

ADI RASAYAN LIMITED

(CIN: - L24231GJ1992PLC018572)

Registered Office:- G/C, Ground Floor, Trupti Apartment, B/H. Old High Court, Navrangpura,
Ahmedabad-380009 Tele. No. 079-27543650

Email id: - adirasayan@gmail.com Website: - www.adirasayan.in

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014)

Dear Member(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013, (hereinafter referred to as "the Act"), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) to the Members of Adi Rasayan Limited (hereinafter referred to as "the Company") that the resolution appended below is proposed to be passed by way of postal ballot / e-voting. The explanatory statement pertaining to the said resolution setting out the material facts concerning each item and the reasons thereof are annexed hereto alongwith a postal ballot form (hereinafter referred to as 'the Postal Ballot Form') for your consideration and voting.

The Board of Directors of the Company has appointed Mrs. Urmila Bohra, Proprietor of M/s Urmila Bohra & Associates, Mumbai as the Scrutinizer, at the meeting held on 13th February, 2016, for conducting the postal ballot (physical & e-voting) process in accordance with law, in a fair and transparent manner.

The business of the postal ballot shall, in addition to physical voting, also be transacted through electronic voting system. Accordingly, the Company in compliance with, Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 108 of the Act read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, is pleased to provide to the Members (whether holding shares in physical or in dematerialized form) the facility to exercise their right to vote on the matter included in the notice of the postal ballot by electronic means i.e. through e-voting services provided by National Securities Depository Limited (NSDL). The e-voting period commences on 28th February, 2016 at 9.00 a.m. and ends on 28th March, 2016 at 5.00 p.m. Please read carefully and follow the instructions as printed in this Notice for e-voting.

Those Members, who do not have access to e-voting facility can send their assent or dissent in writing on the Postal Ballot Form attached herewith. Members are requested to carefully read the instructions printed

on the Postal Ballot Form and return the Postal Ballot Form duly completed and signed in the attached self-addressed, postage pre-paid business reply envelope, so as to reach the Scrutinizer before the close of the working hours 5.00 p.m. on the 29th March, 2016 at the Company's Registrar and Share Transfer Agent namely System Support Services Limited, Unit :- Adi Rasayan Limited, 209, Shivai Industrial Estate, Near Parke - Davis, 89, Andheri Kurla Road, Saki Naka, Andheri (E), Mumbai-400072. Please note that any Postal Ballot Form(s) received after 5.00 p.m. on 29th March, 2016 will be treated as not received. The Scrutinizer will be submitting her report to the Chairman or in his absence, any Director authorised by the Board, after the completion of the scrutiny of the postal ballots (physical and e-voting). The results of the voting by postal ballot will be announced by the Chairman of the Company or in his absence, any person authorized by him, on 31st March, 2016 at 5.00 p.m. at the Registered Office of the Company situated at G/C, Ground Floor, Trupti Apartment, B/H. Old High Court, Navrangpura, Ahmedabad-380009 and will be displayed on the notice board at the registered office of the Company. The results of the postal ballot will also be posted on the Company's website www.adirasayan.in and on the website of National Securities Depository Limited, besides communicating to the stock exchange where the Company's shares are listed. The results of the postal ballot shall also be announced through newspaper advertisement. The resolution, if approved, will be taken as passed effectively on 31st March, 2016.

SPECIAL BUSINESS**REDUCTION OF SHARE CAPITAL**

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 100 to 104 and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, stock exchange where the shares of the company are listed, subject to the confirmation of the Hon'ble High Court or at the National Company Law Tribunal (NCLT) and/or any other Regulatory Authority as may be required, the Equity Share Capital of the Company be and is hereby reduced from Rs.6,51,97,000/- divided into 65,19,700 Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up to Rs. 32,59,850/- divided into 3,25,985 Equity Shares of Rs. 10/- (Rupees Ten only) each and that such reduction be effected by canceling of 61,93,715 Equity Shares of Rs. 10/- each amounting to Rs. 6,19,37,150/- which is lost or un-represented by the available assets i.e. Debit balance in Profit and Loss Account

RESOLVED FURTHER THAT the reduction of Company's paid up equity share capital as indicated above is subject to following terms and conditions:

- a) After the Hon'ble High Court confirms the reduction, the Company shall extinguish such paid up

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Equity share capital including the capital, which has been written off against the debit balance of Profit and Loss account.

- b) On extinguishments of the paid-up share capital as provided in (a) above, the Paid-up equity share capital shall stand reduced to Rs. 32,59,850/-
- c) Treatment of Fractional Shares:
 - i. In case any member's holding in the Company is such that the member becomes entitled to a fraction of an equity share of the Company, then the Company shall not issue fractional share certificates to such member but shall instead consolidate all such fractional entitlements to which the members of the Company may be entitled on the issue and allotment of equity shares of the Company and allot consolidated equity shares to a Director nominated by the Company in that behalf.
 - ii. The Director nominated by the Company as above shall, at his discretion, sell such shares in the open market and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

RESOLVED FURTHER THAT upon such reduction of Equity Share Capital as confirmed by the Hon'ble High Court or at the National Company Law Tribunal (NCLT) and/or any other Regulatory Authority and reduction becoming effective, the Board of Directors of the Company, after fixing the record date, be and is hereby authorized to issue new share certificates representing the reduced Equity Share capital with new distinctive numbers consequent to the reduction of the Equity Share capital as aforesaid subject to the rules as laid down in the Companies (Share Capital and Debentures) Rules 2014 and where Members holding Equity Shares (or opt to receive the reduced Equity Shares) in dematerialized form, the reduced Equity Shares in lieu thereof be credited to the respective beneficiary accounts of the Members with their respective Depository Participants unless otherwise communicated in writing by such shareholders on or before such date as may be determined by the Board of Directors of the Company or by a Committee created thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (including any Committee formed by them) be authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any questions or difficulties or doubts that may arise with regard to utilization / adjustment of the Equity share capital in the books of account as considered necessary to give effect to the above Resolution or to carry out such modifications/ directions as may be ordered by the Hon'ble High Court or the National Company Law Tribunal (NCLT) and/or any other appropriate statutory or Regulatory Authority to implement the aforesaid Resolution.

RESOLVED FURTHER THAT for all the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper or desirable and to settle any question, difficulty or doubt whatsoever may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers which may be so delegated by law, to any director or committee of directors of the Company to give effect to aforesaid Resolution.”

Place: Ahmedabad

Date: 13th February, 2016

By Order of the Board of Directors

For, Adi Rasayan Limited

sd/-

Sanjiv Joshi

Director

Encl.:

1. Explanatory Statement
2. Scheme of Reduction of Capital
3. Copy of Valuation Report
4. Copy of Fairness Opinion
5. Copy of complaint Report
6. Copy of the Observation letter issued by BSE Limited
7. Postal Ballot Form and Self Addressed Postage-Prepaid envelop

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Notes:

1. Explanatory Statement for the proposed resolutions mentioned above, pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 setting out material facts is appended herewith.
2. Mrs. Urmila Bohra, Proprietor of M/s Urmila Bohra & Associates, (CP No:12523, ACS No:33415) Practicing Company Secretaries, Mumbai has been appointed as Scrutinizer for conducting the E-voting/ Postal Ballot in accordance with the law in a fair and transparent manner.
3. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company offers e-voting option to the Members as an alternative to enable them to cast their votes. For this purpose, the Company has engaged M/s. National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form.
4. This notice is being sent to all the members, whose names appear in the Register of Members/list of beneficial owners as received from NSDL / CDSL as on the close of working hours on 20th February 2016 i.e. "the cut-off date". Voting Rights shall be reckoned on the paid-up value of the shares registered in the name of the members as on 20th February, 2016. E-voting is optional for members.
5. The Postal Ballot form together with the self-addressed business reply envelope is enclosed for the use of the members. Please read carefully the instructions printed on the enclosed Postal Ballot form before exercising your vote and return the same duly completed, signifying your assent/dissent, in the attached self-addressed business reply envelope, so as to reach the Scrutinizer before the close of working hours i.e. 5:00 p.m. on 29th March, 2016.
6. Members who have registered their e-mail id either with the Depositories or with the Registrar and share transfer Agents (RTA) or with the Company are being sent Notice of Postal Ballot by e-mail and Members who have not registered their e-mail id will receive Notice of Postal Ballot along with Postal Ballot Form through prescribed mode under the Act. The Members can also seek duplicate Postal Ballot Form from M/s. System Support Services Limited, Unit: Adi Rasayan Limited 209, Shivai Industrial Estate, Near Parke Davis, 89, Andheri Kurla Road, Saki Naka, Andheri (E), Mumbai-400072, or Registered Office of the Company i.e. G/C, Ground Floor, Trupti Apartment, B/H. Old High Court, Navrangpura, Ahmedabad-380009.

7. Kindly note that the Members can opt for only one mode of voting i.e. either by Physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Postal Ballot also and vice versa. However, in case Members cast their vote by both Physical Postal Ballot and e-voting, then voting done through valid Physical Postal Ballot shall prevail and voting done by e-voting will be treated as invalid.
8. Members desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed and signed in the enclosed self-addressed postage prepaid business reply envelope to the Scrutinizer so as to reach the Scrutinizer on or before the close of working hours i.e. 5:00 p.m. on 29th March, 2016. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered / speed post at the expense of the Members will also be accepted. Assent / Dissent received after 5.00 p.m. on 29th March, 2016 would be strictly treated as if reply from the Members has not been received.
9. Voting through electronic means:
- (i) The voting period begins on 28th February, 2016 from 9.00 a.m. and ends on 28th March, 2016 till 5.00 p.m. During these period shareholders of the Company, holding shares either in physical form or in dematerialized form, i.e. 20th February, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- (ii) The procedure to login to e-Voting website is given below:
- Open the attached PDF file “**e-Voting.pdf**” giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
 - Click on “Shareholder - Login”.
 - Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com
 - Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.

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- Home page of remote “e-Voting” opens. Click on e-Voting: Active Voting Cycles.
- Select “EVEN” of Adi Rasayan Limited. Members can cast their vote online from **28th February, 2016 till 28th March, 2016 (5:00 pm)**.
- **Note: e-Voting shall not be allowed beyond said time.**
- Now you are ready for “e-Voting” as “Cast Vote” page opens.
- Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
- Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail urmila.bohra2@gmail.com with a copy marked to **evoting@nsdl.co.in**.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to **<https://www.evoting.nsdl.com>** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at under help section or write an email to **<https://www.evoting.nsdl.com>** or contact NSDL at the following toll free no.: 1800-222-990.

10. The voting period ends on the close of working hours (i.e. 5:00 p.m.) on Monday the 28th March, 2016. The e-voting module for voting shall be disabled by M/s. National Securities Depository Limited thereafter.

11. The voting right(s) of Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on 20th February, 2016.
12. The Scrutinizer will submit his report to the Chairman or any one of the Director of the Company within one day after completion of the scrutiny of the Postal Ballot Forms and the result of the Postal Ballot along with the Scrutinizer's Report will be announced on 31st March, 2016 and the same will be displayed on the notice board at the registered office of the Company situated at G/C, Ground Floor, Trupti Apartment, B/H. Old High Court, Navrangpura, Ahmedabad-380009. The results of the postal ballot will also be posted on the Company's website www.adirasayan.in and on the website of National Securities Depository Limited, besides communicating to the stock exchanges where the Company's shares are listed. The result of the Postal Ballot shall also be announced through newspaper advertisement. In the event, the resolution are assented to by the requisite majority of Members by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolution.
13. The Board of Directors has appointed Mr. Sanjiv Joshi, Director and/or Mr. Ashish Pandare, Director of the Company as the designated persons responsible for the entire postal ballot process.
14. A copy of each of the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company during office hours on all working days, except Saturday and Sunday and other holidays, between 11:00 a.m. and 1:00 p.m. up to the date of declaration of results of postal ballot i.e. 31st March, 2016.

ANNEXURE TO NOTICE:**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

As required by Section 102(1) of the Companies Act, 2013, the following Explanatory Statement sets out all material fact relating to the Resolution as mentioned in the Notice.

Item No. 1

The Board of Directors of the Company at their meeting held on 28th September, 2015 have approved the financial restructuring by canceling of 61,93,715 Equity Shares of Rs. 10/- each amounting to Rs. 6,19,37,150/- from the existing paid up capital of Rs.6,51,97,000/- divided into 65,19,700 Equity Shares of Rs. 10/- (Rupees Ten only) each so as to show a true and fair view of the Balance sheet and operate with a leaner base Balance Sheet.

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The Debit Balance in Profit and Loss Account as at 31st March, 2015 was Rs. 7,54,29,548/-

The objectives of the financial restructuring are as under:

- a. Since writing off losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise whereby the Company would create a "Capital Restructuring Account" from its paid up Equity Share capital whereby the Company would write off Part off its debit balance of Profit and Loss Account.
- b. The reduction of capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.
- c. The financial restructuring will help the Company to reflect better its operational efficiency, improvements in the future years and reflect the true shareholder value.
- d. The restructuring will also not cause any prejudice to the creditors of the Company. For stake of clarity, it is specified that the reduction in Share Capital does not involve either the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The Creditors of the Company are in no way affected by the proposed restructuring by way of the reduction of capital as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.
- e. There is no cash outflow from the Company.
- f. Hence, the proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.

The Directors, in consultation with the Stock Exchange where the shares of the company are listed, will fix the record date for the Reduction of Equity share Capital after the High Court confirms the Reduction of capital and the order is made effective after filing necessary forms with the concerned Registrar of Companies.

The above resolution is subject to the confirmation of the Hon'ble High Court / NCLT and / or approval of such other Regulatory Authority as may be required according to the laws in force.

The pre and post reduction shareholding pattern is as under:

Category of Equity Shareholders	Pre Reduction As on 12 th February 2016 face Value Rs. 10/- each		Post Reduction (Expected) Face Value Rs. 10/- each	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoter and Promoter Group	—	—	—	—
Public:				
Bodies Corporate	13,88,032	21.29	69,402	21.29
Individuals	51,31,668	78.71	2,56,583	78.71
NRI	—	—	—	—
Total	65,19,700	100	3,25,985	100

Note: *There is no change in the percentage (%) of the shareholders of the Company.*

The pre and post reduction Capital Structure of the Company is as under:

Particulars	Pre Reduction (Rs.)		Post Reduction (Rs.) (Expected)	
	No of shares	Rs.	No of shares	Rs.
Authorized Share Capital:				
Equity Shares of Rs. 10/- each	70,00,000	7,00,00,000	70,00,000	7,00,00,000
Total	70,00,000	7,00,00,000	70,00,000	7,00,00,000
Paid up Share Capital:				
Equity Shares of Rs.10/- each	65,19,700	6,51,97,000	3,25,985	32,59,850
Total	65,19,700	6,51,97,000	3,25,985	32,59,850

The Audit Committee and the Board of Directors of the Company have approved proposal for reduction of Equity share capital of the company subject to necessary approvals from the relevant authorities.

In terms of clause 24(f), of the listing Agreement, the company has obtained a valuation report from

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Independent Chartered Accountant from M/S. J. H. Ghumara & Co. and fairness opinion from Systematix Corporate Service Limited., an Independent Merchant Banker on the proposed Reduction of Equity Share Capital of the Company. The copy of the said Valuation report dated 26th October, 2015 and fairness opinion dated 6th November, 2015 are enclosed along with this explanatory statement forming part of the notice.

The Draft Scheme along with the related documents was hosted on the website of the Company and BSE and was open for complaints / comments from 18th November 2015 to 21st December, 2015. During the above period, the Company has not received any complaint/comments and accordingly a nil complaint report was filed with the stock exchange on 22nd December, 2015 and the said Scheme and complaint report are enclosed along with this explanatory statement forming part of the notice.

In term of clause 24(f) of the Listing Agreement, the Company, being a listed Company, was required to file application with the stock exchange for obtaining No-Objection / Observation Letter for reduction of share capital. The Company has received No-Objection/Observation letter from the BSE Limited dated 29th January, 2016 for filing the Scheme of Arrangement with High Court and the same is enclosed along with this explanatory statement forming part of the notice.

A copy of each of the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company during office hours on all working days, except Saturday and Sunday and other holidays, between 11:00 a.m. and 1:00 p.m. up to the date of declaration of results of postal ballot i.e. 31st March, 2016.

None of the Directors and Managers of the Company and Key Managerial Personnel and their relatives is concerned in any way or interested in the resolution except for their shareholding in the Company, if any.

Your Directors commend the resolution for your approval as a Special Resolution.

By Order of the Board of Directors

For, Adi Rasayan Limited

sd/-

Sanjiv Joshi

Director

Place: Ahmedabad

Date: 13th February, 2016

SCHEME OF REDUCTION OF CAPITAL**BETWEEN****ADI RASAYAN LIMITED****AND****ITS****SHAREHOLDERS**

This scheme of Reduction of Capital is presented under Sections 100 to 104 and other applicable provisions, if any, of the Companies Act, 1956 for undertaking financial restructuring of ADI RASAYAN LIMITED ("The Company" or "ARL") whereby ARL would create Capital Restructuring Account by reducing the Equity share capital to adjust part of the debit balance in Profit and Loss Account as detailed in the Scheme as under.

PART I - PREAMBLE**1. Background**

ADI RASAYAN LIMITED, a company registered under the Companies Act, 1956 having its registered office at G/C, Ground floor, Trupti Apartment, B/H. Old High Court, Navarnagpura, Ahmedabad – 380009 and was incorporated with an object of manufacture and trading of all kinds of chemical, (organic and inorganic), and other compounds, raw materials and chemicals, and dyes and pigments and intermediates thereof for industrial and consumer use, derivatives and bye-products thereof and products to be made therefrom and products derived from phosphate mines, limestone, quarries, bauxite mines, petroleum, natural gas and other natural deposits useful or suitable in the manufacture of any chemicals and chemical products related and generally products and articles of any nature and kind whatsoever.

There is no manufacturing activity in the recent past. Presently, the company is engaged in the business of trading and commissioning of various goods and merchandise on small scale.

The share capital structure of the Company as on March 31, 2015 is as follows:

Authorised Share Capital:	Rs.
70,00,000 Equity Shares of Rs. 10/- each.	7,00,00,000
Issued, subscribed and paid up Share Capital	
65,19,700 Equity Shares of Rs.10/- each fully paid up	6,51,97,000

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A summarized view of the financials of the Company as per Audited Balance Sheet as at 31st March, 2015 are as under:

PARTICULARS	AMOUNT (In Rupees)
Paid up Capital	6,51,97,000
Non Current Liabilities	1,07,41,851
Deferred Tax Liability	731
Current Liabilities	10,005
Net Fixed Assets	25,210
Current Assets	4,93,829
Revenue from Operations	1,66,725
Indirect Income	39,69,649
Total Revenue	41,36,374
Expenditure	39,21,450
Profit before tax for the year	2,14,924
Tax Expenses	(1,029)
Profit after Tax for the year	2,15,953
Accumulated Losses	(7,54,29,548)

As per the last audited Balance Sheet as at 31st March, 2015, the Company has accumulated losses of Rs. 7,54,29,548/- .

Due to heavy losses incurred by the Company during last few years, the capital of the company has been eroded and the net worth has become negative.

The promoter of the Company planned strategy to revive the Company with the financial help from Business associates.

The Board of Directors of the Company propose to reduce share capital in accordance with Sections 100-104 of the Companies Act, 1956 to reflect its assets and liabilities at their real value and maximize its business value.

Part II-DEFINITIONS**2. Definitions**

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- A** “Act” means the Companies Act, 1956 and/or the Companies Act, 2013, as applicable, and the rules and regulations made there under and will include any statutory modifications, re-enactments and/ or amendments thereof from time to time.
- B** **Accumulated Losses**” means and include the total amount shown under the head “Profit and Loss Account” as appearing in the audited balance sheet of the Company as at 31st March, 2015
- C** **“Board”** means Board of Directors of the Company, as the case may be.
- D** **“Company”** means “ADI RASAYAN LIMITED”
- E** **“Court” Or “High Court”** means the High Court of Judicature at Ahmedabad at Gujarat and shall include the National Company Law Tribunal as Applicable.
- F** **“Capital Restructuring Account”** means the special account created by transferring amount from the Paid up Equity Share Capital of the Company for the purpose of this Scheme and to be utilized for writing off Accumulated Losses of the Company in accordance with Clause 5 at the Scheme.
- G** **“Effective Date”** means the last of the dates on which all the conditions and matters referred to in Clause 11 of this Scheme occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of ‘coming into effect of the Scheme’ or ‘effectiveness of the Scheme’ shall mean the Effective Date.
- H** **“Equity Shares”** means fully paid equity shares of Rs. 10/- each issued by the Company till the effective date and post effective date, number of fully paid up Equity shares will be reduced.
- I** **“Financial Statements”** would include stand alone quarterly/annual accounts of the Company (including balance sheet, cash flow statements, profit and loss account) and other financials published along with annual accounts, and quarterly/public reported financial statements of the Company.
- J** **“Record Date”** means the date(s) to be decided by the Board of Directors or a committee for the purpose of giving effect to the orders of the Hon’ble High Court sanctioning the Scheme.

- K** “**This Scheme** or The Scheme or Scheme” means this Scheme of Arrangement for restructuring of capital as provided herein its present form or with such alterations/modifications as may be approved or imposed or directed by any of the Regulatory Authorities and may be approved by Hon’ble High Court .
- L** “**Shareholder**” means a person holding Equity Shares, who is registered as a member in the Register of Members of the Company.
- M** “**Stock Exchange**” means BSE Limited, the stock exchange on which the shares of the Company are listed.

All terms and words not defined in the scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992, Depositories Act, 1996, Listing Agreement and other applicable laws, rules, regulations, bye laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.

PART III – OBJECTIVE OF THE SCHEME

3. Broadly, the objectives of the financial restructuring are as under:
- a. Since writing off losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise whereby the Company would create a “Capital Restructuring Account” from its paid up Equity Share capital whereby the Company would write off Part off its debit balance of Profit and Loss Account.
 - b. The reduction of capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.
 - c. The financial restructuring will help the Company to reflect better its operational efficiency, improvements in the future years and reflect the true shareholder value.
 - d. The restructuring will also not cause any prejudice to the creditors of the Company. For stake of clarity, it is specified that the reduction in Share Capital does not involve either the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The Creditors of the Company are in no way affected by the proposed restructuring by way of the reduction of capital as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors. Further, the proposed adjustment would not in any way adversely affect the ordinary operations

of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.

- e. There is no cash outflow from the Company.
- f. Hence, the proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.
- g. Accordingly, The Board of Directors of the Company at their meeting held on 28th September, 2015 has considered necessary to carry out financial restructuring so as to show a true and fair view of the Balance sheet and operate with a leaner base Balance Sheet.

PART IV - APPLICABILITY OF THE SCHEME

4. Applicability of the Scheme of Arrangement:

- (i) The existing issued, subscribed and paid up Equity share capital of the Company shall be reduced from Rs.6,51,97,000/- divided into 65,19,700 Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up to Rs. 32,59,850/- divided into 3,25,985 Equity Shares of Rs. 10/- (Rupees Ten only) each and that such reduction be effected by canceling of 61,93,715 Equity Shares of Rs. 10/- each amounting to Rs. 6,19,37,150/- which is lost or un-represented by the available assets i.e. Debit balance in Profit and Loss Account
- (ii) Consequent upon Reduction, the Equity Share Capital of the company will be Rs. 32,59,850/- divided into 3,25,985 Equity Shares of Rs. 10/- (Rupees Ten only) each.
- (iii) Consequent upon reduction, the accumulated losses will be Rs. 1,34,92,398/-
- (iv) An Equity share holder holding 100 Equity shares of Rs.10/- each, then post reduction, he will get it 5 new Equity shares of Rs.10/- each. The face value of Equity share will remain at Rs.10/- only.
- (v) The details of Pre and post reduction of Capital and accumulated losses are as under.

Particulars	Pre Reduction of Capital	Post Reduction of Capital
Number of Equity Shares	65,19,700	3,25,985
Value of each Share (Rs.)	10	10
Total Paid up Capital (Rs.)	6,51,97,000	32,59,850
Accumulated losses (Rs.)	7,54,29,548	1,34,92,398

ADI RASAYAN LIMITED

- (vi) The pre and post shareholding pattern of the Company, upon the approval of Scheme shall be in the following manner:

Shareholding pattern	Pre Reduction		Post Reduction	
	No. of shares	% of holding	No. of Shares	% of holding
Promoter	0	0.00	0	0.00
Public	65,19,700	100.00	3,25,985	100.00
Custodian	-	-	-	-
TOTAL	69,19,700	100.00	3,25,985	100.00

There is no change in the percentage (%) of the shareholders holding of the company.

(vii) **Treatment of Fractional Shares.**

- A In case any member's holding in the Company is such that the member becomes entitled to a fraction of an equity share of the Company, then the Company shall not issue fractional share certificates to such member but shall instead consolidate all such fractional entitlements to which the members of the Company may be entitled on the issue and allotment of equity shares of the Company and allot consolidated equity shares to a Director nominated by the Company in that behalf.
- B The Director nominated by the Company as above shall, at his discretion, sell such shares in the open market and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

- (viii) The shares issued to the members of the company pursuant to clause as above shall be issued in dematerialized form by the Company, unless otherwise notified in writing by the shareholders of the company on or before such date as may be determined by the Board of Directors of the Company or a committee thereof. In the event that such notice has not been received by the Company in respect of any of the members of the Company, the shares shall be issued to such members in dematerialized form provided that the members of the Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required, it is only thereupon that the Company shall issue and directly credit the dematerialised securities to the account of such member with the shares of the Company. In the event that the Company has received notice from any member that shares are to be issued in certificate form or if any members has not provided the requisite details relating

to the account with depository participant or other confirmations as may be required, then the Company shall issued shares in certificate form to such member.

- (ix) The Scheme shall come into operation from the Effective Date.

PART V- FINANCIAL RESTRUCTURING AND ACCOUNTING TREATMENT

5. CREATION AND UTILISATION OF CAPITAL RESTRUCTURING ACCOUNT

Pursuant to the Scheme of Reduction of capital, the treatment in the books of accounts of the Company will be as follows:

On the Effective Date

- i. A sum of Rs. 6,19,37,150/- upon reduction from existing Equity Capital of Rs.6,51,97,000/- divided into 65,19,700 Equity Shares of Rs.10/- (Rupees Ten) each fully paid up to Rs.32,59,850/- divided into 3,25,985 Equity Shares of Re.10/- (Rupees Ten) each be transferred to "Capital Restructuring Account.
- ii. As referred above, the issued, subscribed and paid up Equity Share capital of the company, post reduction, will be Rs.32,59,850/- divided into 3,25,985 Equity Shares of Rs.10/- (Rupees Ten) each.
- iii. Part of the balance of Accumulated Losses amounting to Rs. 6,19,37,150/- as at 31st March, 2015, be transferred to "Capital Restructuring Account".
- iv. The Company shall comply with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.
- v. To the extent of the amount transferred to the Capital Restructuring Account under this Para above, there shall be reduction of share capital of the Company, which shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 104 of the Act, without involving either diminution of liability in respect of the unpaid share capital or payment to any shareholder of paid up share capital.
- vi. Notwithstanding the reduction as mentioned above, the Company shall not be required to add "and reduced" as suffix to its name and the Company shall continue with its existing name.
- vii. The form of the minute proposed to be registered under Section 103(1) (b) of the Companies Act is as follows

The Capital of Adi Rasayan Limited is henceforth Rs.32,59,850/- (Rupees Thirty Two Lacs Fifty Nine Thousand Eight Hundred Fifty only) divided into 3,25,985 Equity Shares of Rs.10/- each fully paid up reduced from Rs.6,51,97,000/- (Rupees Six Crore Fifty One Lacs Ninty Seven Thousand

ADI RASAYAN LIMITED

only) divided into 65,197,00 Equity Shares of Rs.10/- each effected by cancelling 61,93,715 Equity Shares of Rs. 10/- each amounting to Rs.6,19,37,150/-. At the date of this registration of this minute 3,25,985 Equity shares numbered 01 to 3,25,985 have been issued and are deemed to be fully paid up.

6. CONDUCT OF BUSINESS

- 6.1 Nothing contained in the Scheme shall affect the conduct of business of the Company and for any deeds, bonds, contracts, agreements and any other instruments to which the Company is a party and/or all legal or other proceedings by or against the Company.
- 6.2 Further, nothing contained in the Scheme shall affect the existing rights of the creditors, workers and employees of the Company.

PART VI - GENERAL TERMS AND CONDITIONS

7. In term of clause 24(f) of the Listing Agreement, the Company, being a listed Company, will file application with the stock exchange for obtaining No-Objection / Observation Letter for reduction of share capital.
8. The scheme is only for reduction of capital of the Company and it does not envisage transfer or vesting of any properties and/ or liabilities to or in favour of the Company.
9. The Company needs to obtain Share holders Approval by way of a Special Resolution, as per the provisions of Section 100 of the Companies Act, 1956 and the same will be complied with once the company gets observation letter from BSE Limited under clause 24(f) of the Listing Agreement.

10. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 10.1 The Company through their Board of Directors may consent on behalf of all persons concerned to any modifications or amendments of this Scheme or to any conditions which the Court and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.
- 10.2 However no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the Court
- 10.3 For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Company are authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

10.4 The Company shall take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

11 CONDITIONALITY OF THE SCHEME:

This Scheme is conditional upon and subject to:

11.1 the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors of the Company as required under the Act and the requisite order of the Hon'ble High Court being obtained;

11.2 such other sanctions and approvals as may be required by law in respect of this Scheme being obtained; and

11.3 the Certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Gujarat at Ahmedabad.

12 BINDING EFFECT:

Upon the Scheme becoming, effective the same shall be binding on the Company and all concerned parties without any further act, deed manner or thing.

13 APPLICATION TO HIGH COURT:

The Company shall make necessary applications before the High Court of judicature of Gujarat at Ahmedabad for the sanction of this Scheme under Sections 100 to 104 of the Companies Act, 1956

14 EFFECT OF NON-RECEIPT OF APPROVALS:

14.1 In case the Scheme is not sanctioned by the Hon'ble High Court of judicature at Gujarat or such other Competent Authority or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme not being obtained or complied or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void.

14.2 The Board of Directors may withdraw the Scheme at any time should they consider appropriate to do so.

15 COSTS, CHARGES & EXPENSES:

Upon the sanction of this Scheme by the High Court, all costs (including but not limited to stamp duty, registration charges, etc.) in relation to the Reduction of Capital shall be borne by the Company.

REPORT ON THE VALUATION OF

ADI RASAYAN LIMITED

AS AT 31ST MARCH, 2015

**J.H.GHUMARA & CO.
CHARTERED ACCOUNTANTS
MUMBAI**



J.H. GHUMARA & CO.
CHARTERED ACCOUNTANTS

JAGDISHCHANDRA H. GHUMARA
B.Com., F.C.A.

B/15, Kavita Apartment, Natakwas Lane,
S.V. Road, Borivali (W), Mumbai - 400 082.
Mob.: 98925 27200
Email : jhghumara@gmail.com

STRICTLY PRIVATE AND CONFIDENTIAL

To,

The Board of Directors
ADI RASAYAN LIMITED
G/C, Ground floor, Trupti Apartment, B/H. Old High Court,
Navarnagpura, Ahmedabad - 380009

Re: Valuation Report of Equity Share Capital of Adi Rasayan Limited

1. PURPOSE OF THE REPORT

- (a) There is a proposal before the Board of Directors of Adi Rasayan Limited (ARL) to consider a Scheme of Reduction of Capital in accordance with the provisions of Section 100 to 104 of the companies Act, 1956.
- (b) We have been requested by the Board of Directors of Adi Rasayan Limited (ARL) to submit a report to the Board of Directors of the Company about a fair valuation of Equity shares.
- (c) This Report is provided upon the express understanding that the information contained herein or made available in connection with the proposed arrangement, is strictly confidential and is only intended for the exclusive use of the Board of Directors of ARL and such other recipient/s authorized by them. This Report shall not be photocopied, reproduced or distributed to others at any time without the prior written consent of J. H. Ghumara & Co, Chartered Accountants, or ARL. This Report shall remain at all times the property of J. H. Ghumara & Co, Chartered Accountants, and ARL. It must be returned

immediately along with any other informative material received in this connection, without retaining any copies thereof upon request or forthwith, for any reason whatsoever, if the transaction is not concluded or the recipient has no further interest in the transaction.

- (d) The report shall be used for all purposes as would be required for getting clearances from all applicable regulatory authorities/approval from the Stock Exchange (BSE Limited) / the Hon'ble High Court of Gujarat at Ahmedabad for giving effect to the Scheme of Reduction of Equity Share capital.

2. INTRODUCTION

2.1 Back ground

ADI RASAYAN LIMITED, a company registered under the Companies Act, 1956 having its registered office at G/C, Ground floor, Trupti Apartment, B/H. Old High Court, Navarnagpura, Ahmedabad - 380009 and was incorporated with an object of manufacture and trading of all kinds of chemical, (organic and inorganic), and other compounds, raw materials and chemicals, and, dyes and pigments and intermediates thereof for industrial and consumer use, derivatives and bye-products thereof and products to be made therefrom and products derived from phosphate mines, limestone, quarries, bauxite mines, petroleum, natural gas and other natural deposits useful or suitable in the manufacture of any chemicals and chemical products related and generally products and articles of any nature and kind whatsoever.

There is no manufacturing activity in the recent past. Presently, the company is engaged in the business of trading and commissioning of various goods and merchandise on small scale.

The shares of the company are listed on BSE Limited.

2.2 Date of Valuation

The appointed date for valuation is considered as 31st March, 2015.

2.3 Applicability of the scheme

- (i) The existing issued, subscribed and paid up Equity share capital of the Company shall be reduced from Rs.6,51,97,000/- divided into 65,19,700 Equity Shares of Rs.



10/- (Rupees Ten only) each fully paid up to Rs. 32,59,850/- divided into 3,25,985 Equity Shares of Rs. 10/- (Rupees Ten only) each and that such reduction be effected by cancelling of 61,93,715 Equity Shares of Rs. 10/- each amounting to Rs. 6,19,37,150/- which is lost or un-represented by the available assets i.e. Debit balance in Profit and Loss Account

- (ii) Consequent upon Reduction, the Equity Share Capital of the company will be Rs. 32,59,850/- divided into 3,25,985 Equity Shares of Rs. 10/- (Rupees Ten only) each.
- (iii) Consequent upon reduction, the accumulated losses will be Rs. 1,34,92,398/-
- (iv) An Equity share holder holding 100 Equity shares of Rs.10/- each, then post reduction, he will get it 5 new Equity shares of Rs.10/- each. The face value of Equity share will remain at Rs.10/- only.
- (v) The details of Pre and post reduction of Capital and accumulated losses are as under.

Particulars	Pre Reduction of Capital	Post Reduction of Capital
Number of Equity Shares	65,19,700	3,25,985
Value of each Share (Rs.)	10	10
Total Paid up Capital (Rs.)	6,51,97,000	32,59,850
Accumulated losses (Rs.)	7,54,29,548	1,34,92,398

- (vi) The pre and post shareholding pattern of the Company, upon the approval of Scheme shall be in the following manner:

Shareholding pattern	Pre Reduction		Post Reduction	
	No. Of shares	% of holding	No. Of Shares	% of holding
Promoter	0	0.00	0	0.00
Public	65,19,700	100.00	3,25,985	100.00
Custodian	-	-	-	-

TOTAL	69,19,700	100.00	3,25,985	100.00
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There is no change in the percentage (%) of the shareholders holding of the company.

2.4 Objective of the scheme

Broadly, the objectives of the financial restructuring are as under:

- A Since writing off losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise whereby the Company would create a "Capital Restructuring Account" from its paid up Equity Share capital whereby the Company would write off Part off its debit balance of Profit and Loss Account.
- B The reduction of capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.
- C The financial restructuring will help the Company to reflect better its operational efficiency, improvements in the future years and reflect the true shareholder value.
- D The restructuring will also not cause any prejudice to the creditors of the Company. For stake of clarity, it is specified that the reduction in Share Capital does not involve either the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The Creditors of the Company are in no way affected by the proposed restructuring by way of the reduction of capital as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.
- E There is no cash outflow from the Company.
- F Hence, the proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.
- G Accordingly, The Board of Directors of the Company at their meeting held on 28th September, 2015 has considered necessary to carry out financial



restructuring so as to show a true and fair view of the Balance sheet and operate with a leaner base Balance Sheet.

3. COMPANY INFORMATION

3.1 Management

The Board of Directors of the company is as under.

1. Mr. Sanjiv Joshi
2. Mr. Ashish S Pandare
3. Ms. Veda B Adhatrao
4. Ms. Amisha Dani

3.2 Financial summary

The following table gives the financial summary of the financial position of the company for the last three years as per the audited financial statements are as under.

(Rs. in Lacs)

Particulars	As per Limited Reviewed Three months period ended on	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	30-06-2015	2014-15	2013-14	2012-13
Equity Paid up Capital	651.97	651.97	651.97	651.97
Reserves and surplus	(748.62)	(754.30)	(756.46)	(758.46)
Net Worth	(96.65)	(102.33)	(104.49)	(106.49)
Miscellaneous Expenditure	0	0	0	0

Secured Loans	0	0	0	0
Unsecured Loans	107.42	107.41	106.41	110.06
Fixed Assets	0.23	0.25	0.36	0.50
Income from Operations	8.90	41.36	5.65	36.37
Total Income	8.90	41.36	5.65	36.37
Total Expenditure	3.22	39.21	3.61	35.89
Profit before Tax	5.68	2.15	2.04	0.48
Profit after Tax	5.68	2.16	2.00	0.49
Cash profit	5.70	2.26	2.15	0.53
EPS	0.09	0.03	0.03	0.01
Book value	(1.48)	(1.57)	(1.60)	(1.63)

4. FINANCIAL RESTRUCTURING AND ACCOUNTING TREATMENT

CREATION AND UTILISATION OF CAPITAL RESTRUCTURING ACCOUNT

Pursuant to the Scheme of Reduction of capital, the treatment in the books of accounts of the Company will be as follows:

On the Effective Date

- i. A sum of Rs. 6,19,37,150/- upon reduction from existing Equity Capital of Rs.6,51,97,000/- divided into 65,19,700 Equity Shares of Rs.10/- (Rupees Ten) each fully paid up to Rs.32,59,850/- divided into 3,25,985 Equity Shares of Re.10/- (Rupees Ten) each be transferred to "Capital Restructuring Account,
- ii. As referred above, the issued, subscribed and paid up Equity Share capital of the company, post reduction, will be Rs.32,59,850/- divided into 3,25,985 Equity Shares of Rs.10/- (Rupees Ten) each.

- iii. Part of the balance of Accumulated Losses amounting to Rs. 6,19,37,150/- as at 31st March, 2015, be transferred to "Capital Restructuring Account".
- iv. The Company shall comply with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.

5. VALUATION

APPROACH TO VALUATION

- a. The objective and purpose of the valuation is to seek approval from BSE Limited as per the requirement of the Listing Agreement for a Scheme of Reduction of Capital. The Valuation exercise has been carried out bearing in mind the said purpose.
- b. The principles, concepts and methods on the basis of which determination of the value of the business was made are briefly discussed hereunder.
- c. Valuation of anything is an estimate of the value of that thing in terms of money. In common parlance as well as in court, the word value is used to mean valuation, or an estimate of the value, which, in turn, denotes its market value. When we speak of the price of anything we do not necessarily mean the value or market value of that thing. Again, value or valuation of anything and its price cannot be the same except by coincidence. Hadley has stated "a price is a fact and the value is an estimate of what the price ought to be".
- d. In the assessment of compensation, the word "value" is used to mean valuation or an estimate of the value, which in term denotes its market value. Valuation is not an exact science. It is not an algebraic problem which can be solved by an abstract formula. It is quite true in all valuations, judicial or otherwise, there must be room for inferences and indications of opinion which being more or less conjectural, all difficult to reduce to exact reasoning or to explain to others.
- e. Estimating values necessarily involves selecting a method or an approach that is suitable for the purpose. In this valuation, it is not the absolute values but the relative values which are of concern. Besides courts in India (whose permission will have to be sought for effecting the Scheme), have over a period of time, evolved certain guiding principles in various judgements.
- f. From the generally used various methods of valuation, we have considered Net Assets Value / Net worth method as due to heavy losses incurred by the Company during last few years, the capital of the company has been eroded and the net worth has become negative.



- g. In the net asset value method, net asset value is computed based on the latest available audited balance sheet. The genesis of this method of valuation lies in the total assets that the company own.
- h. Valuation of Adi Rasayan Limited (pre and post Reduction of Capital) as per NAV as on 31st March, 2015.

The below statement has been compiled on the basis of audited Balance sheet as on 31st March, 2015 and records and documents produced before us for our verification.

Particulars	Pre Reduction of Capital (Amount in Rupees)	Post Reduction of Capital (Amount in Rupees)
Equity Share Capital as on 31 st March, 2015	6,51,97,000	32,59,850
Add: Reserves and Surplus Surplus/(Deficit) in profit and loss account	(7,54,29,548)	(1,34,92,398)
NAV as on 31 st March, 2015	(1,02,32,548)	(1,02,32,548)

Notes:

1. There would be no change in the valuation of the company pre and post reduction of capital.
 2. There would be no change in the shareholding pattern of the company pre and post reduction of capital.
 3. Hence the Net Assets Value of "Adi Rasayan Limited" is determined as Rs.(1,02,32,548/-). The capital of the company has been eroded and the net worth has become negative.
 4. The valuation is done merely for the purpose of deriving the fair value for the better understanding of the shareholder's wealth and this valuation does not have any impact on the reduction of capital.
- 6. Limitations and Disclaimers**
- a. Our valuation is based on the information furnished to us by the management and the same is assumed to be complete and accurate in all material respect. The



information is based on the audited balance sheets of the Companies for the last years.

- b. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review or examination of any of the historical information used and therefore, does not express any opinion with regards to the same.
- c. The information presented in the report does not reflect the outcome of any due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and, therefore, the valuation materially.
- d. The Report is meant for the purpose of seeking approval under clause 24 (f) of the Listing Agreement entered by the company with BSE Limited and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- e. We have no obligation to update this Report because of events or transactions occurring subsequent to the date of this Report.
- f. Our recommendation is dependent upon the information furnished to us being complete and accurate in all material respect.

7. OPINION ON VALUATION

The Proposed Scheme of reduction of capital is to write off debit balance of profit and loss account against Equity share capital of the company to reflect better operational efficiency, improvements in the future years and reflect the true shareholder value and is in the interest of all the stakeholders.

Since the reduction is carried out for the mere purpose of wiping out the accumulated losses, the valuation is carried out for the requirements of the Statute and also for the awareness of the stakeholders.

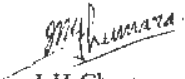


We considered the draft proposed Scheme of Reduction of Capital of the company for the purpose of reduction of capital, based on net assets valuation method for the net worth of the company as on 31st March, 2015.

The Board has recommended reduction 95% of the paid up capital of the Company and in our opinion this is fair and justifiable on the basis of this valuation with reference to paragraph 5.

For J. H. Ghumara & Co.

Chartered Accountants



J.H. Ghumara

Proprietor

Membership No. 014320

Place: Mumbai

Date: 26-10-2015



Systematix Corporate Services Ltd.

Corporate Office : The Capital, 'A' Wing, 6th Floor, No. 603 - 606,
Plot No. C-70, G-Block, Bandra Kuria Complex, Bandra (E),
Mumbai - 400 051.
Tel. : +91-22-6704 8000 • Fax : +91-22-6704 8022

November 6, 2015
SCSL/15-16/039

The Board of Directors
Adi Rasayan Limited
G/C, Ground Floor,
Trupti Apartment,
B/h, Old High Court,
Navrangpura, Ahmedabad - 380009.

Dear Sirs,

Sub: Fairness Opinion on the Valuation Report of Equity Share Capital prepared by M/s. J. H. Ghumara & Co., (Chartered Accountants).

Ref: Proposed "Scheme of Reduction of Capital" of your company.

In accordance with your assignment to provide "Fairness Opinion" on the independent valuation done by **M/s. Ghumara & Co.**, (Chartered Accountants) represented Mr. Jagdishchandra H. Ghumara (Membership No.014320) having their office situated at B/15, Kavita Apartment, Natakwala Lane, SV Road, Borivali (W), Mumbai 400 092; Mobile: 9892527200; Email: jhghumara@gmail.com vide their report dated October 19, 2015 pursuant to the provisions of the Listing Agreement w.r.t. your Scheme of Reduction of Capital, opinion has been formed that the value arrived is FAIR.

This Fairness Opinion is intended for its sole use by the management of **Adi Rasayan Limited** only. Our recommendation should be understood in the context of our assumptions and the statements made by us in this report under the head statement of limiting conditions.

A detailed report is appended herewith.

Thanking you

Yours truly,

For Systematix Corporate Services Limited


Authorised Signatory



Registered Office : 206 - 207, Bansi Trade Centre, 581 / 5, M. G. Road, Indore - 452 001.
Tel.: +91 731 3018111 - 15 • Fax : +91 731 4068253

Email : secretarial@systematixgroup.in • Website : www.systematixgroup.in

SEBI Merchant Banking Registration No.: INM00004224

CIN : L91990MP1985PLC002969



**FAIRNESS OPINION****• Terms of Reference**

Systematix Corporate Services Limited (“Systematix”), a public limited company listed on BSE Limited, Mumbai and also a SEBI registered Category I Merchant Banker having permanent Registration Number INM000004224, has been appointed by **Adi Rasayan Limited** (“the Company”) to provide a “Fairness Opinion” pursuant to Clause 24(h) of the Listing Agreement vide SEBI Circular CIR/CFD/DIL/5/2013 dated February 04, 2013 on the proposed Scheme of Reduction of Capital of the Company.

The Fairness Opinion given by us is intended solely for the use by management of **Adi Rasayan Limited** only and it is not meant for any third party usage.

• Objective of Fairness Opinion

This objective is to provide a fair and reasonable opinion on the “Valuation Report of Equity Share Capital” prepared by **M/s. J. H. Ghumara & Co.**, (Chartered Accountants) represented by Mr. Jagdishchandra H. Ghumara (Membership No.014320) having their office situated at B/15, Kavita Apartment, Natakwala Lane, SV Road, Borivali (West), Mumbai 400 092, Email: jhghumara@gmail.com vide their report dated October 26, 2015 pursuant to the provisions of the Listing Agreement.

• Corporate Profile:

Adi Rasayan Limited (“the Company”), a public limited company listed on BSE Limited, Mumbai. The main objects of the company are to produce, manufacture, manipulate, buy, import or otherwise acquire, use, sell, distribute, export, deal and dispose of all kinds of chemicals (Organic and Inorganic), and other compounds, raw materials and chemicals, and dyes and pigments and intermediates thereof for Industrial and Consumer use.

The Company was incorporated as Public Limited Company on 16th November 1992 and obtain commencement of business certificate on 20th November 1992 with the object of manufacturing and trading in Organic and Inorganic Chemicals, Dyes and Pigments. The Company was promoted by Mr. Sanjay Adani, Mr. Dinesh Desai, Mr. Dahyabhai Patel, Mr. Vikaram Shah and Mr. Mitesh Adani. Subsequently, Mr. Shashikant Gandhi joined as co-promoter of the Company. In April 1993, the Company proposed to setup a project at GIDC, Ankleshwar, Bharuj District in Gujarat.

Presently the Company is carrying out trading and dealing in chemicals.

Scope of Work

Our analysis and recommendations are based on the information provided by **Adi Rasayan Limited** and “Fair Valuation of Equity Shares” prepared by **M/s. J. H. Ghumara & Co.**, (Chartered Accountants) vide their report dated October 26, 2015.





• **Sources of Information**

For recommendations of "Fairness Opinion on value of Equity Share"; we have relied upon the following data and documents:

- Annual Reports of the Company for 2012-13, 2013-14 and 2014-15.
- Certified True Copy of the "Fair Valuation of Equity Shares" prepared by M/s. J. H. Ghumara & Co., (Chartered Accountants) vide their report dated October 26, 2015.
- Certified True Copy of "Scheme of Reduction of Capital" provided by the Company.
- The Company's Website (www.Adi.Rasayan.in).
- BSE's Website (www.bseindia.com) and
- Money Control's Website (www.moneycontrol.com)
- Other Information and Explanations provided by the company.

Key Extract of Valuation Report and Draft Scheme

We have obtained the Valuation Report dated October 26, 2015 carried out for the purpose of Reduction of Capital from the Valuers and below are the extract from the same.

M/s. J. H. Ghumara & Co. Chartered Accountants has been appointed by management of Adi Rasayan Limited to prepare a Valuation Report for valuation of Equity Shares of the company for the proposed reduction of Capital of the company.

For this purpose, we have reviewed the various documents, and have made certain assumptions and have relied upon the discussions we have had with, and the information, particulars and explanations that we received from the Company. We have based our valuation, primarily on the following factors: -

- A sum of Rs. 6,19,37,150/- upon reduction from existing Equity Share Capital of Rs. 6,51,97,000/- divided into 65,19,700 Equity Shares of Rs.10/- (Rupees Ten) each fully paid up to Rs.32,59,850/- divided into 3,25,985 Equity Shares of Re.10/- (Rupees Ten) each be transferred to "Capital Restructuring Account".
- As referred above, the issued, subscribed and paid up Equity Share capital of the company, post reduction, would be Rs.32,59,850/- divided into 3,25,985 Equity Shares of Rs.10/- (Rupees Ten) each.
- Part of the balance of accumulated losses amounting to Rs. 6,19,37,150/- as at March 31, 2015, would be transferred to "Capital Restructuring Account".

• **Conclusion and Opinion**

Conclusion

We have reviewed the valuation report submitted by the Valuer where there is no change in valuation of the Company pre and post reduction of the capital. Moreover, the Scheme would enable the Company to write-off over 82% of the total accumulated losses at the end of FY 2015. The reduction of capital in the manner proposed would enable the Company to have a rational capital structure which would commensurate with its remaining business and assets as there is no cash outflow from the Company.





With reference to the above and based on information provided by the management of the company, we have been represented by the management that the present reduction of capital has been proposed to write off the accumulated losses by reorganizing the capital of the company and from the security premium account, so as to give a true and fair view of the financial statement and also to move of the company.

The shareholding pattern of the Company, pre and post Reduction of capital shall remain the same.

Opinion

Subject to the above, read with the Statement of Limiting Conditions as detailed later, we believe that the proposed Scheme for reduction of capital by the Company read with the Valuer's Report is FAIR from a financial and commercial point of view.

• **Statement of Limiting Conditions**

We wish to emphasize that, we have relied on explanations and information provided by the respective Key Management, Valuation Report and other public available information while verifying the application for reduction of capital. Conclusions reached by us are dependent on the information provide to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us.

The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. We have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regards to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our certificate.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover.

Our fairness opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction.

We have no present or planned future interest in the Company and the fee payable for this opinion is not contingent upon the opinion reported herein.

The opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware and may have an impact on our opinion.





Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed capital reduction with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

This certificate is prepared with a limited purpose/ scope as identified/ stated earlier and will be confidential. It must not copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals in relation to this transaction.



ADI RASAYAN LIMITED

Regd Office : G/C, Ground Floor, Trupti Apartment, B/H. Old High Court,
Navrangpura, Ahmedabad - 380009. Tel. No.: 079-27543650
Email Id: adirasayan@gmail.com Website : www.adirasayan.in
CIN No.: L24231GJ1992PLC018572

COMPLAINTS REPORT

Company Name : ADI RASAYAN LIMITED

Date of Complaint Report: 21.12.2015

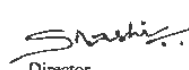
Details of Complaints, if any received from 18th November, 2015 to 21st December, 2015 for the proposed Scheme of Reduction of Capital and their respective shareholders.**Part A**


Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	N/A
4.	Number of complaints resolved	N/A
5.	Number of complaints pending	N/A

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Nil	Nil	Nil

For Adi Rasayan Limited


Director
Dated: 21.12.2015.



DCS/AMAL/AM/24(f)/285/2015-16
January 29, 2016

The Company Secretary
Adi Rasayan Ltd
G/C, Ground Floor, Trupti Apartment,
B/H. Old High Court, Navrangpura,
Ahmedabad - 380009



Sub: Observation letter regarding the Draft Scheme of Reduction of Capital of Adi Rasayan Ltd.

We are in receipt of Draft Scheme of Reduction of Capital of Adi Rasayan Ltd.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated January 28, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall duly comply with various provisions of the Circulars."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager

S&P BSE
SENSEX

BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai 400 001, India
T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com
Corporate Identity Number : U67120MH2005PLC1000000

ADIRASAYAN LIMITED

(CIN: - L24231GJ1992PLC018572)

Registered Office:- G/C, Ground Floor, Trupti Apartment, B/H. Old High Court, Navrangpura,
Ahmedabad-380009 Tele. No. 079-27543650

Email id: - adirasayan@gmail.com Website: - www.adirasayan.in

POSTAL BALLOT FORM

Sr. No. :

1. Name & Registered Address of the Sole/ /first named Member :
2. Name(s) of the Joint Holder(s), if any :
3. Registered Folio No./DP ID & Client ID No. :
4. No. of Shares held :
5. I/ We hereby exercise my/ our vote in respect of the following special resolution to be passed through Postal Ballot for the business stated in the Notice of Postal Ballot dated 13th February, 2016 of the Company, by sending my/ our assent or dissent to the said resolution by placing a tick (✓) mark at the appropriate box below:

Sr. No.	Description	No. of Shares held	(FOR) I/We assent to the Resolution	(AGAINST) I /We dissent to the Resolution
1.	Special Resolution under section 100 to 104 and other applicable provisions, if any of the Companies Act, 1956 for reduction of share capital of the company			

Place:

Date:

Signature of the Member/Beneficial Owner

EVSN (Electronic Voting Sequence No.)	User ID	* Default PAN / Password

* Only Members who have not updated their PAN with the Company / Depository Participant shall use default PAN in the PAN Field.

Note:

1. If the voting rights are exercised electronically, there is no need to use this form.
2. Please read the instructions overleaf before exercising your vote. For E-voting instructions, kindly refer the Notice of Postal Ballot.

IMPORTANT INSTRUCTIONS

- I. The voting rights for the shares are one vote per equity share which is fully paid, registered, in the name of the shareholders/beneficial owners as on 20th February, 2016
- II. Voting by Postal Ballot, in physical form or e-Voting, can be exercised only by the shareholder or his/her duly constituted attorney or, in case of bodies corporate, the duly authorized person. Voting rights in a Postal Ballot cannot be exercised by a Proxy.
- III. E-Voting period commences on 28th February, 2016 at 9.00 a.m. and ends on 28th March, 2016 at 5.00 p.m.
- IV. The result of the postal ballot would be announced by the Chairman or in his absence any person authorized by him on 31st March, 2016 at 5.00 p.m. and displayed on the Notice Board of the Company at its Registered Office besides being communicated to the Stock Exchange. The results of the postal ballot will also be posted on the Company's website www.adirasayan.in and on the website of National Securities Depository Limited. The result of the Postal Ballot shall also be announced through newspaper advertisement.
- V. A member need not use all his/her votes.
- VI. Members can opt for only one mode of voting i.e. either by Physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Postal Ballot also and vice versa. However, in case Members cast their vote by both Physical Postal Ballot and e-voting, then voting done through valid Physical Postal Ballot shall prevail and voting done by e-voting will be treated as invalid.
- VII. The Scrutinizer's decision on the validity of a Postal Ballot shall be final
- VIII. Any queries/grievances pertaining to voting by postal ballot can be addressed to Mr. Sanjiv Joshi, Director of the Company, at G/ C, Ground Floor, Trupti Apartment, B/H. Old High Court, Navrangpura, Ahmedabad-380009 or by sending an email at adirasayan@gmail.com

Instructions for Voting by Physical Postal Ballot Form

- I. A Shareholder desirous of exercising vote by physical Postal Ballot should complete the Postal Ballot Form in all respects and send it after signature to the Scrutinizer in the attached self-addressed postage pre-paid envelope which shall be properly sealed with adhesive or adhesive tape. However, envelopes containing Postal Ballot Form, if sent by courier / Speed Post / Registered Post at the expense of the Member will also be accepted. Members are requested to convey their assent or dissent in this postal ballot form only. The assent or dissent received in any other form or manner shall be considered as invalid.
- II. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company.
- III. The Postal Ballot Form should be signed by the Shareholder as per specimen signature registered with the Registrar/Depository. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered/recorded with the Registrar/Depository) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the Postal Ballot mentioning the registration No. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected
- IV. Duly completed Postal Ballot Form should reach the Scrutinizer not later than 29th March, 2016 at 5.00 p.m. Postal Ballot Forms received after the aforesaid date and time will be strictly treated as if reply from such member has not been received. The Members are requested to send the duly completed Postal Ballot Forms well before the last date, providing sufficient time for postal transit.
- V. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority and with attested specimen signature(s) of the duly authorized signatories giving requisite authority to the person voting on the Postal Ballot Form. Where the form has been signed by a representative of the President of India or of the Governor of a state, a certified copy of the nomination should accompany the Postal Ballot Form.
- VI. The number of shares in respect of which votes are cast should be mentioned in the column, in the absence of which, all the votes shall be deemed to have been cast as per the tick mark placed by the shareholder in the respective column.
- VII. Shareholders are requested not to send any paper (other than the resolution/authority as mentioned under instruction no. V above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.
- VIII. There will be only one Postal Ballot Form for every folio / client ID irrespective of the number of Joint Member(s).
- IX. A member may request for a duplicate Postal Ballot Form, if so required and the same duly completed should reach the scrutinizer not later than the last date for voting.
- X. Postal Ballot Forms with following deficiencies will be rejected.
 - i. A form other than one issued by the company has been used
 - ii. It has not been signed by or on behalf of the Member
 - iii. Signature on the postal ballot form doesn't match the specimen signatures with the Company
 - iv. It is not possible to determine without any doubt the assent or dissent of the Member
 - v. Neither assent nor dissent is mentioned
 - vi. Any competent authority has given directions in writing to the company to freeze the Voting Rights of the Member
 - vii. The postal ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority
 - viii. It is defaced or mutilated in such a way that its identity as a genuine form cannot be Established
 - ix. Member has made any amendment to the Resolution or imposed any condition while exercising his vote
 - x. Postal Ballot Form is received after the aforesaid stipulated period shall not be counted for the purposes of passing of the resolution.