forfeited shares**

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of;

**(3) Transferee to be registered as holder**

The transferee shall thereupon be registered as the holder of the share; and

**(4) Transferee not affected**

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

**(50) Validity of sales**

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

**(51) Cancellation of share certificate in respect of forfeited shares**

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

**(52) Surrender of share certificates**

The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

**(53) Sums deemed to be calls**

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

**(54) Provisions as to forfeiture of shares to apply *mutatis mutandis* to debentures, etc.**

The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Alteration of capital****(55) Power to alter share capital**

Subject to the provisions of the Act, the Company may, by ordinary resolution –

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**(56) Shares may be converted into stock****(a) Where shares are converted into stock:**

the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

**(b) Right of stockholders**

the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

(c) Such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.

**(57) Reduction of capital**

The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or

**Joint Holders****(58) Joint-holders**

Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:



**(a) Liability of Joint- holders**

The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.

**(b) Death of one or more joint-holders**

On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

**(c) Receipt of one sufficient**

Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

**(d) Delivery of certificate and giving of notice to first named holder**

Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

**(e) Vote of joint- holders**

(i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint- holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

**(ii) Executors or administrators as joint holders**

Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

**(f) Provisions as to joint holders as to shares to apply *mutatis mutandis* to debentures, etc.**

The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

**Capitalization of profits****(59) (1) Capitalization**

The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

**(2) Sum how applied**

The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards:

- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (C) Partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).

(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

#### **(60) (1) Powers of the Board for capitalization**

Whenever such a resolution as aforesaid shall have been passed, the Board shall -

- (a) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and
- (b) Generally do all acts and things required to give effect thereto.

#### **(2) Board's power to issue fractional certificate/coupon etc.**

The Board shall have power—

- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
- (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.

#### **(3) Agreement binding on members**

Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

##### **(61) Buy-back of shares**

Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other subject to all applicable provisions of the Act or any other of the Act or any other law for the time being in force, the Company may purchase its own or other specified Securities, Shares or other specified securities or other specified securities.

#### **General meetings**

##### **(62) Extraordinary General Meeting**

All general meetings other than annual general meeting shall be called extraordinary general meeting.

##### **(63) Powers of Board to call extraordinary general meeting**

If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, that in which such a meeting may be called by the Board

**Proceedings at general meetings****(64) (1) Presence of Quorum**

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

**(2) Business confined to election of Chairperson whilst chair vacant**

No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.

**(3) Quorum for general meeting**

The quorum for a general meeting shall be as provided in the Act.

**(65) Chairperson of the meetings**

The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

**(66) Directors to elect a Chairperson**

If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

**(67) Members to elect a Chairperson**

If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.

**(68) Casting vote of Chairperson at general meeting**

On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

**(69) (1) Minutes of proceedings of meetings and resolutions passed by postal ballot**

The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

**(2) Certain matters not to be included in Minutes**

There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -

- (a) is, or could reasonably be regarded, as defamatory of any person; or
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interests of the Company.

**(3) Discretion of Chairperson in relation to Minutes**

The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

**(4) Minutes to be evidence**

The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the

**(70) (1) Inspection of minute books of general meeting**

The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

- (a) be kept at the registered office of the Company; and
- (b) be open to inspection of any member without charge, during business hours on all working days.

**(2) Members may obtain copy of minutes**

Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

**(71) Powers to arrange security at meetings**

The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

**Adjournment of meeting**

**(72) (1) Chairperson may adjourn the meeting**

The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

**(2) Business at adjourned meeting**

No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**(3) Notice of adjourned meeting**

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

**(4) Notice of adjourned meeting not required**

Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**Voting rights**

**(73) Entitlement to vote on show of hands and on poll**

Subject to any rights or restrictions for the time being attached to any class or classes of shares -

- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

**(74) Voting through electronic means**

A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

**(75) (1) Vote of joint-holders**

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

**(2) Seniority of names**

For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

**(76) How members *non compos mentis* and minor may vote**

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

**(77) Votes in respect of shares of deceased or insolvent members, etc.**

Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

**(78) Business may precede pending poll**

Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

**(79) Restriction on voting rights**

No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

**(80) Restriction on exercise of voting rights in other cases to be void**

A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

**(81) Equal rights of members**

Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class

**Proxy****(82)(1) Member may vote in person or otherwise**

Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

**(2) Proxies when to be deposited**

The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is

signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid

**(83) Form of proxy**

An instrument appointing a proxy shall be in the form as prescribed in the Rules.

**(84) Proxy to be valid notwithstanding death of the principal**

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**Board of Directors****(85) Board of Directors**

Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).

**(86) (1) Directors not liable to retire by rotation**

Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

**(2) Same individual may be Chairperson and Managing Director / Chief Executive Officer**

The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

**(87) (1) Remuneration of directors**

The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

**(2) Remuneration to require members' consent**

The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act.

**(3) Travelling and other expenses**

In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

(b) in connection with the business of the Company.

**(88) Execution of negotiable instruments**

All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

**(89) (1) Appointment of additional directors**

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

**(2) Duration of office of additional director**

Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

**(90) (1) Appointment of alternate director**

The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

**(2) Duration of office of alternate director**

An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

**(3) Re-appointment provisions applicable to Original Director**

If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

**(91) (1) Appointment of director to fill a casual vacancy**

If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

**(2) Duration of office of Director appointed to fill casual vacancy**

The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

**Powers of Board****(92) General Powers of the Company vested in Board**

The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

**Proceedings of the Board****(93) (1) When meeting to be convened**

The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it

**(2) Who may summon Board meeting**

The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

**(3) Quorum for Board meetings**

The quorum for a Board meeting shall be as provided in the Act.

**(4) Participation at Board meetings**

The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

**(94) (1) Questions at Board meeting how decided**

Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

**(2) Casting vote of Chairperson at Board meeting**

In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

**(95) Directors not to act when number falls below minimum**

The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

**(96) (1) Who to preside at meetings of the Board**

The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

**(2) Directors to elect a Chairperson**

If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.

**(97) (1) Delegation of powers**

The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.

**(2) Committee to conform to Board regulations**

Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

**(3) Participation at Committee meetings**

The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

**(98) (1) Chairperson of Committee**

A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.



**(2) Who to preside at meetings of Committee**

If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

**(99) (1) Committee to meet**

A Committee may meet and adjourn as it thinks fit.

**(2) Questions at Committee meeting how decided**

Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.

**(3) Casting vote of Chairperson at Committee meeting**

In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

**(100) Acts of Board or Committee valid notwithstanding defect of appointment**

All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

**(101) Passing of resolution by circulation**

Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

**Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer****(102) (A) Chief Executive Officer, etc.**

Subject to the provisions of the Act,—

A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

**(B) Director may be chief executive officer, etc.**

A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

A provision of the Act or these regulation requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of chief executive officer, manager, company secretary or chief financial officer.

**Registers****(103) Statutory registers**

The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index

of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

**(104) Foreign register**

(a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

(b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

**The seal****(105) (1) The seal, its custody and use**

The Board shall provide for the safe custody of the seal.

**(2) Affixation of seal**

The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

**Dividends and Reserve****(106) Company in general meeting may declare dividends**

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

**(107) Interim dividends**

Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

**(108) (1) Dividends only to be paid out of profits**

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

**(2) Carry forward of profits**

The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

**(109) (1) Division of profits**

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall

be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

**(2) Payments in advance**

No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

**(3) Dividends to be apportioned**

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

**(110) (1) No member to receive dividend whilst indebted to the Company And Company's right to reimbursement therefrom**

The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

**(2) Retention of dividends**

The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

**(111) (1) Dividend how remitted**

Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

**(2) Instrument of payment**

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**(3) Discharge to Company**

Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

**(112) Receipt of one holder sufficient**

Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

**(113) No interest on dividends**

No dividend shall bear interest against the Company.

**(114) Waiver of dividends**

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

**Accounts****(115) (1) Inspection by Directors**

The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules

**(2) Restriction on inspection by members**

No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorized by the Board.

**Winding up****(116) Winding up of Company**

Subject to the applicable provisions of the Act and the Rules made thereunder -

(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

**Indemnity and Insurance****(117) Directors and officers right to indemnity**

(a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

(b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

**(C) Insurance**

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

**SECTION VIII – OTHER INFORMATION****Documents available for Inspection during business hours at the Registered office of the Company:**

1. Certificate of Incorporation dated 03-07-2014.
2. Memorandum & Articles of Association, as amended till date.
3. Scheme of Arrangement between Gokul Refoils and Solvent Limited, Gokul Agro Resources Limited and Gokul Agri International Limited, sanctioned by the Hon'ble High Court of Gujarat vide its order dated 12-06-2015.
4. No-objection certificate on the Scheme granted by BSE vide their letter no DCS/AMAL/BS/24(f)/208/2014-15 dated November 14, 2014.
5. No-objection certificate on the Scheme granted by NSE vide their letter no NSE/LIST/3574 dated November 14, 2014.
6. Copy of Order dated 12-06-2015 of the Honourable High Court of Gujarat approving the Scheme of Arrangement.
7. Copy of Form INC 28 along with Orders filed with the Registrar of Companies, Gujarat.
8. Copies of Audited Annual Accounts of our Company for financial year 2014-15.
9. Return of Allotment of Equity Shares filed by the Company for allotment of shares pursuant to the Scheme.
10. Copy of Tripartite Agreement between the company, the RTA and NSDL dated 19-08-2015.
11. Copy of Tripartite Agreement between the company, the RTA and CDSL dated 11-08-2015.
12. Copy of Certificate of Statutory Auditors to the Statement of Special Tax Benefits mentioned in this Information Memorandum.
13. Copy of this Information Memorandum.

**DECLARATION**

All the statements made in this Information Memorandum are true and correct to the best of my knowledge.

**For, Gokul Agro Resources Limited**

**Kanubhai Thakkar**  
**Managing Director**  
**DIN – 00315616**