DRAFT RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
100% Book Building Offer
Dated September 29, 2010
This Draft Red Herring Prospectus shall be
updated upon filing with the RoC

TARA HEALTH FOODS LIMITED

Our Company was originally incorporated on February 28, 1977, as a private company limited by shares, under the name of 'Angora Wool Combers Private Limited' under the Companies Act, 1956, as amended (the "**Companies Act**") with the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh ("**RoC**").
For details of change in the name of our Company, see "***History and Certain Corporate Matters***" on page 105.

Registered Office: 3rd Floor, Mall Plaza, Fountain Chowk, The Mall, Ludhiana – 141 001, Punjab, India. **Tel:** (+91 161) 5019 711 **Fax:** (+91 161) 5019 711
Corporate Office: Jitwal Kalan, Malerkotla, Sangrur – 148 023, Punjab, India. **Tel:** (+91 1675) 274 300. **Fax:** (+91 1675) 273 241
Contact Person and Compliance Officer: Ms. Tanu Sharma, Company Secretary. **Tel:** (+91 1675) 274 300 **Fax:** (+91 1675) 273 241
E-mail: info@tarahealthfoods.com **Website:** www.tarahealthfoods.com.
For details of change in the registered office of our Company, see"***History and Certain Corporate Matters***" on page 105
Promoters: Mr. Kulwant Singh, Mr. Jaswant Singh and Mr. Balwant Singh

PUBLIC ISSUE OF [•] EQUITY SHARES WITH A FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF TARA HEALTH FOODS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) AGGREGATING TO ₹ 1,600 MILLION (THE "ISSUE" OR THE "IPO"). THE ISSUE WILL CONSTITUTE [•]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ADVERTISED IN THREE NEWSPAPERS (ONE IN ENGLISH, ONE IN HINDI AND ONE IN PUNJABI) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH

In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of the Price Band subject to the Bid/Issue Period not exceeding a total of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers ("**BRLMs**") and at the terminals of the Syndicate and by intimation to Self Certified Syndicate Banks ("**SCSBs**").

The Issue is being made through the Book Building Process wherein up to 50% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion"**), provided that the Company may allocate up to 30% of the QIB Portion, to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"). For details, see "***Issue Procedure***" on page 212. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be allocated on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be allocated on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Any Bidder, other than Anchor Investors, may participate in this Issue through the ASBA process by providing the details of the relevant bank accounts in which the corresponding Bid amounts will be blocked by Self Certified Syndicate Banks ("**SCSBs**"). For details in this regard, specific attention is invited to "***Issue Procedure***" on page 212.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of equity shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 per Equity Share, the Floor Price is [•] times the face value and the Cap Price is [•] times the face value. The Issue Price (as determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process and as stated in "***Basis for Issue Price***" on page 36) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

This Issue has been graded by [•] as [•], indicating [•]. The IPO grade is assigned on a five -point scale from 1 to 5, with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. For more information on the IPO Grading, see "***General Information***" on page 10.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares offered in this Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page xii.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [•] and [•], respectively. [•] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
SBI CAPITAL MARKETS LIMITED 202, Maker Tower 'E', Cuffe Parade Mumbai 400 005, India Tel: (+91 22) 2217 8300 Fax: (+91 22) 2218 8332 E-mail: tara.ipo@sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Mr. Gitesh Vargantwar/ Ms. Neha Pruthi SEBI Registration No.: INM000003531	**ANTIQUE CAPITAL MARKETS PRIVATE LIMITED** 6th Floor, Nirmal Building Nariman Point Mumbai 400 021, India Tel: (+91 22) 4031 3300 Fax: (+91 22) 2202 2691 E-mail: tara.ipo@antiquelimited.com Investor Grievance E-mail: investors@antiquelimited.com Website: www.antiquelimited.com Contact Person: Mr. Ankur Joshi SEBI Registration No.: INM000011385	**BIGSHARE SERVICES PRIVATE LIMITED** E/2, Ansa Industrial Estate, Sakivihar Road Sakinaka, Andheri (East) Mumbai 400 072, India Tel: (+91 22) 2847 0652 Fax: (+91 22) 2847 5207 E-mail: ipo@bigshareonline.com Investor Grievance E-mail: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Babu Rapheal SEBI Registration No.: INR000001385

BIDDING PERIOD*

BID/ISSUE OPENS ON [●], 2010	**BID/ISSUE CLOSES ON [●], 2010**

**The Company may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one working day prior to the Bid/Issue Opening Date. Further, our Company, in consultation with the BRLMs, may decide to close the Bidding for QIBs one day prior to the Bid/Issue Closing Date.*

TABLE OF CONTENTS

SECTION I –GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, all references in this Draft Red Herring Prospectus to "our Company" or to "Tara" or to "THFL" are to Tara Health Foods Limited, a public limited company incorporated under the Companies Act and having its registered office at 3rd Floor, Mall Plaza, Fountain Chowk, The Mall, Ludhiana 141 001, Punjab, India and all references in this Draft Red Herring Prospectus to "we" or "us" or "our" are to the Company.

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

Term	Description
Article or Articles of Association	Articles of Association of our Company, as amended
Auditors	The statutory auditors of the Company, being Sukhminder Singh & Co., Chartered Accountants
Board or Board of Directors	The board of directors of our Company or a committee constituted thereof
BTA	Business Transfer Agreement dated September 25, 2010 between our Company and Mr. Kulwant Singh, Mr. Jaswant Singh and Mr. Balwant Singh, in their capacity as partners of Tara Feed Factory
Corporate Office	The corporate office of the Company, located at Jitwal Kalan, Malerkotla, Sangrur, 148 023, Punjab, India
Chairman	The Chairman of the Board
Director(s)	The Director(s) of the Company unless otherwise specified
Group Entities	The companies, firms and ventures disclosed in "***Our Promoters and Group Entities***" on page 118, promoted by our Promoters, irrespective of whether such entities are covered under section 370 (1B) of the Companies Act
Jitwal Kalan	Village Jitwal Kalan, Tehsil Malerkotla, District Sangrur, Punjab
Key Management Personnel	The personnel listed as key management personnel in the section titled "***Our Management***"
Malerkotla	Tehsil Malerkotla, District Sangrur, Punjab
Memorandum or Memorandum of Association	Memorandum of Association of our Company, as amended
MMTL	Mehndi Macs Trade Private Limited
NET	Niranjan Education Trust
PDH	Punjab Dairy House
Promoters	Promoters of the Company, namely, Mr. Kulwant Singh, Mr. Jaswant Singh and Mr. Balwant Singh
Promoter Group	Such persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the ICDR Regulations
Registered Office	The registered office of the Company, located at 3rd Floor, Mall Plaza, Fountain Chowk, the Mall, Ludhiana 141 001, Punjab, India.
RoC	Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh, situated at Corporate Bhavan, Plot No 4 B, Sector 27 B, Madhya Marg, Chandigarh 160 019, India.
School Managing Committee	Pioneer Public School Managing Committee
Sitarganj	Sitarganj, Udham Singh Nagar, Uttarakhand
Tara Life	Tara Life Care Products Limited
TCL	Tata Chemicals Limited
TEL	Tara Energy Limited
THCPL	Tara Heart Care Products Limited
TIL	Tara Infratech Limited
TFF	Tara Feed Factory
TGUS	Tara Gram Udyog Samiti (Registered)

Manufacturing Facilities Related Terms

Term	Description

Term	Description
Bihar Facility	Cattle feed manufacturing facility having an installed capacity of 400 TPD proposed in the state of Bihar
CPP	Husk-based three mega-watt captive power plant at Jitwal Kalan, Punjab
Haryana Facility	Cattle feed manufacturing facility proposed to have an installed capacity of 250 TPD at Karnal, Haryana
J&K Facility	Cattle feed manufacturing facility proposed to have an installed capacity of 250 TPD at Jammu, Jammu & Kashmir
Punjab Facility I	Cattle feed manufacturing facility with an installed capacity of 250 TPD operational at Jitwal Kalan, Punjab
Punjab Facility II	Cattle feed manufacturing facility proposed to have an installed capacity of 250 TPD under implementation at Jitwal Kalan, Punjab
Punjab Facility III	Cattle feed manufacturing facility proposed to have an installed capacity of 400 TPD proposed at Jitwal Kalan, Punjab
Punjab Refinery I	Refinery unit with an installed capacity of 120 TPD operational at Jitwal Kalan, Punjab
Punjab Refinery II	Refinery unit proposed to have an installed capacity of 100 TPD proposed at Jitwal Kalan, Punjab
Solvent Extraction Plant	Solvent extraction plant with an installed capacity of 250 TPD situated at Jitwal Kalan, Maler Kotla, Punjab
Uttarakhand Facility	Cattle feed manufacturing facility with an installed capacity of 250 TPD operational at Sitarganj, Uttarakhand

Issue Related Terms

Term	Description
Allotted/ Allotment/ Allot	The issue and allotment of Equity Shares to successful bidders pursuant to the Issue
Allottee	A successful Bidder to whom the Equity shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category, who has Bid for Equity Shares amounting to at least ₹ 100.00 million.
Anchor Investor Bid	Bid made by the Anchor Investor
Anchor Investor Bidding Date	The date one working day prior to the Bid/Issue Opening Date on which Bid by Anchor Investors shall open and shall be completed
Anchor Investor Issue price	The final price at which Equity Shares will be allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price would be decided by the Company in consultation with the BRLMs
Anchor Investor Portion	Equity shares representing up to 30% of the QIB Portion, available for allocation to Anchor Investors at the Anchor Investor Issue Price in accordance with the ICDR Regulations
Application Supported by Blocked Amount/ASBA	The application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorizing the SCSB to block the Bid Amount in the specified bank account maintained with the SCSB
ASBA Account	Account maintained with a SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bid cum Application Form	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Bidder	Any Bidder who intends to apply through ASBA
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any previous revision form(s)
Bankers to the Issue	[●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in "***Issue Procedure***" on page 212
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder (including an ASBA Bidder), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form or ASBA Bid cum Application Form to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue

Term	Description
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to purchase Equity Shares and which shall be considered as the application for the issue of Equity Shares pursuant to the terms of the Draft Red Herring Prospectus and the Prospectus including the ASBA Bid cum Application Form as may be applicable
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form, including an ASBA Bidder and Anchor Investor
Bid/Issue Closing Date	Except in relation to Anchor Investors, [●] (for QIB Bidders) and [●] (for Retail and Non-Institutional Bidders), the date after which the Syndicate and SCSBs will not accept any Bids, which shall be notified in an English daily national newspaper, a Hindi national newspaper and a Punjabi newspaper (which is the daily regional newspaper), each with wide circulation at the place where Registered Office of the Company is situated
Bid/Issue Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and SCSBs shall start accepting Bids, which shall be notified in an English national newspaper, a Hindi national newspaper, each with wide circulation, and a Punjabi newspaper (which is also the regional newspaper), with wide circulation at the place where Registered Office of the Company is situated
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof
Bidding Centres	A centre for acceptance of the Bid cum Application Form
Book Building Process	The book building process as described in Schedule XI of the ICDR Regulations, in terms of which this Issue is being made
Book Running Lead Managers/BRLMs	The book running lead managers to the Issue, in this case being SBI Capital Markets Limited and Antique Capital Markets Private Limited
Cap Price	The higher end of the Price Band above which the Issue Price and Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Confirmation of Allocation Note or CAN	The note or advice or intimation of allocation of Equity Shares sent to the successful Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof
Controlling branches	Such branches of the SCSBs which coordinate Bids under the Issue by the ASBA Bidders with the BRLMs, the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	The Issue Price, finalised by the Company in consultation with the BRLMs which shall be any price within the Price Band. Only Retail Individual Bidders, whose Bid Amount does not exceed ₹ 100,000 are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Depository	A depository registered with SEBI under the Securities and Exchange board of India (Depositories and Participants) Regulations, 1996
Depository Participant	A Depository Participant as defined under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on www.sebi.gov.in/pmd/scsb.html
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account and the amount blocked by the SCSBs are transferred from the bank account specified by the ASBA Bidders to the Public Issue Account, as the case may be, after the Prospectus is filed with the Designated Stock Exchange, following which the Board of Directors shall Allot Equity Shares to the Allottees.
Designated Stock Exchange	[●]
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus	This Draft Red Herring Prospectus dated September 29, 2010 prepared in accordance with the ICDR Regulations, which is filed with SEBI and does not contain complete particulars of the price at which the Equity Shares are issued
Eligible NRI	NRIs from the jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase Equity shares offered herein.
Equity Shares	Unless the context otherwise indicates, the Equity Shares of the Company with a face value of ₹ 10 each

Term	Description
Escrow Account	Account(s) opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount
Escrow Agreement	Agreement to be entered into among the Company, the Registrar to the Issue, the BRLMs, the Syndicate Member, the Escrow Collection Bank(s) and the Refund Banks for collection of the Bid Amounts and remitting refunds, if any of the amounts to the Bidders (excluding ASBA Bidders) on the terms and conditions thereof
Escrow Collection Banks	The Escrow Collection Banks, in this case being [●],which are clearing members and registered with SEBI as Bankers to the Issue and with whom the Escrow Accounts will be opened
Financial/ Fiscal Year/(FY)	Period of twelve months ended March 31 of that particular year, unless otherwise specified
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted
GIR number	General Index Registry Number
Issue	The public issue of up to [●] equity shares of ₹ 10 each of the Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ 1,600.00 million
Issue Agreement	The agreement entered into on September 25, 2010, among the Bank and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be issued and Allotted to the Bidders, in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by the Company in consultation with the BRLMs on the Pricing Date
IPO Grading Agency	[●]
Listing Agreement	The Company's equity listing agreement to be entered into with the Stock Exchanges
Members of the Syndicate	The BRLMs and the Syndicate Members
Mutual Funds or MF	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, on a proportionate basis
Net Proceeds	Proceeds of the Issue that are available to the Company, which exclude the Issue related expenses
Non-Institutional Bidders	All Bidders, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs (including Anchor Investors) or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 100,000
Non-Institutional Portion	The portion of the Issue, being not less than 15% of the Issue or [●] Equity Shares at the Issue Price, available for allocation to Non-Institutional Bidders
Non-Resident Indian or NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not permitted to subscribe in this Issue
Pay-in Date	The Bid/Issue Closing Date, except with respect to Anchor Investors, the Anchor Investor Bidding Date or a date not later than two days after the Bid/Issue Closing Date, as may be applicable
Pay-in Period	Except with respect to ASBA Bidders, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date
Price Band	Price band of a minimum price (Floor Price) and the maximum price (Cap Price) and includes revisions thereof including any revision to such Floor Price or Cap Price as may be permitted by the ICDR Regulations. The Price Band and the minimum Bid lot size for the Issue will be decided by the Company in consultation with the BRLMs and advertised in three newspapers (one in English, one in Hindi, and one in Punjabi, which is also the regional newspaper) at least two days prior to the Bid/Issue Opening Date
Pricing Date	The date on which the Company in consultation with the BRLMs finalise the Issue Price
Prospectus	The Prospectus to be filed with the Designated Stock Exchange, containing, among other things, the Issue Price that is determined at the end of the Book Building Process on the Pricing Date, including any addenda or corrigenda thereto

Term	Description
Public Issue Account	The account to be opened with the Banker(s) to the Issue to receive monies from the Escrow Account(s) and the bank account of the ASBA Bidders, on the Designated Date
QIB Portion	The portion of the Issue, being up to 50% of the Issue, or up to [●] Equity Shares to be allocated to QIBs, including the Anchor Investor Portion
Qualified Institutional Buyers or QIBs	Public financial institutions specified in Section 4A of the Companies Act, FIIs (and their sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual), scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, FVCIs registered with SEBI, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250.00 million, pension funds with a minimum corpus of ₹ 250.00 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the Government of India, published in the Gazette of India and insurance funds set up and managed by the army, navy, or air force of the Union of India
Red Herring Prospectus/RHP	Red Herring Prospectus of our Company to be filed with the RoC in terms of Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue, and which will be filed with the RoC at least three days before the Bid Opening Date and will become a Prospectus after filing with the RoC after the Pricing Date.
Refund Account	Accounts opened with Escrow Collection Bank(s) from which refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, shall be made
Refund Bank(s)	Escrow Collection Bank(s) in which an account is opened and from which a refund of the whole or part of the Bid Amount, if any, shall be made, in this case being, [●]
Registrar to the Issue	Registrar to the issue in this case being Bigshare Services Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs), who have Bid for Equity Shares for an amount less than or equal to ₹ 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue, being not less than 35% of the Issue, or [●] Equity Shares at the Issue Price, available for allocation to Retail Individual Bidders
Revision Form	The form used by the Bidders (excluding ASBA Bidders) to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
SBI Caps	SBI Capital Markets Limited
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available on www.sebi.gov.in/pmd/scsb.html
Stock Exchanges	The BSE and the NSE
Syndicate	Collectively, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement among the Syndicate and the Bank in relation to the collection of Bids (excluding Bids from the ASBA Bidders) in this Issue
Syndicate Member(s)	[●]
Transaction Registration Slip or TRS	The slip or document issued by any of the members of the Syndicate, or the SCSBs, as the case may be, upon demand, to a Bidder or an ASBA Bidder, as applicable, as a proof of registration of the Bid
Underwriters	The members of the Syndicate
Underwriting Agreement	The agreement among the Bank and the Underwriters to be entered into on or after the Pricing Date
Working Day(s)	All days other than a Sunday or a public holiday (except in reference to the Anchor Investor Bidding Date, announcement of the Price Band and the Bid/Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in India are open for business

Conventional/ General Terms

Term	Description
Act or Companies Act	Companies Act, 1956, as amended
Air Act	Air (Prevention and Control of pollution) Act, 1981, as amended
AGM	Annual General Meeting
APGM Act	Agriculture Produce (Grading and Marketing) Act, 1937, as amended
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment year

Term	Description
BIS	Bureau of Indian Standards
BG/LC	Bank Guarantee/ Letter of Credit
Boilers Act	Indian Boilers Act, 1923, as amended
Bonus Act	Payment of Bonus Act, 1965, as amended
BSE	The Bombay Stock Exchange Limited
CAGR	Compound Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
COPRA	Consumer Protection Act, 1986, as amended
CST Act	Central Sales Tax Act, 1956, as amended
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996, as amended
Designs Act	Designs Act, 2000, as amended
Electricity Act	Electricity Act, 2003, as amended
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortisation
EC Act	Essential Commodities Act, 1955, as amended
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EIA Notification	Environment Impact Assessment Notification, 2006
EOP order	The Edible Oil Packaging (Regulations) Order, 1998
EP Act	Environment (Protection) Act, 1986, as amended
EPF Act	Employee Provident Funds and Miscellaneous Provisions Act, 1952, as amended
EPS	Earning per Share
Factories Act	Factories Act, 1948, as amended
FCNR Account	Foreign Currency Non Resident Account established in accordance with the FEMA
FDI	Foreign Direct Investment
FDI Circular	Circular 1of 2010 issued by the Department of Industrial Policy and Promotion
FEMA	Foreign Exchange Management Act, 1999, as amended read with rules and regulations there-under
FII	Foreign Institutional Investor, as defined under SEBI FII (Foreign Institutional Investor) Regulations, 1995
FIs	Financial Institutions
FSSA	Food Safety & Standards Act, 2006, as amended
FSSR	Food Safety & Standards Regulations, 2010, as amended
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
Gratuity Act	Payment of Gratuity Act, 1972, as amended
GDP	Gross Domestic Product
GoI	Government of India
Hazardous Waste Rules	Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, as amended
HUF	Hindu Undivided Family
ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
IDR Act	Industries (Development and Regulation) Act, 1951, as amended
IEM	Industrial Entrepreneurs Memorandum
IFRS	International Financing Reporting Standard
I D Act	Industrial Dispute Act, 1947, as amended
I.T. Act	Income Tax Act, 1961, as amended
Indian GAAP	Generally Accepted Accounting Principles of India
₹/INR/ Rs./Rupees	Indian Rupees, the legal currency of the Republic of India
IPO	Initial Public Offering
MICR	Magnetic Ink Character Recognition
MoU	Memorandum of Understanding
MT	Million ton(nes)
MW Act	Minimum Wages Act, 1934, as amended
NI Act	Negotiable Instruments Act, 1981, as amended
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No objection Certificate
NRE Account	Non Resident External Account

Term	Description
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange Limited
Oilseeds Act	National Oilseeds and Vegetable Oils Development Board Act, 1983, as amended
Oilseeds Board	National Oilseeds and Vegetable Oils Development Board
Petroleum Act	Petroleum Act, 1934, as amended
PF Act	Prevention of Food Adulteration Act, 1954, as amended
PF Rules	Prevention of Food Adulteration Rules 1955, as amended
P/E ratio	Price Earning Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Patents Act	The Patents Act, 1970, as amended
Punjab APM Act	Punjab Agriculture Produce Markets Act, 1961, as amended
PIO	Person of India Origin
PLR	Prime Lending Ratio
PW Act	Payment of Wages Act, 1936, as amended
RBI	Reserve Bank of India
SCRA	Securities Contract (Regulation) Act, 1956, as amended
SCRR	Securities Contract (Regulation) Rules, 1957, as amended
SEBI	The Securities Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities Exchange Board of India Act, 1992, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
SE Oil Order	Solvent extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967
SHE cess	Secondary and Higher Secondary Education Cess
SRS order	Solvent Raffinate and Slop(Acquisition, Sale, Storage and Prevention of use in Automobiles) Order, 2000
Stamp Act	The Indian Stamp Act, 1899, as amended
Trademarks Act	Trademarks Act, 1999, as amended
Trademarks Rules	Trademarks Rules, 2002, as amended
VOP Order	Vegetable Oil Products(Regulation) Order, 1998
Water Act	Water (Prevention and Control of Pollution) Act, 1974, as amended
WC Act	Workmen Compensation Act, 1923, as amended

Technical/ Industry Related Terms

Term	Description
CFTRI	Central Food Technological Research Institute
CSFDS	Centrally Sponsored Fodder Development Scheme
CSO	Central Statistical Organization
DAHD	Department of Animal Husbandry, Dairy & Fisheries, Ministry of Agriculture, Government of India
DCS	Dairy Cooperative Societies
DoC	De-oiled Cake
EU	European Union
FAO	Food and Agriculture Organization
Feed Development Scheme	Centrally sponsored Fodder and Feed Development Scheme
Food Authority	Food Safety and Standards Authority of India
HDL	High Density Lipoproteins
IOA	Indian Olive Association
KW	Kilo Watt
kVa	Kilovolt Ampere
LDL	Low Density Lipoproteins
MSP	Minimum Support Price
MW	Mega Watt
NPCBB	National Project for Cattle & Buffalo Breeding
OGL	Open General License
RBD	Refined, Bleached and Deodorized
RBO	Rice Bran Oil
TPA	Tonnes Per Annum
TPD	Tonnes Per Day
SIA	Secretariat for Industrial Assistance
SPF	Specific Pathogen Free Eggs
VLDL	Very Low-Density Lipoproteins

Term	Description
WHO	World Health Organization
WTO	World Trade Organization

Abbreviations

Term	Description
BPLR	Benchmark Prime Lending Rate
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
DIN	Director Identification Number
DSE	Designated Stock Exchange
EGM	Extraordinary general meeting of the shareholders of our Company
EPS	Earnings per share, *i.e.*, profit after tax for a fiscal year divided by the weighted average number of equity shares during the fiscal year
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations there under
ICRA	ICRA Limited
IFSC	Indian Financial System Code
ITAT	Income Tax Appellate Tribunal
MoU	Memorandum of Understanding
NECS	National Electronic Clearing Service
p.a	Per annum
PAT	Profit after tax
PCBs	Pollution Control Boards
PSU	Public Sector Undertaking
R&D	Research and Development
RoE	Return on equity
RoNW	Return on net worth
RTGS	Real Time Gross Settlement
VAT	Value Added Tax
w.e.f	With effect from

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "***Main Provisions of Articles of Association of the Company***", "***Statement of Tax Benefits***", "***Regulations and Policies***" and "***Financial Statements***" on pages 241, 39, 98 and 127 respectively, shall have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to "**India**" are to the Republic of India. All references in this Draft Red Herring Prospectus to the "**US**", "**USA**" or "**United States**" are to the United States of America.

Financial Data

Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated financial information for fiscal 2010, 2009, 2008, 2007 and 2006 prepared in accordance with the Generally Accepted Accounting Principles in India ("**Indian GAAP**") and the Companies Act and restated in accordance with the ICDR Regulations.

Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to the 12 month period ended March 31 of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

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

Currency and Units of Presentation

All references to "**₹**" or "**Rupees**" or "**Rs.**" are to Indian Rupees, the official currency of the Republic of India. All references to "**$**", "**US$**" or "**USD**" or "**U.S. Dollar**" are to United States Dollars, the official currency of the United States of America. All references to "**€**" are to Euros, the single currency of the participating member states in the Third Stage of the European Economic and Monetary Union of the Treaty establishing the European Community, as amended from time to time.

Industry and Market Data

Unless otherwise states, the industry and market data used throughout this Draft Red Herring Prospectus has been obtained from various government and industry publications such as reports prepared by ICRA Management Consulting Services Limited. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable but it has not been independently verified by us or its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates of the respective foreign currencies as on March 31, 2009, March 31, 2010 and August 31, 2010 are provided below:

(In Rs).

Currency	**Exchange rate as on March 31, 2009**	**Exchange rate as on March 31, 2010**	**Exchange rate as on August 31, 2010**
1 US$	50.95	45.14	47.08
1 €	67.48	60.56	59.50

Source: www.rbi.org.in

FORWARD-LOOKING STATEMENTS

We have included statements in this Draft Red Herring Prospectus which contain words or phrases such as "aim", "anticipate", "believe", "estimate", "expect", "future", "intend", "objective", "project", "plan", "seek to", "will continue", "will likely result", "will pursue", and similar expressions or variations of such expressions, that are "forward-looking statements". Similarly statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

These forward-looking statements are based on our current plans and expectations and actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to:

- our exposure to market risks, including rising costs of raw materials and other costs;
- inability to meet raw material requirements for our facilities;
- inability to establish a well-connected distribution network;
- high client credit risk;
- disruption in transportation services;
- our inability to manage our growth, geographical and other wise;
- changes in competition in our industry;
- general economic and political conditions in India and which have an impact on our business activities or investments; and
- contingent liabilities that may materialize.

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

SECTION II - RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding, you should read this section in conjunction with "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operation**" on pages 75 and 162, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. Any of the following risks as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See "**Forward-Looking Statements**" on page xi. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, financial information of our Company used in the section is derived from our restated audited financial information.*

INTERNAL RISK FACTORS

1. ***Our Company is involved in certain criminal proceedings, and there can be no assurance that these or any future proceedings we may be involved in will be resolved in our favour.***

   From time to time, our Company and our Directors and other employees may become involved in certain legal proceedings including criminal proceedings, incidental to our business. For instance, our Company is presently involved in a criminal miscellaneous petition filed against our Company on June 28, 2009 by Dr. Sumita Singh, in the High Court of Punjab and Haryana. This petition was filed to quash the criminal complaint previously filed by our Company against Dr. Sumita Singh in her capacity as a director of Sigma Diagnostics for dishonour of a cheque furnished to us as payment of an amount of ₹ 0.10 million. Our Company has filed a reply dated July 2, 2009. The defence of any such proceedings filed against us could divert management attention and involve significant legal costs and a loss of reputation to our Company as well as our management. An adverse decision in such or any future proceedings may have an adverse effect on our results of operation and financial condition.

   For more information, see "***Outstanding Litigation and Other Material Developments***" on page 183 and "- ***There is outstanding litigation against us, which if determined adversely could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***" of this section titled "***Risk Factors***"on page xii.

2. ***Increased costs of raw materials and interruptions in the availability and quality of raw materials could have a material adverse effect on our financial condition and results of operations.***

   Our business is affected significantly by any change in the availability, cost and quality of raw materials. In Fiscal 2010, expenditures on raw materials represented approximately 94.88% of our total expenditure. The principal raw materials required for the manufacture of compounded cattle feed include rice bran, de-oiled rice bran, maize, mustard oil cakes, and molasses. Similarly, the principal raw materials used in the refining and blending of edible oil are rice bran oil, crude or refined olive oil, crude cottonseed oil and crude sunflower oil. If the cost of raw materials rises, or if we are unable to recover these costs through cost saving measures or are not able to pass on all the cost increases to our customers through higher prices, our business growth and prospects, financial condition and results of operations could be adversely affected. Further, we may not always be able to find substitutes for the raw materials utilized in the production of our compounded cattle feed products, due to intense price competition and seasonality of raw materials.

   We procure raw materials required by us from in and around our manufacturing facilities and refineries, and the raw materials required in both our compounded cattle feed business and edible oil business are primarily agricultural products, which are affected by factors that are beyond our control, such as changes in weather conditions, including any increase or decrease in temperature and low or high rainfall, general economic conditions, competition, production levels, transportation costs, cost of warehousing and import duties. For example, recent floods in Haryana, Himachal Pradesh and Punjab during the monsoon season have affected the crops in such states, which could delay or disrupt the supply of raw materials. Due to the above factors, there could be a scarcity of raw materials in the market, which will lead to an increase in the prices of such raw materials and periodic delays in the delivery of raw materials to our manufacturing facilities and refineries.

Further, the availability of raw materials could be affected by transportation costs. Any increase in transportation costs could also have an adverse effect on our business and results of operations. In addition, transportation strikes by members of truckers' unions and shipping delays have had in the past, and could have in the future, an adverse effect on our receipt of supplies and our ability to deliver our products.

We seek to ensure that the quality of raw materials being procured by us from various suppliers in the market meets certain parameters set by us in relation to raw materials for our compounded cattle feed and edible oil businesses. In relation to compounded cattle feed, these parameters include the moisture, crude fibre, salt, crude protein, fat, acid and soluble ash content in the raw materials. In relation to edible oil, these parameters include moisture, color, sediments, free fatty acid and iodine content, peroxide value and bleachability. Due to a disruption in supply resulting from the above factors, we may not be able to procure quality raw materials that adhere to our parameters at all or the cost of procuring quality raw material that adhere to our parameters could be higher than expected.

For more information on our raw materials and transportation arrangements, see "***Our Business***" on page 75.

3. ***Our Company does not enter into long-term arrangements with suppliers for procuring raw materials, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

Our Company does not enter into any long-term arrangements with any suppliers from whom raw materials are procured in relation to our compounded cattle feed and edible oil businesses. Typically, we place orders with suppliers of raw materials on a spot basis, and such orders are not recorded in writing. Although we believe that this practice is beneficial for us as it enables us to take advantage of demand and supply cycles in the raw materials' markets and procure raw materials from suppliers offering competitive rates to us, the absence of long-term arrangements may expose us to risks such as the suppliers curtailing or discontinuing the delivery of raw materials to us in the quantities we require or at prices that are competitive or expected by us, canceling arrangements without any prior notice, not supplying raw materials in a timely manner, and selling raw materials to other clients, some of whom may be our competitors. These factors could have a material adverse effect on our ability to procure raw materials required in relation to our manufacturing facilities and refineries and fulfill production targets in a timely manner or at all thereby adversely affecting our business growth and prospects, financial condition and results of operations.

We procure crude and refined olive oil from suppliers in Spain and Italy for the production of 'Zaitoon Tara' and 'Tara Unique', blends of rice bran oil and olive oil and 'O' Pure' and 'Tara Olive', refined olive oil. We do not have any long term contracts or arrangements with our suppliers for the purchase of crude or refined olive oil. In the event we are not able to procure olive oil at reasonably commercial terms, our production of the above brands of edible oil may suffer, having a material adverse impact on our business growth and prospects, financial condition and results of operations.

4. ***We may face difficulties in executing our strategy, including our expansion plans for our manufacturing facilities and refineries, and there can be no assurance that our planned expansions will be completed in a timely manner or will result in additional profitability for our Company.***

Our proposed expansion of manufacturing facilities and refinery requires significant capital expenditures. For instance, we are presently developing three manufacturing facilities in the states of Jammu & Kashmir, Haryana and Punjab with an aggregate installed capacity of 750 TPD, which are expected to be completed by January 2011, two manufacturing facilities in the states of Punjab and Bihar with an aggregate installed capacity of 800 TPD that are expected to commence commercial production by October 2011 and one edible oil refinery having an installed capacity of 100 TPD in Punjab. Therefore, our compounded cattle feed business is expected to have an aggregate installed capacity of up to 2,050 TPD whereas our edible oil business is expected to have an aggregate installed capacity of 220 TPD. In addition, we intend to develop a husk-based captive power plant with an installed capacity of 3 MW in Punjab, which is expected to be commissioned by September 2011.

There may be delays in completing the expansion of our manufacturing facilities and refinery, and any other future manufacturing facilities and refineries, due to any failure to receive regulatory approvals, political unrest, technical difficulties, human, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. The development and expansion of these manufacturing facilities and refineries may incur significant cost overruns and may not be completed on time or at all. Delays in the construction or expansion of any of our manufacturing facilities, refineries and CPP could result in loss or delayed receipt of earnings, increase in financing and construction costs, and our failure to meet profit and earnings budgets may require us to reschedule or reconsider our planned capacity expansions and accordingly would have an adverse effect on our financial condition and results of operations. Further, our ongoing and proposed expansions would require the management to devote additional time, substantial financial and other resources and may be subject to delays. We may not be able to raise additional resources and our management may not be able to dedicate additional time towards our ongoing and proposed projects. In case of such delays and constraints, or if we are unable to fully utilize our expanded manufacturing capacities, could have a material adverse effect on our business, financial condition and results of operations. There is no assurance that our present and planned initiatives will yield the expected or desired benefits, in terms of process and cost efficiencies or an expansion in our business.

Further, our existing solvent extraction plant at Jitwal Kalan only partially meets the present raw material requirements of our compounded cattle feed and edible oil refinery facilities at Punjab Facility I and Punjab Refinery I, respectively, and the remaining requirements of DoC and crude oil are met with purchases from the market at spot prices. Pursuant to our expansion plans, we intend to install 250 MTP and 400 MTP compounded cattle feed manufacturing facilities at Jitwal Kalan. Further, a 100 TPD refinery is proposed to be set up at Jitwal Kalan. However, no expansion of our solvent extraction plant is proposed. The production capacity of our solvent extraction plant is limited and it would not be able to meet the raw material requirements of our additional projects. This would increase our dependence on open market for purchase of raw materials. There can be no assurance that the required raw materials would be available in open markets at commercially acceptable prices, or at all. Any difficulty in procurement of raw materials could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

5. ***In the absence of long-term or exclusive arrangements with dealers or distributors for selling our products, our inability to expand and effectively manage our dealership and distribution network in the organized and unorganized markets could have a material adverse effect on our business growth and prospects, results of operation and financial condition.***

Our Company had a wide network of dealers for the distribution of our compounded cattle feed products and 210 distributors for distributing our edible oil products. In addition, we have appointed three C&F agents, two consignee agent, one area sales manager and 12 sales officers in the states of Punjab, Chandigarh UT, Delhi NCR, Haryana and Himachal Pradesh to assist us in the sale and distribution of our edible oil products in the unorganized areas of such states.

There are no long-term or exclusive arrangements that we have entered into with our dealers and distributors, and there is no assurance that they will not place orders with other manufacturers. In addition, our dealers and distributors could change their business practices or seek to modify the contractual terms which we have previously entered into with them, including in relation to their payment terms. Further, typically, we sell our products through a distribution network of various dealers and distributors. The dealers and distributors engaged by our Company are responsible for assessing the demand for our products in the market pursuant to their interaction with retailers and consumers, and placing orders with us subsequently. In the event our dealers and distributors are unable to accurately predict the demand for our products or if they experience delays in placing orders with us or if they do not effectively market our products or market the products of our competitors instead, there could be a material adverse effect on our business growth and prospects, financial condition and results of operations. Our dealers and distributors are also responsible for collecting payments from retailers and consumers on behalf of our Company after deducting their respective commissions. Any failure or delay in collecting outstanding payments or misappropriation of dues by our dealers and distributors could have a material adverse effect on our liquidity and results of operations. The majority of litigation by us relates to complaints filed in relation to dishonour of cheques furnished by our dealers and distributors. For instance, there are at present 17 pending criminal cases and three recovery suits that have been filed by our Company, in relation to dishonour of cheques furnished to us as payment and part payment received by us for compounded cattle feed sold by our Company, respectively, where the aggregate amount in dispute is approximately ₹ 6.82 million.

Our inability to maintain our existing distribution network of dealers and distributors or to expand it proportionately with the proposed increase in our manufacturing facilities and refineries, could have a material adverse effect on our sales, business growth and prospects, results of operation and financial condition. In particular, as our sales and distribution network for our edible oil products in the unorganized sector is in its infancy, our inability to expand it could have a material adverse effect on our business growth and prospects, financial condition and results of operations. Further, we may be required to make substantial investments to expand our distribution and sales network, including through hiring additional C&F agents, consignee agents, area sales managers and sales officers. There can be no assurance regarding these investments yielding returns within the expected time or at all.

6. ***We primarily operate in north India and we may face significant difficulties in entering and operating in other geographical areas, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

Our compounded cattle feed and edible oil operations are primarily based in north India, in the states of Punjab, Haryana, Uttarakhand, Himachal Pradesh, Jammu & Kashmir, Uttar Pradesh, Rajasthan and Delhi NCR. At present, we primarily have an indigenous presence and operate in a market that is unorganized. Our business model has its roots in practices followed in northern India, especially for our compounded cattle feed business. In the future, if we expand into new geographical areas that are more organized and non-indigenous, our competitors may be better known, more experienced and may enjoy better relationships with suppliers, dealers and distributors. We would also be required to adjust to the business models in existence in different geographies, obtain the necessary raw materials, infrastructure and labor on acceptable terms, obtain necessary governmental approvals and permits, and identify and collaborate with local business parties, contractors and suppliers with whom we have no previous relationships. Further, there can be no assurance that the new geographical areas that we expand into will have the same or similar demand for our products.

Further, the costs involved in entering and establishing ourselves in new geographical areas and expanding our operations into such areas may be higher than expected. Our products may not be accepted or we may not be successful in capturing market share in any of the new markets that we enter into, which could adversely impact our results of operations. Further, if market conditions further deteriorate or if operations do not generate sufficient funds, we may decide to delay or cancel some aspects of our growth strategies, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations. There can be no guarantee that we will be able to effectively manage our entry into or sustain our presence in new geographical areas. Further, any inability to successfully expand our business beyond the areas in which we presently operate may lead to our capacities remaining underutilized, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

7. ***Our business is dependent on our manufacturing facilities, refineries and a solvent extraction plant and a disruption or shutdown at any of our facilities could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

Our manufacturing facilities are subject to operating risks, such as the breakdown, obsolescence or failure of plant and machinery, disruption in power supply or other utilities, performance below expected levels of output or efficiency, seasonal availability of raw materials, labor disputes, continued availability of services of our network of dealers and distributors as well as our external contractors, earthquakes, abnormal monsoon and other natural calamities, and the need to comply with the directives of relevant government authorities. The occurrence of any of these events could have a material adverse impact on our sales, results of operations, business growth and prospects and financial condition.

Further, in the past, we have imported some of our machinery from outside India. As we are presently establishing additional manufacturing facilities and refineries, we may be required to import additional machinery from abroad. The service and repair centers for such imported machinery may not be available in India. In the event of a breakdown or failure of such machinery, replacement parts may not be available in India and such machinery may have to be sent for repairs or servicing to the country from where such machinery was procured. This may lead to delay and disruption in our production process that could have an adverse impact on our sales, results of operations, business growth and prospects and financial condition.

8. ***Any inability to manage our growth could disrupt our business and reduce our profitability.***

We have experienced significant growth in recent years. In fiscal 2010, we had total sales of ₹ 3,845.52 million, a 93.98% increase compared to total sales of ₹ 1,982.41 million in fiscal 2009. For further details on our financial statements, see "***Financial Statements***" on page 127.We expect our future growth to place significant demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, continued expansion increases the challenges we face in:

- strengthening our internal control system for purchases of inventory to be commensurate with the size of our Company.
- improving the scope and coverage of our internal audit systems to keep pace with our growth;
- recruiting, training and retaining sufficient skilled technical, sales and management personnel;
- identifying, establishing, maintaining and expanding relationships with suppliers of raw materials, distributors and other partners in each of the markets in which we operate;
- managing economies of scale, including a larger number of distributors;
- identifying, understanding and responding to challenges and risks that are unique to the different markets in which we operate;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems; and
- maintaining high levels of product quality and customer satisfaction.

Any inability to manage our growth may have an adverse effect on our business, results of operations and financial condition.

9. ***We may continue with certain informal marketing arrangements with independent third parties in relation to 'Tara Unique' and 'Tara Olive' in the future, which could have adverse effect on our business growth and prospects, financial condition and results of operations.***

We do not have definitive contracts in relation to the sale of 'Tara Unique', a blended oil product and 'Tara Olive', an olive oil product manufactured by us. In the past, we have had and we presently continue to have informal marketing arrangements in relation to the sale of 'Tara Unique' and 'Tara Olive', with

Tara Life Care Products Limited ("**Tara Life**"). Mr. Balwant Singh, one of our Promoters and Managing Director, has disassociated himself from Tara Life w.e.f. August 31, 2009, pursuant to the sale of his entire shareholding of 5,000 equity shares in Tara Life to Mr. Balwinder Singh, promoter and director of Tara Life, for an aggregate consideration of ₹ 0.05 million.

In the future, we may not be able to continue with such marketing arrangements with Tara Life or any other party, at commercially acceptable terms, or at all. Inability to enter into marketing arrangements, definitive or otherwise, for 'Tara Unique' and 'Tara Olive', or any of our other products, may lead to underutilization of production capacities, reduction in revenues and increase in costs, which could have adverse effect on our business growth and prospects, financial condition and results of operations.

10. ***Inability to repay or service our significant indebtedness could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

As on August 31, 2010, our outstanding indebtedness (excluding interest) totalled ₹ 1,588.43 million. Our financing agreements contain certain covenants requiring us to maintain security margins and contain restrictive covenants, such as requiring lender consents for, among others things, issuance of new shares, making any material changes to constitutional documents, incurring further indebtedness, creating further encumbrances on or disposing of assets, undertaking guarantee obligations, declaring dividends in case of default or incurring capital expenditures beyond certain limits. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we may incur in the future has important consequences. For example, such debt could:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to fund future working capital, capital expenditures and other general corporate requirements;
- require us to dedicate a substantial portion of our cash flow from operations to service our debt;
- limit our flexibility to react to changes in our business and in the industry in which we operate;
- place us at a competitive disadvantage with respect to any of our competitors who have less debt or whose cost of debt is lower;
- require us to meet additional financial covenants;
- limit, along with other restrictive covenants, among other things, our ability to borrow additional funds; and
- lead to circumstances that result in an event of default, if not waived or cured. A default under one debt instrument may also trigger cross-defaults under other debt instruments.

Any of these developments could adversely affect our business growth and prospects, financial condition and results of operations. We cannot provide any assurance that our business will generate cash in an amount sufficient to enable us to service our debt or to fund our other liquidity needs as they come due. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot provide any assurance that we will be able to refinance any of our debt on commercially reasonable terms, or at all. If we are unable to repay or refinance our outstanding indebtedness, or if we are unable to obtain additional financings on terms acceptable to us, there could be a material adverse effect on our business growth and prospects, results of operations and financial condition.

For more information, see "***Financial Indebtedness***" on page 178.

11. ***Our funding requirements and deployment of the Net Proceeds of the Issue are based on management estimates and have not been independently appraised. Our inability to complete our expansion plans as per the stated schedules of implementation, including due to variation in costs of plant and machinery for which we have not yet placed orders, could lead to significant cost overruns and could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

Our funding requirements and the deployment of the Net Proceeds of the Issue are based on management estimates, and have not been appraised by any bank or financial institution. We may have to revise our management estimates from time to time in light of various factors that may be beyond our control and that we are not presently able to foresee or provision for, including delays or increase in quoted prices by identified vendors. Consequently, our funding requirements may also change, which may result in the rescheduling of our deployment programs and an increase or decrease in our proposed expenditure for a particular object.

The manufacturing facilities, refinery and CPP intended to be financed from the Net Proceeds are currently in initial stages of implementation. While we have obtained quotations for the plant and machinery proposed to be purchased, as described in "***Objects of the Issue***" on page 26, we have not yet entered into any definitive contracts or placed any orders for plant or machinery required for these Objects. There may be a significant interval of time in placing the orders for the purchase or plant and machinery for these Objects. Therefore, the actual costs would depend on the prices finally settled with the suppliers and to that extent, may vary from the amounts calculated on the basis of the present quotations.

Our inability to complete our expansion plans as per the stated schedules of implementation could lead to significant cost overruns and may impact our business growth and prospects, financial condition and results of operations.

12. ***Our Company is yet to procure land, place orders for plant and machinery and apply for requisite government approvals for the proposed manufacturing facilities, refinery and CPP, and the facilities presently under development. Any delay in undertaking such and not adhering to the schedule of implementation could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

In order to implement our proposed manufacturing facilities and the facilities under development, we are required to identify and acquire land, obtain approvals from relevant state governments and other regulatory authorities, acquire plant and machinery and other assets required for manufacturing of our products and recruit skilled and semi-skilled workforce for undertaking the manufacturing process.

As on date, our Company is yet to place orders for plant and machinery aggregating to ₹ 215.46 million for the manufacturing facilities presently under development and orders aggregating to ₹ 937.72 million, constituting the entire plant and machinery requirement for the proposed manufacturing facilities, refinery and CPP. Following is a table depicting the amount, in relation to the proposed Objects, for which we have neither entered into definitive contracts nor placed any orders for equipment and machinery:

(₹ in million)

S.No.	Proposed object of the Issue	Amount for which orders have not been placed
1.	Finance the construction and development of the Punjab Facility III	107.73
2.	Finance the construction and development of the Bihar Facility	107.73
3.	Finance the construction and development of the CPP	273.91
4.	Finance the construction and development of the Punjab Refinery II	448.35
	Total	**937.72**

We have also entered into an agreement to sell with Synergy Telepower, for purchase of land aggregating to 1.88 acres at Bari Brahmara, Jammu, for our J&K Facility, and are yet to enter into a sale deed with respect to such land. We have not entered into any arrangements to acquire land for our Haryana Facility and Bihar Facility. Further, we are yet to apply for obtaining consents and approvals from various environment related regulatory authorities and various state government bodies, for our J&K Facility, Haryana Facility, Punjab Facility II, Punjab Facility III, Bihar Facility, Punjab Refinery II and CPP.

Any delay in acquisition of land, placement of orders for plant and machinery, and receipt of necessary approvals could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

13. ***The utilization of the Net Proceeds for the Objects of the Issue will not be monitored by an independent agency. Our inability to complete our expansion plans as per the stated schedules of implementation, including due to inadequate monitoring and internal control mechanisms, could lead to significant cost overruns and could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

There is no requirement for the appointment of a monitoring agency in terms of the ICDR Regulations, for this Issue. However, the Audit Committee of the Board would monitor the deployment of the Issue Proceeds. In terms of clause 49 of the equity listing agreement to be entered with the Exchanges where our Equity Shares are proposed to be listed and traded, our Audit Committee will deliberate on the uses and applications of funds by major category, on a quarterly basis as a part of their quarterly declaration of financial results. Further, on an annual basis, our Company will prepare and place before our Audit Committee a statement of funds utilized for purposes other than those stated in the Prospectus, if any. This statement will be certified by the Auditors of our Company. The Audit Committee will make appropriate recommendations to the Board in such matters. Such disclosures will be made until such time that the Net Proceeds have been fully spent.

14. ***Our accounts receivable collection cycle is relatively long, which exposes us to higher client credit risk in our results.***

Our accounts receivable collection cycle is relatively long as a result of the nature of our business and operations, which makes our business susceptible to market downturns and client credit risk. Additionally, the failure of our clients to make timely payments could require us to write off accounts and make provisions against receivables or increase our working capital requirements or accounts receivable reserves, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

For more information, see "***Financial Statements***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 127 and 162, respectively.

15. ***Given the seasonality of our raw materials and the nature of our operations, our failure to accurately forecast and manage inventory could result in an unexpected shortfall or surplus of products, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

Considering the seasonal availability of most of our raw materials and the length of time necessary to produce commercial quantities of our products, we are required to make production decisions well in advance of sales and accordingly procure and warehouse raw materials for our production activities through the remainder of the year. Our raw materials are required to be stored in a certain manner in order to maintain the quality of these raw materials. We procure raw materials for our compounded cattle feed and edible oil production during the peak months of October to March. The amounts of raw materials procured during these periods are based on internal management estimates for our annual production targets. We monitor our inventory levels based on internal management estimates of future demand. Further, our Solvent Extraction Plant at Jitwal Kalan in the state of Punjab operates for only eight months in a year due to the seasonality of rice bran.

Our Company experiences seasonality in its financial results and a significant portion of our revenues is generally booked in months from October to March. For example, we generated revenues of ₹ 1,552.70 million for the period from April 2009 to September 2009. A 20% increase of revenues was recorded for the periods from October 2009 to March 2010 wherein the aggregate revenues generated were ₹ 1,862.82 million.

Further, the shortage of raw material would require purchase of additional raw materials at a comparatively higher prices, and surplus warehoused raw materials that are not stored in the specified manner could perish or could suffer a decline in nutrient value or other quality parameters. In case our production varies significantly from our raw material procurement estimates, there could be a material adverse effect on our business growth and prospects, financial condition and results of operations, due to unavailability or surplus of products. Unavailability of products in high demand could depress sales volumes and adversely affect customer relationships. Conversely, inaccurate forecast resulting in oversupply of products could negatively impact our cash flows, reduce the quality of our inventory and increase inventory management costs, erode margins substantially and ultimately cause write-offs of inventory.

For more information, see "***Financial Statements***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 127 and 162, respectively.

16. ***Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees, laborers and third party contractors.***

Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees, laborers and third party contractors, or any other kind of disputes with any of such persons. Historically, we have not experienced any major incidents of strikes or work stoppages at any of our facilities. However, there can be no assurance that we will not experience any disruptions to our operations in the future, due to disputes or other problems with our work force, which could adversely affect our business growth and prospects, financial condition and results of operations. Further, in the event our or our contractor's workforce (including contract labor) unionizes in the future, collective bargaining efforts by labor unions could divert management's attention and result in increased costs. We may be unable to negotiate acceptable collective bargaining agreements with those employees who have chosen to be represented by unions, which could lead to union-initiated work stoppages, including strikes, thereby adversely affecting our business and results of operations. Any shortage of skilled personnel or work stoppages caused by disagreements with our work force could have an adverse effect on our business, and results of operations. We also enter into contracts with independent contractors to complete specified assignments and these contractors may be required to source the labor necessary to complete such assignments. Although we do not engage these laborers directly, it is possible under Indian law that we may be held responsible for wage payments, or benefits and amenities to laborers engaged by our independent contractors should such contractors default on wage payments or in providing benefits and amenities. Any requirement to fund such payments could have a material adverse effect on our business growth and prospects, financial condition and results of operations. Further, under Indian law, we could be required to absorb a portion of such contract labor as our employees. Any such order from a court or any other regulatory authority could adversely affect our business growth and prospects.

17. ***We are dependent on a number of key management personnel and the loss of any or all of such persons, or our inability to attract and retain key management personnel in the future, could adversely affect our business growth and prospects.***

Our success depends on the continued services and performance of the members of our management team, other key employees and our Promoters. For instance, our Promoter and Managing Director Mr. Balwant Singh has approximately nine years of experience in the cattle feed industry and was instrumental in establishing our business, and our Senior Vice President (Technical and Production) Mr. Manmohan Singh has approximately 32 years of work experience and has been responsible for setting up our edible oil refining plant, overseeing our compounded cattle feed plant and solvent extraction plant, and overall technical and production activity of our Company. In the event we are not be able to retain our any or all of our existing senior management or key management personnel, or attract and retain new personnel of similar capabilities in the future, our business growth and prospects, results of operations and financial condition may be adversely affected. For more information, see "***Our Management***" on page 109.

18. ***We operate in a competitive business environment, both in the organized and unorganized sector. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

Our Company faces competition in our compounded cattle feed business from various organized, unorganized and state-regulated players, including Markfed and Godrej Agrovet. In relation to our edible oil business, we face competition from established regional and national players in the retail and bulk customers segments. In the retail segment, we face competition from national players, such as Adani Wilmer Limited, Ruchi Soya Inds Limited and Cargill India Limited, and regional players such as A.P. Solvex Limited, Amrit Banaspati Limited and Bhatinda Chemicals Limited. In the bulk segment, we face competition from A.G. Fats Limited and K.C. Oils & Chemicals Limited. Besides the product quality, the principal factors for attracting dealers and distributors and end consumers are commissions paid to dealers and distributors and competitive pricing of products. Some of our competitors may have greater industry experience and substantial financial, technical and other resources, which may enable them to provide greater commission to the dealers and distributors and charge lower price as compared to our products. Further, our competitors may react faster in changing market scenario and remain competitive Growing competition could subject us to pricing pressures or result in a decline in our market share, which could require us to reduce the prices of our products and services in order to retain or attract customers. Our inability to effectively manage such competitive pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

For more information, see "***Business - Competition***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 96 and 162, respectively.

19. ***Disruption of our existing transportation services or inability to establish a transportation infrastructure at our manufacturing facilities and refineries that are presently under implementation or are proposed could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

As on August 31, 2010, we own a fleet of 30 trucks, stationed at our manufacturing facilities and refinery at village Jitwal Kalan in the state of Punjab and the Uttarakhand Facility. We depend on this fleet of trucks to supply our products to dealers and distributors in various north Indian states. We have not yet entered into any arrangements for establishing a similar transportation infrastructure at any of the manufacturing facilities that are currently being developed or are proposed to be developed in the states of Haryana, Jammu & Kashmir and Bihar. The building of transportation infrastructure entails obtaining approvals from the respective state governments. There can be no assurance that we will obtain such approvals or that the transportation infrastructure will be established in a timely manner and operated on a cost effective basis. In the absence of our own transportation infrastructure, we may have to enter into arrangements with third parties to transport our products from such manufacturing facilities to our dealers and distributors, in the absence of which we will not be able to supply our products from our new manufacturing facilities and derive the benefit from the expansion of our manufacturing capacities. Such arrangements may also not be entered into on terms favorable to us and could result in an increase of our costs of production.

Additionally, we depend on various forms of transport, such as roadways and ships while importing crude and refined olive oil from Spain and Italy and other raw materials for our edible oil and compounded cattle feed business and have not entered into any long-term arrangements with any entity for this purpose. Although we have, in the past, made transportation arrangements that are cost-efficient and reliable, there can be no assurance that we will be able to enter into such arrangements in the future. Further, disruption of transportation services that are not owned by us because of weather-related problems, strikes, inadequacies in the road or shipping infrastructure, or other events could impair the ability of our suppliers to deliver fuel and raw materials and could have a material adverse impact on our business growth and prospects, results of operation and financial condition.

20. ***We do not have an established track record in implementing and operating power projects and may not be able to efficiently handle the managerial, technical and logistical challenges associated with developing our proposed 3 MW CPP, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

We intend to develop a CPP having an installed capacity of 3 MW, adjacent to our existing and proposed facilities at Jitwal Kalan in the state of Punjab. Although the CPP will have limited capacity and is intended only for captive use, we have no track record in implementing and operating power projects. We may face managerial, technical and logistical challenges while implementing the CPP, and in the absence of any prior experience, we may not be able to efficiently handle such challenges. Any failure on our part to effectively meet the challenges posed by technical and other processes involved in implementation and operation of the CPP could cause disruptions to our business, which could be detrimental to our long-term business outlook. Further, we may develop other power plants in the future with increased capacities where disruptions could occur after commercial operations have commenced due to the factors provide above. Any of the foregoing could have a material adverse effect on our business and results of operations.

21. ***We require a number of approvals, licenses, registrations and permits for our business, and the failure to obtain or renew them in a timely manner could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

We require a number of approvals, licenses, registrations and permits for our business. Additionally, we may need to apply for renewal of approvals, licenses, registrations and permits which expire, from time to time, as and when required in the ordinary course. The following applications for approvals are pending in relation to our present operations and ongoing expansion projects:

- Application dated September 1, 2010, for license under the Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**") for the unit at Udham Singh Nagar, Sitarganj, Uttarakhand.

- Renewal application dated April 5, 2010, for consent to operate under the Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") for the unit at Udham Singh Nagar, Sitarganj, Uttarakhand.

- Renewal application dated September 1, 2010 for consent to operate under the Air (Prevention and Control of pollution) Act, 1981 ("**Air Act**") for the unit at Jitwal Kalan, Malerkotla, Sangrur, Punjab.

- Renewal application dated September 1, 2010 for consent to operate under the Water Act for Jitwal Kalan, Malerkotla, Sangrur, Punjab.

- Renewal application dated April 8, 2010, for food license under the Prevention of Food Adulteration Act, 1954 for Jitwal Kalan, Malerkotla, Sangrur.

- Renewal application under the Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967 before the Ministry of Consumer Affairs, Department of Food and Public Distribution, Directorate of Vanaspati, Vegetable Oils and Fats dated September 7, 2010.

- Application for grant of Bureau of Indian Standards license as per IS 2052:1979 before the Bureau of Indian Standards, Chandigarh dated September 3, 2010.

In addition, there are 34 applications in relation to registration of our trademark under various classes, pending before the Trademark Registry at Delhi, and one application by our Promoter and Managing Director, Mr. Balwant Singh, with respect to a patent of invention dated June 17, 2008 for cooking oil blend and method of manufacture thereof pending before the Patent and Trademark Registry, GoI.

If we fail to obtain any applicable approvals, licenses, registrations and permits in a timely manner, we may not be able to undertake the ongoing operations or expand our business on time, or at all, which could affect our business and results of operations. Further, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to incur substantial expenditure. Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business growth and prospects, financial condition and results of operations. There can be no assurance that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, could have a material adverse effect on our business growth and prospects, results of operations and financial condition.

For more information, see "***Government and Other Approvals***" on page 188.

22. *Our ability to pay dividends in the future will depend on future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.*

No dividend has been declared on the Equity Shares by our Company during the last five fiscal years. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deems relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. There can be no assurance that any dividend will be paid on the Equity Shares in the future, or as to any amounts which may be paid as dividend in the future.

For more information, see "***Dividend Policy***" on page 126.

23. ***In the event we suffer significant loss or damage that is not covered by insurance or significantly exceeds our insurance coverage, the loss would have to be borne by us, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

Our Company has various insurance policies in respect of our business, our assets such as stocks, machinery and buildings. While believe that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us, which could have a material adverse effect on our business growth and prospects, results of operations and financial condition.

For more information, see "***Our Business – Insurance***" on page 96.

24. ***We have high working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.***

Our business requires a significant amount of working capital. In many cases, significant amounts of working capital is required to finance the purchase of raw materials for our compounded cattle feed and edible oil businesses and the manufacturing and refining process carried on by us in our manufacturing facilities and the refinery. Our working capital requirements may increase if we have to procure raw materials during the months of April to September when the availability of the raw materials are not at their peak and comparatively expensive. In addition, our working capital requirements have increased in recent years due to the general growth of our Company's business. If any of our dealers defaults in making its payment, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result, or have resulted, in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms, it may adversely affect our business and growth prospects.

25. ***Any dispute with consumers regarding the quality of our products may expose us to claims by consumers, which could have a material adverse effect on the image and reputation of our Company, and therefore on our business growth and prospects, financial condition and results of operations.***

Our products are perishable items intended for consumption by humans, in case of our edible oil products, and by animals, in case of our compounded cattle feed. Our operations of refining of edible oil involve several complex processes like degumming, neutralizing, bleaching, and deodorizing. Similarly, compounded cattle feed products have to comply with applicable quality standards. Occurrence of any accident, negligence or oversight in the process, including due to warehousing of our raw materials or our products under sub-optimal conditions and/or for an extended period of time, may lead to non-compliance with quality standards as applicable to our products. Any non-compliant products, if sold in the market, may be harmful to the health and well being of our end users. The occurrence of any such event may expose our Company to liabilities and claims which could adversely affect our brand image and reputation. In such an event, there could be a material adverse effect on our business growth and prospects, results of operations and financial condition.

26. ***We may not be able to adequately protect or continue to use our intellectual property, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

We depend on our brand name "Tara" and believe that it is very important to our business. The success of our business, in part, depends on our ability to continue using the existing trademarks with respect to the "Tara" name in order to increase our presence in the industry that we operate in. We believe that this is true especially in respect of our compounded cattle feed products being sold in the state of Punjab, where such products are popularly referred to by the name of "Tara" rather than the names given to such products by us.

By an assignment deed dated July 30, 2009, Tara Gram Udyog Samiti, our Group Entity, has assigned the use of the "Tara" trademark under class 31 to us and such assignment is valid until March 13, 2013. Tara Gram Udyog Samiti also assigned copyrights for the use of "STAR DEVICE" and "TARA DEVICE" by an assignment dated July 30, 2009. If such arrangements are terminated or expire for any reason, we may not be able to continue to use the "Tara" mark under class 31, in connection with our business and consequently, we may be unable to capitalize on the name recognition associated with our Company.

The "Tara" trademark is registered under various classes and we have made applications for other classes that are currently pending before the Trademark Registry at Delhi. Further, Mr. Balwant Singh, our Promoter and Managing Director has applied for a patent of invention on June 17, 2008 for cooking oil blend and method of manufacture thereof and the application is pending before the Patent and Trademark Registry, GoI. Although we have either registered our trademarks or have applied for registration to ensure protection under the trademark protection regime in India, the actions taken by us may be inadequate to prevent imitation of the "Tara" name, mark and concept by others. In particular, the registration of a trademark is a time-consuming process and there can be no assurance that any such registration will be granted to us. If we fail to register the appropriate trademarks or our efforts to protect relevant intellectual property prove to be inadequate, the value attached to the "Tara" name could deteriorate, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

Further, in the past we have failed to oppose the applications for registration of names of entities or applications for registration of trademarks similar to our trademark filed by other companies, organizations and entities, which may or may not be engaged in dealing in products similar to ours. As a result, such companies, entities or organizations may have registered trademarks under classes that are identical or similar to the trademarks for which we have either obtained registrations or made applications. For instance, two oppositions have been filed against our application to register the trademark "Tara" under class 1 and 5. Consequently, we may not be able to obtain registration of trademarks in the categories that we have made applications for. Further, use of similar marks by other companies, entities and organizations may create confusion in the minds of our consumers, dealers, distributors and suppliers and damage our reputation in the industry leading to an adverse effect on our business and results of operations.

For more information, see "***Government and Other Approvals***" and "***Outstanding Litigation and Material Developments***" on pages 188 and 183, respectively.

27. ***Any claims regarding our infringement of the intellectual property rights of others could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

We cannot determine with certainty whether we are infringing any existing third party intellectual property rights, which may force us to defend claims from or assert claims against third parties, alter our technologies, obtain licenses for, or cease a significant portion of our operations. Regardless of whether any third party claims regarding infringement of intellectual property having any merit, these claims could adversely affect our relationships with current or potential customers, result in costly and prolonged litigation, divert management's attention and resources and expose us to significant liabilities.

For more information, see "***Outstanding Litigation and Material Developments***" on page 183 and "- ***There is outstanding litigation against us, which if determined adversely could business and financial condition***".

28. ***Our Promoters, together with our Promoter Group, will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us. We cannot assure you that our Promoters and/or our Promoter Group will always act in our Company's or your best interest.***

The entire issued and outstanding Equity Share capital is currently beneficially owned by our Promoters and our Promoter Group. On completion of the Issue, our Promoters and Promoter Group will own [●]

Equity Shares, or [●]% of our post-Issue Equity Share capital, assuming full subscription of the Issue. Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters and Promoter Group as our Company's controlling shareholders could conflict with our Company's interests or the interests of our other shareholders. There can be no assurance that the Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or your favour.

29. ***Our Company has entered into certain related party transactions, and may continue to do so in the future. There can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties.***

We have entered into certain transactions with our Promoters and Group Entities, aggregating to ₹ 73.74 million as on March 31, 2010. These included transactions with Group Entities such as TFF and THCPL, both of have objects that permit them to engage in business activities similar to those undertaken by our Company. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Further, it is likely that we may continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, see "***Financial Information***" on page 127.

30. ***One of our Group Entities is engaged in business activities similar to ours, which may result in a conflict of interest with our Company.***

Two of our Group Entities, Tara Feed Factory ("**TFF**") and Tara Heart Care Products Limited ("**THCPL**"), have objects that permit them to engage in business activities similar to those undertaken by our Company, which could be a potential source of conflict of interest with our Company. THCP has entered into a non-compete agreement dated September 15, 2009 with out Company, by which it has agreed that it will not, without obtaining a prior no-objection from our Company, undertake any manufacturing facility in which our Company is engaged and will not market the products manufactured by any entity other than us. TFF has entered into a non-compete agreement dated September 15, 2009 with our Company, pursuant to which TFF will operate in the areas of Patiala and Fathegarh and our Company will continue our existing and future businesses as permitted by the objects clause of its memorandum of association, and will not in the future enter into any business in which our Company operates, without the prior written consent of our Company.

However, any conflict of interest in the future with any related parties could have a material adverse effect on our business growth and prospects, financial condition and results of operations, and the resolution of such conflict may divert the attention and resources of our management. For more information, see "***Our Promoters and Group Entities***" on page 118 and "- ***Our Company has entered into a business transfer agreement in relation to TFF.***"

31. ***Our Company has entered into a business transfer agreement in relation to TFF. There can be no assurance that we will achieve the intended synergies on the implementation of this agreement.***

One Company has entered into a business transfer agreement dated September 25, 2010 ("**BTA**") with Mr. Kulwant Singh, Mr. Jaswant Singh and Mr. Balwant Singh, in their capacity as partners of TFF, to transfer all assets and liabilities of TFF to our Company. The said transfer is proposed to be effective from October 1, 2010. We may not be able to achieve the intended synergies on implementation of the BTA. In addition, on the BTA coming into effect, our liabilities due to this acquisition may be significantly higher than anticipated. In the event the transfer of business of TFF to our Company is delayed, or does not occur for any reason whatsoever, TFF would continue to exist as a separate entity and may engage in the activities similar to our Company's business activities, leading to conflict of interest, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

32. ***Our Company had negative cash flow from operating activities for fiscal 2010, 2009, 2008, 2007 and 2006. Negative cash flows in the future could have an adverse effect on our results of operations.***

Our Company has had negative cash flow from operating activities and investing activities for fiscal 2010, 2009, 2008, 2007 and 2006.

(₹ in million)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Net cash from/ (used in) operating activities	(465.50)	(308.55)	(191.23)	(65.21)	(33.18)
Net cash from/ (used in) investing activities	(173.72)	(85.62)	(267.37)	(77.60)	(15.82)

The negative cash flows from operating activities were on account of increase in receivables due to increase in sales and increase in inventory requirements due to increased operations and higher capacity utilisations of our manufacturing facilities and refinery. The negative cash flows from investing activities were on account of purchase of fixed assets in relation to our manufacturing facilities and refinery. We cannot assure you that we will not have negative cash flows from our operating, investing or financing activities in the future. For further details, see "***Financial information***" on page 127.

33. ***Our Company is promoted by first generation entrepreneurs, as a result of which we may not be able to efficiently manage or sustain our growth as our operations expand.***

The Promoters of our Company are first generation entrepreneurs and in spite of having a professional management team, our business may suffer due to various challenges and competition. Except our Promoter and Managing Director Mr. Balwant Singh, who has approximately 11 years of experience in the cattle feed industry, our Promoters being first generation entrepreneurs do not have prior experience of running and managing compounded cattle feed and edible oil business. As a result, we may not be able to efficiently manage or sustain our growth, as our operations expand.

34. ***We have availed of certain tax exemptions in relation to our compounded cattle feed operations from the Uttarakhand Facility for fiscals 2009 and 2008. Any reversal of such exemptions availed could have an adverse effect on our financial condition and results of operations.***

We have a compounded cattle feed manufacturing facility with an installed capacity of 250 TPD at Sitarganj in the state of Uttarakhand that started commercial production in March 2007 (the "**Uttarakhand Facility**"). In fiscal 2009 and fiscal 2008, we have availed of certain tax exemptions on our compounded cattle feed operations from the Uttarakhand Facility based on certain eligibility criteria. However, though we have not received any notice or demand to the contrary from any regulatory authority, if we are considered ineligible for such tax exemptions availed by us in fiscal 2009 and fiscal 2008, any reversal of such exemptions availed may have an adverse impact on our financial condition and results of operations.

35. ***Inability to meet the quality norms prescribed by the Government could result in the sales of our products being banned or suspended or becoming subject to significant compliance costs, which could have a material adverse effect on our business growth and prospects, results of operations and financial condition.***

The quality of the products being manufactured by our Company is open to independent verification by agencies of GoI or state governments or various other regulatory authorities. Regulatory agencies under the Prevention of Food Adulteration Act, 1954 ("**PF Act**"), such as the Food Inspectors, may carry out surprise sample checking of our product for their contents. In case the content in the sample is not in conformity with the quality norms prescribed by the Government, it could lead to issuance of show cause notices. Failure on our part to adhere to the quality norms prescribed by the Government agencies could lead to suspension of sales of those batches and/or the products in that particular state or our products being banned for sales. Any such order passed by the Government agencies could bring about adverse publicity for our Company and our products, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations. For further details, see "***Regulations and Policies***" on page 98.

36. ***Contingent liabilities which have not been provided for could adversely affect our financial conditions.***

Our contingent liabilities as at March 31, 2010 aggregated ₹ 54.41 million. If any or all of these contingent liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For further information, see "***Financial Information***" on page 127.

(₹ in million)

Sl. No.	Particulars	Amount
1.	Bank Guarantees	0.09
2.	Letter of Credit	50.00
3.	Claims preferred against the Company	4.32
Total		54.41

37. ***There is outstanding litigation against us, which if determined adversely could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

From time to time, our Company and our Directors and other employees may become involved in certain legal proceedings incidental to our business. For instance, there is currently one criminal proceeding and two intellectual property disputes pending against our Company. In addition, we have received a show cause notice dated August 7, 2010 demanding excise duty of approximately ₹ 6.38 million on by-products produced by our Company. Further, two oppositions have been filed against applications for registration of trademarks filed by our Company. In the event of an adverse outcome in these proceedings, we may be required to incur significant expenses or divert management's attention and resources, and expose us to significant liabilities, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations. See "***Outstanding Litigation and Material Developments***" on page 183 and "***- Our Company is involved in certain criminal proceedings, and there can be no assurance that these or any future proceedings we may be involved in will be resolved in our favour***".

38. ***We do not own the premises on which our Registered Office is situated. In the event our lease over these premises is terminated or cannot be renewed for any reason, our operations may be disrupted, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

Our Registered Office is located at 3rd Floor, Mall Plaza, Fountain Chowk, The Mall, Ludhiana 141 001, Punjab, India and we do not own the premises. The lease agreement dated Septemebr 1, 2010 for our Registered Office is valid until September 2013 and our Company is required to pay a monthly rent of ₹ 0.06 million. For further details of our Registered Office, see "***History and Certain Corporate Matters***" on page 105.

If any of the owners of these premises do not renew the agreements under which we occupy these premises or if we are unable to renew such agreements on terms and conditions favorable to us or at all, we may suffer a disruption in our operations which could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

39. ***We have been unable to trace certain statutory records required to be maintained by our Company.***

Our Company was incorporated in 1977 and the present Promoters took control of our Company in 2004. For the period between 1977 and 2004, share transfer forms, form filings with the RoC and copies of resolutions passed at the meetings of the board of directors and shareholders of our Company, are not available. Certain statutory records, including property related documents and certain transfer deeds are missing from the records of our Company.

As a result, information relating to such documents in this Draft Red Herring Prospectus has been obtained from our books of records.

40. ***Our Company has in the past taken unsecured loans from our Promoters and Promoter Group entities and in the event we are required to take such unsecured loans in the future, the cash outflow towards payment of such loans could effect our operations and financial condition adversely.***

We have, from time to time in the last five years taken unsecured loans from our Promoter and Promoter Group entities which were short term in nature and payable on demand. Such unsecured loans have been repaid during Fiscal 2010. Going forward, our Company may continue taking such unsecured loan from our Promoter and/or Promoter Group entities which may be short term in nature and payable on demand. In the event of any such demand, the cash outflow may affect our Company's operations, liquidity position and profitability. Further, unsecured loans taken by our Promoters, Promoter Group and Group Entities now or at any time in the future may also be recalled by their lenders at any time, which may adversely affect their respective operations, liquidity positions and profitability.

41. ***Outbreaks of disease among or attributed to livestock can significantly affect demand for our products and our business.***

Livestock health problems could adversely impact demand for our products and consumer confidence for our cattle feed products. From time to time, there have been outbreaks of certain livestock diseases in different parts of the world, such as bovine spongiform encephalopathy. Disease can reduce the number of offspring produced, hamper the growth of livestock and require in some cases the destruction of infected livestock, all of which could adversely affect the demand for our products. Adverse publicity concerning any disease or health concern could also cause customers to lose confidence in the safety and quality of our cattle feed products.

42. ***Some of our Group Entities have incurred losses in one or more of the three preceding fiscal years and may continue to incur losses in the future, which could have a material adverse effect on their ability to carry on their business, could divert our management's attention and resources, as well as cause an associated reputational loss to our Company.***

Some of our Group Entities have incurred losses during one or more of their three preceding fiscal years, as set forth below:

(₹ in million)

S. No.	Group Entity	Fiscal 2008	Fiscal 2009	Fiscal 2010
1.	Tara Gram Udyog Samiti	(0.09)	(0.08)	(0.07)
2.	Punjab Dairy House	(0.14)	(0.13)	(0.11)
3.	Tara Heart Care Products Limited	Nil	Nil	(0.17)

We benefit from and continue to rely on some of our Group Entities for certain key developments and support activities. Our business and results of operations may be adversely affected if these or other Group Entities continue to incur losses or have negative net worth in the future.

EXTERNAL RISK FACTORS

1. ***Recent global economic conditions have been unprecedented and challenging and have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general, which has had, and may continue to have, a material adverse effect on our business growth and prospects, results of operations and financial condition as well as on the price of our Equity Shares.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. India's economy could be adversely affected by a general rise in interest rates, inflation, natural calamities, such as earthquakes, tsunamis, floods, drought, increases in commodity and energy prices, and protectionist efforts in other countries or various other factors. In addition, the Indian economy is in a state of transition. It is difficult to gauge the impact of these fundamental economic changes on our business. Any slowdown in the Indian economy or future volatility in global commodity prices could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions and recession in most major economies continuing into 2009. Continued concerns about the systemic impact of potential long-term and wide-spread recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economies. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels. These global market and economic conditions have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general, which has had, and may continue to have, a material adverse effect on our business growth and prospects, results of operations and financial condition as well as on the trading price of our Equity Shares.

2. ***Agricultural activities depend to a major extent on monsoon and weather conditions. Any lack of or an abnormal monsoon could negatively impact harvests and in turn have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

Our raw materials are agricultural produce. Agricultural industry in India is largely dependent on monsoon and favorable weather conditions. Meteorologically, our country has different weather conditions prevalent in different geographical areas. The geography of the country is also diversified into irrigable and non irrigable areas. The extent of monsoons and other seasonal conditions determine the quantity as well as quality of the agricultural produce. Scanty or abnormal level of monsoon may damage the crops and reduce the availability of our raw materials. This could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

3. ***Changes in the regulatory framework governing the edible oil and compounded animal feed industries could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

The edible oil industry is a substantially regulated sector in India, and has stringent laws on consumer protection. Any change in the statutory and regulatory framework for edible oil as well as the compounded animal feed industry, may have an adverse impact on our business, financial condition and results of operations. For more information, see "***Regulations and Policies***" on page 98.

4. ***Compliance with, and changes in, environmental, health and safety laws and regulations could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

We are subject to stringent environmental, health and safety regulations. Further, the regulatory authorities in India may take steps towards the adoption of more stringent environmental, health and safety regulations, and there can be no assurance that we will be at all times in full compliance with these regulatory requirements. For example, these regulations may require us to make changes to our existing operations or incur substantial compliance costs to limit any adverse impact or potential adverse impact on the environment or the health and safety of our employees, and any violation of these regulations, whether or not accidental, may result in substantial fines, criminal sanctions, revocations of operating permits or a shutdown of our facilities. Due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditures to comply with regulatory requirements may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental, health and safety regulations we are subject to, we may need to incur substantial capital expenditures to comply with such new regulations. Our costs of complying with current and future environmental, health and safety laws and our liabilities arising from failure to comply with applicable regulatory requirements could have a material adverse effect on our business growth and prospects, financial condition and results of operations. For more information, see "***Regulations and Policies***" on page 98.

5. ***The proposed adoption of IFRS, which we expect to have to adopt effective April 1, 2014, could have a material adverse effect on the price of the Equity Shares.***

Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, Government of India, through the press note dated January 22, 2010 (the "**MCA Press Release**") and the clarification thereto dated May 4, 2010 (together with the MCA Press Release, the "**IFRS Convergence Note**"). Pursuant to the IFRS Convergence Note, we will be required to prepare our annual and interim financial statements under converged accounting standards in a phased manner beginning with the fiscal period commencing April

1, 2014. We have yet to take any action in anticipation of such requirement. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding (restated) period in the comparative fiscal year/period. In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

6. ***Volatility in the Rupee against foreign currencies could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

While our revenues are and will continue to be denominated in Rupees, we have in the past and may in the future continue to import plant and machinery and raw material from foreign countries and incur indebtedness denominated in foreign currencies to finance the expansion of our business. Volatility in the Rupee against these currencies will significantly increase the Rupee cost to us of servicing and repaying our foreign currency payables. For example, the exchange rate for US$ 1 was ₹ 50.95 as on March 31, 2009, ₹ 45.14 as on March 31, 2010, and ₹ 47.08 as on August 31, 2010. If we are unable to recover the costs of foreign exchange variations, depreciation of the Rupee against foreign currencies could have a material adverse effect on our business growth and prospects, financial condition and results of operations. For more information, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 162.

7. ***Increases in interest rates could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

Increases in interest rates could have a material adverse effect on the cost of our borrowings, as nearly all of our borrowings have a floating rate of interest. We do not currently enter into any interest rate hedging or swap transactions in connection with our loan agreements. There can be no assurance that we will be able to enter into interest hedging contracts or other financial arrangements on commercially reasonable terms, or that any of such agreements will protect us fully against our interest rate risk. Any increase in interest expense may have an adverse effect on our business, prospects, financial condition and results of operations.

8. ***Any downgrading of India's debt rating by a domestic or international rating agency could have a material adverse effect on our business growth and prospects, financial condition and results of operations, as well as the price of our Equity Shares.***

Adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies, or the perception that such revisions may occur, could have a material adverse effect on our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our business growth and prospects, financial condition and results of operations, as well as the price of our Equity Shares.

9. ***Wage increases in India may reduce our profit margins and have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

We are highly dependent on the availability of skilled and semi-skilled labour. Wages and other compensation paid to our employees is one of our significant operating costs, and an increase in the wages or employee benefit costs will significantly increase our operating costs. Because of rapid economic growth in India and increased competition for skilled and semi-skilled employees in India, wages for comparable employees in India are increasing at a fast rate. We may need to increase the levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining the quality and number of skilled and semi-skilled employees that our business requires. Further, many of our employees receive salaries that are linked to minimum wage laws in India and any increase in the minimum wage in any state in which we operate could significantly increase our operating costs. In addition, a shortage in the labour pool or other general inflationary pressures or changes will also increase our labour costs. Wage increases in the long-term may reduce our competitiveness and our profitability, which could have a material adverse effect on our business and prospects, financial condition and results of operations.

10. ***Political instability or changes in the Government could have a material adverse effect on economic conditions in India and consequently our business growth and prospects, financial condition and results of operations and the price of our Equity Shares.***

Our performance and the market price and liquidity of the Equity Shares could be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. The business of our Company, and the market price and liquidity of the Equity Shares could be affected by changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. The governments have usually been multi-party coalitions with differing agendas. Any political instability could affect the rate of economic liberalisation and the specific laws and policies affecting foreign investment, and our industry in particular. Other matters affecting investment in the Equity Shares could change as well. A significant change in India's economic liberalisation and deregulation policies could have a material adverse effect on business and economic conditions in India generally, and our business in particular, if new restrictions on the private sector are introduced or if existing restrictions are increased.

11. ***Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could have a material adverse effect on financial markets generally, and in particular, on our business growth and prospects, financial condition and results of operations, and the price of our Equity Shares.***

Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could have a material adverse effect on worldwide financial markets generally, including the Indian markets on which our Equity Shares would trade. Such incidents or conditions could also result in a loss of business confidence or create a perception that investment in Indian companies involves a higher degree of risk, make travel and other services more difficult, and ultimately adversely affect our business growth and prospects, financial condition and results of operations as well as on the price of our Equity Shares.

12. ***Our business and activities will be regulated by the Competition Act, 2002 (the "Competition Act") and any application of the Competition Act to use could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

The Competition Act is designed to prevent business practices that have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market or number of customers in the market is presumed to have an appreciable adverse effect on competition. Further, if it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished. For more information, see "***Regulations and Policies***" on page 98.

The effect of the Competition Act on the business environment in India is as yet unclear. If we are affected, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, including any enforcement proceedings initiated by the Competition Commission and any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission, it could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

RISKS IN RELATION TO THE EQUITY SHARES

13. ***After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.***

There has been no public market for the Equity Shares, and the prices of the Equity Shares may fluctuate after this Issue as a result of several factors including volatility in the Indian and global securities market; our operations and performance; performance of our competitors; the perception of the market with respect to investments in the edible oils or animal feed sectors; adverse media reports about us or the animal feed or edible oil industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalisation and deregulation policies; and significant developments in India's fiscal regulations. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue, or that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

14. ***There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.***

Our Company had filed a draft red herring prospectus on October 14, 2009 with the SEBI and a red herring prospectus on April 19, 2010 with the RoC in relation to a proposed initial public offering. Our Company did not proceed with such initial public offering due to the minimum subscription requirements not being met. There can be no assurance that our proposal to list our Equity Shares pursuant to filing of this Draft Red Herring Prospectus will be successful. Further, in accordance with Indian law and practice, final permission for listing and trading the Equity Shares will not be granted until the Equity Shares have been issued and allotted. Such approval will require all other relevant documents authorizing the issue of our Equity Shares to be submitted. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

15. ***Any future issuance of Equity Shares may dilute your shareholdings, and sales of our Equity Shares by our Promoters or other major shareholders could have a material adverse effect on the price of the Equity Shares.***

Any future equity issuances by us may lead to the dilution of investors' shareholdings in our Company. Further, sales of a large number of our Equity Shares by our Promoters or other major shareholders could have a material adverse effect on the market price of our Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could have a material adverse effect on the market price of our Equity Shares. Any future issuance of our Equity Shares or securities linked to our Equity Shares, such as ESOPs, may dilute your shareholding in our Company as well as the holdings of our existing shareholders.

16. ***There are restrictions on daily movements in the price of equity shares listed on the Stock Exchanges, which could have a material adverse effect on a shareholder's ability to sell, or the price at which it can sell, our Equity Shares at a particular point in time.***

Following the Issue, we will be subject to a daily 'circuit breaker' imposed by the Stock Exchanges, which does not allow transactions beyond specified increases or decreases in the price of listed equity shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the Stock Exchanges based on the historical volatility in the price and trading volume of our Equity Shares. The Stock Exchanges will not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

PROMINENT NOTES

- Investors may contact any of the BRLMs who have submitted the due diligence certificate to SEBI for any complaints pertaining to the Issue.

- The net worth of our Company was ` 535.65 million and ` 1,021.99 million as at March 31, 2009 and March 31, 2010, as per the restated financial statements of our Company prepared in accordance with Indian GAAP, and restated in accordance with the ICDR Regulations.

- The net asset value per Equity Share of ` 10 each was ` 59.38 and ` 50.99 as at March 31, 2009 and March 31, 2010, respectively, as per the restated financial statements prepared in accordance with Indian GAAP, and restated in accordance with the ICDR Regulations.

- The average cost of acquisition per Equity Share by our Promoters is:

Name of Promoter	**Number of Equity Shares Held**	**Average cost of acquisition (In `)**
Mr. Kulwant Singh	6,691,300	8.39 per share
Mr. Jaswant Singh	7,593,740	7.90 per share
Mr. Balwant Singh	7,867,860	8.13 per share
Total	**22,152,900**	

- None of our Group Entities have any business or other interest, except as stated in "***Financial Statements***" beginning on page 127 and "***Our Promoters and Group Entities***" beginning on page 118, and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.

- Our Company has entered into certain related party transactions for an aggregate amount of ` 4.52 million and ` 79.48 million, respectively, in fiscal 2009 and fiscal 2010, based on our financial statements included in this Draft Red Herring Prospectus. For further information, see "***Financial Statements***" beginning on page 127.

- Our Company was incorporated as 'Angora Wool Combers Private Limited', a private company limited by shares, on February 28, 1977, under the provisions of the Companies Act. The name of our Company was changed to 'Ram Sahai Wool Combers Private Limited' and a fresh certificate of incorporation pursuant to change of name was issued to our Company on December 2, 1986 by the RoC. Subsequently, our Company's name was changed to 'Tara Feeds Private Limited' and a fresh certificate of incorporation pursuant to change of name was issued to our Company on September 2, 2004, by the RoC. Pursuant to a resolution passed by our shareholders dated September 30, 2005, our Company was converted into a public limited company and our Company's name was changed to 'Tara Feed Limited'. A fresh certificate of incorporation consequent to change of status into public limited company was issued to our Company on October 5, 2005. Subsequently, our name was changed to 'Tara Olive India Limited' and a fresh certificate of incorporation pursuant to change of name was issued to our Company on June 11, 2008. Our name was further changed to 'Tara Health Foods Limited' and a fresh certificate of incorporation pursuant to change of name was issued to our Company by the RoC on November 24, 2008. The name of Company was changed to reflect the business activities presently carried on, and intended to be carried on in future, by the Company.

- Pursuant to resolution of shareholders of the Company, the Main Objects clause of the Memorandum of Association of the Company was amended on September 25, 2010. Refer "***History and Certain Corporate Matters***" on page 105.

- There has been no financing arrangement whereby the Promoter Group, our Directors, or any of their respective relatives have financed the purchase by any other person of securities of our Company during the six months preceding the date of the Draft Red Herring Prospectus.

SECTION III – INTRODUCTION
SUMMARY OF INDUSTRY

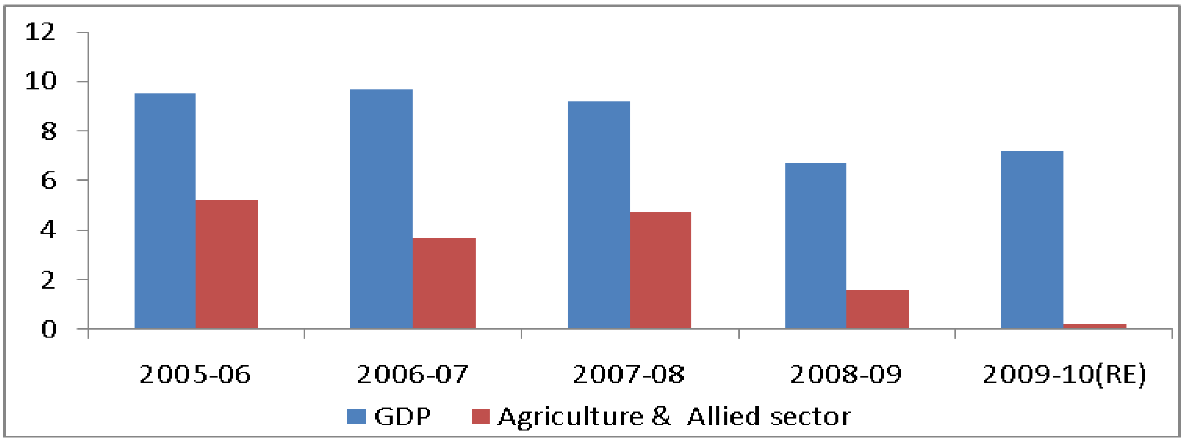
Overview of Indian Economy

India is one of the fastest growing economies in the world and has managed an average growth rate in excess of 7% per year since 1997. An industrial slowdown early in 2008, followed by the global financial crisis, led annual GDP growth to slow to 6.50% in 2009, still the second highest growth in the world among major economies. The Indian economy exhibited robust acceleration in the pace of recovery in the fourth quarter of FY2010 led by strong growth in industrial activities. At 8.60%, GDP growth in the fourth quarter of FY2010 showed a significant recovery in relation to the 5.80% growth recorded during the second half of FY2009 and approached the average 8.80% growth achieved during 2003-2008. The Professional Forecasters' Survey conducted by the Reserve Bank in June 2010 places overall (median) GDP growth rate for 2010-11 at 8.40 %, higher than 8.20% reported in the previous round of the survey.

Overview of Indian Agriculture sector

Agriculture as the largest enterprise in India is the lifeline of Indian economy. During 2008-09, Agriculture accounted for 17.00% of GDP of India and 10.23% (provisional) of total exports besides providing employment to around 58.20 % of the work force.

Growth in agriculture and allied sector GDP vis-à-vis total GDP (at 2004-05 prices)



Edible Oil in India

India is among the world's largest producers and consumers of edible oils, accounting for 5-6% of total production. Globally, edible oil production varies from year to year, depending on oilseeds production and availability. Because of a significant increase in oilseeds production during the period, 1986-1999, India's domestic vegetable oils production and availability increased significantly from 2.90 million tonnes in 1985-86 to 8.13 million tonnes in 1996-97. However, subsequent demand growth has been met by imports. The estimated production in 2008-09 was 6.70 million tonnes.

Rice Bran Oil

Rice Bran Oil is'Heart Friendly' cooking oil with its remarkable cholesterol lowering property when compared with other edible oils. Rice bran oil is more economical than the other traditional cooking oils as it absorbs 20-25.00% less oil while cooking. Besides, the degradation is lower at the time of frying, allowing for reuse.

Olive Oil

India is only a consumer and not a producer of olive oil. India presently imports its olive oil requirement from Spain and Italy During the calendar year 2008, the olive pomace registering a growth rate of 36.00% olive oil by 23% and virgin oil by 19.00%. It was expected that in the year 2009, the olive oil consumption will reach 4,000 tonnes. Further, IOA forecasts that the consumption of Olive oil in India is expected to grow to 25,000 tonnes in 2010 and 42,218 tonnes by 2012.

Cattle Feed

The Indian cattle feed market is driven by growth in milk production and meat production. Nutrition plays an important role in improving milk production and reproductive performance of milk producing cattle. The commercial cattle feed is gaining prominence because of India's prominence as a leading milk and meat producer.

The growing importance of compound cattle feed is indicated by the significant increase in imports of cattle feed. Imports increased from ₹ 608.80 million in 2004-05 to ₹ 1,620.00 million in 2008-09. The average annual growth registered during this period was 30.00%. The top-ten countries accounted for over 99.00% of imports of cattle feed.
At a milk production level of 108.00 million tonnes, the potential market for cattle feed in 2008-09 is about 53 million tonnes. However, the actual compound feed industry is just about 6 million tonnes, today. It is expected to grow at an average annual rate of 4% for the next three to five years and reach at least 7-8 million tonnes by 2014. There would still be a significant gap between market potential and supply.

SUMMARY OF OUR BUSINESS

We are engaged in the production and supply of compounded cattle feed and refining and processing edible oil, including olive oil and blended oil, primarily in northern India. Compounded cattle feed refers to formulated feed with specific ingredients, such as rice bran, maize, soyabean extracts and molasses, so as to deliver a balanced and nutritious diet to cattle. We have established a distribution network in relation to our compounded cattle feed business mostly in rural parts and certain urban areas of Punjab, Haryana, Uttarakhand, Himachal Pradesh, Jammu & Kashmir, Uttar Pradesh, Rajasthan and Delhi NCR. Employing the cross-sectional utility of rice bran, a by-product of milling of paddy, we started commercial production of edible oil in 2008 primarily to cater to the health-conscious consumer base, with a distributor network in the northern states of Punjab, Jammu & Kashmir, Haryana, Himachal Pradesh and Delhi NCR. We market most of our compounded cattle feed and edible oil products under the brand names 'Tara' and 'Raath'.

Our Company was incorporated in 1977 and was acquired in 2004 by our Promoters, including Mr. Balwant Singh, our Managing Director, who is a first-generation entrepreneur with approximately nine years of experience in the compounded cattle feed industry. For details of the acquisition and changes in the name of the Company, including the reasons thereof, see "***History and Other Corporate Matters***" on page 105.

With respect to our compounded cattle feed business, our Company has two operational manufacturing facilities located in the states of Punjab and Uttarakhand with an aggregate installed capacity of 500 TPD and three manufacturing facilities that are under various stages of implementation in the states of Jammu & Kashmir, Haryana and Punjab with an aggregate installed capacity of 750 TPD. In addition, we propose to develop two manufacturing facilities in the states of Punjab and Bihar with an aggregate installed capacity of 800 TPD, for which we intend to raise funds through this Issue. Upon completion of the development of all the manufacturing facilities, our Company plans to have a total installed capacity of 2,050 TPD for our compounded cattle feed business. The compounded cattle feed manufacturing facilities that are either proposed or under various stages of implementation are being undertaken to effectively cater to the demand for compounded cattle feed in the northern states of Bihar, Haryana, Jammu & Kashmir, Bihar and Uttarakhand. In addition, we intend to acquire a manufacturing facility with an installed capacity of 50 TPD located in the state of Punjab upon completion of the acquisition of Tara Feed Factory, a Group Entity. For further details of the acquisition of Tara Feed Factory, including the effective date of such acquisition, see "***History and Other Corporate Matters***" on page 105 and for further details of Tara Feed Factory, see "***Promoters and Group Entities***" on page 118.

In relation to the commercial production of edible oil, we have an operational refinery with an installed capacity of 120 TPD in the state of Punjab and intend to raise funds through this Issue for establishing another refinery with an installed capacity of 100 TPD in the state of Punjab. Both the operational and proposed refineries will be adjacent to our operational compounded cattle feed manufacturing facility. Upon completion of the second refinery in the state of Punjab, our Company will have a total installed capacity of 220 TPD for our edible oil business.

The following table sets forth a summary of our manufacturing facilities and refineries that are either operational, under various stages of implementation or proposed:

Description	Location	Installed Capacity (TPD)	Status
A. Cattle Feed			
Cattle feed manufacturing facility at Jitwal Kalan in the state of Punjab ("**Punjab Facility I**")	Jitwal Kalan, Sangrur, Punjab	250	Operational
Cattle feed manufacturing facility at Sitarganj in the state of Uttarakhand ("**Uttarakhand Facility**")	Sitarganj, Uttarakhand	250	Operational
Cattle feed manufacturing facility at Jitwal Kalan in the state of Punjab ("**Punjab Facility II**")	Jitwal Kalan, Sangrur, Punjab	250	Under Implementation
Cattle feed manufacturing facility at Jammu in the state of Jammu & Kashmir ("**J&K Facility**")	Bari Brahmara, Jammu, Jammu & Kashmir	250	Under Implementation
Cattle feed manufacturing facility at Karnal in the state of Haryana ("**Haryana Facility**")	Karnal, Haryana	250	Under Implementation
Cattle feed manufacturing facility at Jitwal Kalan in the state of Punjab ("**Punjab Facility III**")	Jitwal Kalan, Sangrur, Punjab	400	Proposed
Cattle feed manufacturing facility in the state of	Bihar	400	Proposed

Description	Location	Installed Capacity (TPD)	Status
Bihar ("**Bihar Facility**")			
B. Edible Oil			
Edible oil refinery at Jitwal Kalan in the state of Punjab ("**Punjab Refinery I**")	Punjab	120	Operational
Edible oil refinery at Jitwal Kalan in the state of Punjab ("**Punjab Refinery II**")	Punjab	100	Proposed

We also propose to establish a husk-based captive power plant with an installed capacity of 3 MW at Jitwal Kalan in the state of Punjab, for which we intend to raise funds through this Issue that will supply power to our manufacturing facilities and refineries at Jitwal Kalan in the state of Punjab.

Our Company has an operational solvent extraction plant with an installed capacity of 250 TPD at Jitwal Kalan in the state of Punjab, where rice bran is processed and the resulting products i.e. de-oiled cakes of rice bran ("**DoC**") and crude oil. The DoC is utilized as an essential ingredient in producing our compound cattle feed products at Punjab Facility I. The crude oil is utilized in the Punjab Refinery I, partially and the excess requirement of crude oil for the refinery is met by purchasing crude oil from the market, on a spot basis. Our intention behind establishing the Solvent Extraction Plant was to ensure continuity in the supply of DoC for Punjab Facility I and Punjab Refinery I along with a reduction in transportation and freight charges associated with procuring DoC and crude oil from the open market.

We sell compounded cattle feed through an established dealer network to retail customers and bulk customers. Our compounded cattle feed marketing operations were spread across northern India through a wide network of dealers. In relation to our edible oil business, our marketing operations are spread across the states of Punjab, Jammu & Kashmir, Haryana, Himachal Pradesh and Delhi NCR through a network of distributors. Our distributors supply our edible oil products to retail customers and a few bulk customers. We are currently focusing on building the brand recognition of 'Zaitoon Tara' and are engaged in establishing an enterprising dealer and distributor network.

We have also established a centre for research and development ("**R&D**") in 2005 at Jitwal Kalan in the state of Punjab, adjacent to the Punjab Facility I and Punjab Refinery I, to test and verify the quality of raw materials being procured by our Company and the finished product. Additionally, the R&D centre develops cost-reduction measures of production techniques to enhance the quality of our existing compounded cattle feed and edible oil products and undertakes research for developing new products. Over the years, we have leveraged our R&D abilities to expand our range of products and manufacture quality compounded cattle feed and edible oil. We along with our senior management have established and intend to continue to establish quality testing laboratories at our manufacturing facilities at other locations, that are either proposed or under various stages of implementation.

We have been granted ISO 9001:2000 certification for the quality management systems of our Company in relation to the manufacture of blended edible oil and cattle feed at the Punjab Facility I and Punjab Refinery I by Direct Assessment Services Certification Limited ("**DAS**"), Hampshire, United Kingdom, which is valid until December 31, 2010. Our Uttarakhand Facility has been granted the ISO 9001:2000 certification for the quality management systems of our Company in relation to the manufacture of blended edible oil and cattle feed by the Corporate Office, International Certifications Limited, Auckland, New Zealand, which is valid until August 3, 2013. In addition, DAS has certified our operational refinery as meeting the requirements of the Codex based HACCP, a food safety management system, and this certification is valid until October 21, 2011. By a letter dated July 13, 2010, the Registration Authority cum Director, Dairy Development Department, Punjab has certified that a sample of compounded cattle feed collected by it from the open market, on a random basis, is in compliance with BIS standards. Our Company has filed an application dated September 2, 2010 before the Bureau of Indian Standards ("**BIS**"), Chandigarh for grant of license in accordance with IS 2052:1979, which we believe will enable us to participate in government or armed forced tenders.

For fiscal 2010, our total sales (net of returns) was ₹ 3,411.00 million, which included our income from our compounded cattle feed business amounting to ₹ 1,949.45 million and our income from our edible oil business amounting to ₹ 1,471.49 million. In fiscal 2009 and fiscal 2008, our total sales (net of returns) was ₹ 1,951.75 million and ₹ 1,012.17 million, respectively. Over the same period, our CAGR for profit after tax has been 120.97% and our net profit after tax was ₹ 440.15 million, ₹ 169.97 million and ₹ 90.14 million for fiscal 2010, fiscal 2009 and fiscal 2008, respectively.

Our Strengths

- We believe that we are amongst the few organized players in the compounded cattle feed industry with a well established dealer network;
- Proximity of manufacturing facilities to areas with high raw materials resources and consumer demand;
- Stringent quality control measures for raw materials and other inputs; and
- Involvement of senior management team in research and development.

Our Business Strategies

- Increase our production capacity;
- Strengthen our brand recognition;
- Continue focus on research and development;
- Expand our dealer network;
- Expand geographical reach; and
- Focus on manufacturing edible oil products to cater to demand by health-conscious consumers.

SUMMARY FINANCIAL INFORMATION

*The following table sets forth our selected historical financial information derived from the restated financial information for Fiscals 2010, 2009, 2008, 2007 and 2006. The restated summary financial information presented below should be read in conjunction with the restated financial information included in this Draft Red Herring Prospectus, the notes thereto and the section titled "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on page 162.*

SUMMARY STATEMENT OF ASSETS & LIABILITIES, AS RESTATED

(Rs. in million)

		Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	Particulars	**3/31/2006**	**3/31/2007**	**3/31/2008**	**3/31/2009**	**3/31/2010**
(A)	**Fixed assets**					
(i)	Gross block	22.83	100.43	367.80	453.42	623.38
	Less : Accumulated depreciation	1.05	4.24	13.30	40.40	68.31
	Net block	21.78	96.19	354.50	413.02	555.07
(ii)	Capital work in progress	0.00	0.00	0.00	0.00	0.15
	Net block after adjustment	**21.78**	**96.19**	**354.50**	**413.02**	**555.22**
(B)	**Investments**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
(C)	**Current assets, loans and advances**					
(i)	Inventories	31.03	100.63	261.51	910.76	1406.43
(ii)	Accounts Receivable	14.21	60.83	210.06	223.78	836.91
(iii)	Cash and bank balances	3.24	2.16	10.28	39.70	76.80
(iv)	Loans and advances/Advances	5.90	7.23	56.43	24.50	130.87
	Total Current Assets	**54.38**	**170.85**	**538.28**	**1,198.74**	**2,451.01**
(D)	**Less : Liabilities and provisions**					
	Secured loans	39.65	147.90	482.25	945.79	1730.39
	Unsecured loans	0.00	0.06	0.06	0.06	0.00
	Net deferred tax liabilities	0.65	2.22	11.82	20.55	29.45
	Current liabilities	5.56	26.83	43.71	75.98	112.89
	Provisions	1.10	7.65	22.22	33.73	111.51
	Total Current Liabilities	**46.96**	**184.66**	**560.06**	**1,076.11**	**1,984.24**
(E)	**Share Application Money**	**8.50**	**0.00**	**0.00**	**0.00**	**0.00**
(F)	**Net worth**					
	Represented by					
(i)	Share capital	15.00	65.00	85.00	90.20	200.44
(ii)	Reserve and surplus	5.70	17.38	247.72	445.45	821.55
	Less: Revaluation reserve		0.00	0.00	0.00	
	Net Reserves and surplus	5.70	17.38	247.72	445.45	821.55
	Less:					
(iii)	IPO Expenditure (To the extent not written-off or adjusted)	0.00	0.00	0.00	0.00	0.00

		Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	Particulars	**3/31/2006**	**3/31/2007**	**3/31/2008**	**3/31/2009**	**3/31/2010**
	Net Worth ((i)+(ii)-(iii))	**20.70**	**82.38**	**332.72**	**535.65**	**1,021.99**

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Rs. in million)

PARTICULARS	As at 31st March				
	2006	2007	2008	2009	2010
Income					
Sales – Manufactured	69.92	314.00	1012.17	1951.75	3411.00
Traded	0.00	0.00	0.00	0.00	0.00
Total Sales (Net of Returns)	**69.92**	**314.00**	**1,012.17**	**1,951.75**	**3,411.00**
Other income	0.00	0.00	0.44	0.46	9.91
Increase/ (decrease) in stock	1.29	24.47	48.47	30.20	424.61
Total Income	**71.21**	**338.47**	**1,061.08**	**1,982.41**	**3,845.52**
Expenditure					
Raw materials consumed	57.18	277.11	838.86	1589.71	2968.88
Staff costs	0.67	2.83	5.10	8.94	20.13
Manufacturing expenses	3.43	14.93	31.48	41.59	72.60
Administration expenses	1.16	4.01	8.59	12.01	27.76
Selling and distribution expenses	2.87	13.54	25.00	25.63	39.68
Total Expenses	65.31	312.42	909.03	1,677.88	3,129.05
Profit before Interest Tax & Depreciation	5.90	26.05	152.05	304.53	716.47
Interest & Financial Expenses	1.93	8.10	27.63	76.37	148.21
Total Expenditure	**67.24**	**320.52**	**936.66**	**1,754.25**	**3,277.26**
Less : Cost capitalized	0.00	0.00	0.00	0.00	0.00
Total operating expenses	**67.24**	**320.52**	**936.66**	**1,754.25**	**3,277.26**
Profit before depreciation & Tax	**3.97**	**17.95**	**124.42**	**228.16**	**568.26**
Depreciation	3.01	3.10	9.06	27.10	31.56
Net adjusted profit/ (loss) before extraordinary items	**0.96**	**14.85**	**115.36**	**201.06**	**536.70**
Net profit/(loss) after extraordinary items	**0.96**	**14.85**	**115.36**	**201.06**	**536.70**
Less: Provision for current tax	0.33	0.67	14.09	22.42	86.95
Less: Provision for deferred tax (net)	0.00	0.00	11.13	8.67	9.60
Effect of adjustments on tax	0.00	0.00	0.00	0.00	0.00
- Current tax	0.00	0.00	0.00	0.00	0.00
- Deferred tax	0.00	0.00	0.00	0.00	0.00
Net profit/(loss) after taxation and adjustments	**0.63**	**14.18**	**90.14**	**169.97**	**440.15**
Adjustment on account of Prior Period items					
Gratuity already provided in accounts	0.00	0.00	0.21	0.13	0.25
Leave with Wages provided in accounts	0.00	0.00	0.12	0.14	0.39
Gratuity as per Actuarial certificate	(0.01)	(0.04)	(0.08)	(0.12)	(0.25)
Leave with Wages as per certificate	(0.01)	(0.04)	(0.09)	(0.14)	(0.63)
Diff. in Valuation of Inventory	0.00	0.00	(0.87)	(0.38)	1.25
Income Tax					
Adjustment for earlier years	0.00	0.02	0.80	1.42	4.45
Adjustment for this year years	(0.02)	(0.80)	(1.42)	(4.45)	0.00
Adjustment in deferred Tax this year	(0.69)	(1.57)	1.53	(0.05)	0.94
Adjustment in deferred Tax earlier yr.	0.00	0.00	0.00	0.00	0.00
Depreciation	2.07	(0.09)	0.00	0.00	0.03
Total	1.34	-2.52	0.20	-3.45	6.43
Profit after Tax as Restated	**1.97**	**11.66**	**90.34**	**166.52**	**446.58**

THE ISSUE

Issue(1)	[●] Equity Shares
Of which	
A) QIB portion(1)	Up to [●] Equity Shares
Of which	
Anchor Investor Portion[2]	Up to [●] Equity Shares
Balance available for allocation to QIBs other than the Anchor Investor Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion[1]	Not less than [●] Equity Shares
C) Retail Portion[1]	Not less than [●] Equity Shares
Equity Shares outstanding as on date of this Draft Red Herring Prospectus	28,061,600 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Proceeds	Please see "***Objects of the Issue***" on page 26.

Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis.

Notes:

(1) *Under subscription, if any, in any category would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.*

2 *Our Company, in consultation with the BRLMs, may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation made to other Anchor Investors. For further details, please see "Issue Procedure" on page 212.*

GENERAL INFORMATION

Our Company was incorporated as 'Angora Wool Combers Private Limited', a private company limited by shares, on February 28, 1977, under the provisions of the Companies Act. The name of our Company was changed to 'Ram Sahai Wool Combers Private Limited' and a fresh certificate of incorporation pursuant to change of name was issued to our Company on December 2, 1986 by the RoC. Subsequently, our Company's name was changed to 'Tara Feeds Private Limited' and a fresh certificate of incorporation pursuant to change of name was issued to our Company on September 2, 2004, by the RoC. Pursuant to a resolution passed by our shareholders dated September 30, 2005, our Company was converted into a public limited company and our Company's name was changed to 'Tara Feed Limited'. A fresh certificate of incorporation consequent to change of status into public limited company was issued to our Company on October 5, 2005. Subsequently, our name was changed to 'Tara Olive India Limited' and a fresh certificate of incorporation pursuant to change of name was issued to our Company on June 11, 2008. Our name was further changed to 'Tara Health Foods Limited' and a fresh certificate of incorporation pursuant to change of name was issued to our Company by the RoC on November 24, 2008. For reasons of the change in name of our Company and Registered Office, see "***History and Certain Corporate Matters***" on page 105.

***Registered Office of our Company*:**

3rd Floor, Mall Plaza
Fountain Chowk, The Mall
Ludhiana 141 001, Punjab, India
Tel: (+91 161) 5019 711
Fax: (+91 161) 5019 711
Email: info@tarahealthfoods.com
Website: www.tarahealthfoods.com

Corporate Office of our Company:

Jitwal Kalan, Malerkotla
Sangrur 148 023, Punjab, India
Tel.: (+91 1675) 274 300
Fax: (+91 1675) 273 241
Email: info@tarahealthfoods.com
Website: www.tarahealthfoods.com

Details	Registration/Identification number
Registration Number	3723 of 1977
Corporate Identification Number (CIN)	U17292PB1977PLC003723

Address of the Registrar of Companies

Our Company is registered with the RoC described below:

Registrar of Companies
Punjab, Himachal Pradesh and Chandigarh
Corporate Bhavan, Plot No. 4 B
Sector 27 B, Madhya Marg
Chandigarh 160 026, India

Board of Directors

The following table sets out the current details regarding our Board as on the date of the filing of this Draft Red Herring Prospectus:

Name, Designation and DIN	Age (years)	Address
Mr. Jaswant Singh **Designation**: Chairman	48	Gajjan Majra, Malerkotla, Sangrur 148 023, Punjab, India

Name, Designation and DIN	Age (years)	Address
DIN: 01673767		
Mr. Balwant Singh **Designation**: Managing Director **DIN**: 01254159	44	Gajjan Majra, Malerkotla, Sangrur 148 023, Punjab, India
Mr. Tejinder Singh **Designation**: Whole Time Director **DIN**: 01673762	30	Gajjan Majra, Malerkotla, Sangrur 148 023, Punjab, India
Dr. Jaspinder Singh Kolar **Designation**: Independent Director **DIN**: 02772855	66	35-B, Kitchlu Nagar, Ludhiana 141 004, Punjab India
Mr. Parshotam Bansal **Designation**: Independent Director **DIN**: 02781346	55	10-B, Udham Singh Nagar, Ludhiana 141 001, Punjab, India
Mr. Madan Lal Arora **Designation**: Independent Director **DIN**: 01607490	72	43, Model Gram, Ludhiana 141 002, Punjab, India

For further details of our Directors, see "***Our Management***" on page 109.

Company Secretary and Compliance Officer

Our Company has appointed Ms. Tanu Sharma, the Company Secretary as the Compliance Officer. Her contact details are as follows:

Ms. Tanu Sharma
Jitwal Kalan, Malerkotla
Sangrur 148 023, Punjab, India
Tel.: (+91 1675) 274 300
Fax: (+91 1675) 273 241
Email: cs@tarahealthfoods.com

Investors can contact our Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account or refund orders.

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

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Managers. All complaints, queries or comments received by SEBI shall be forwarded to the Book Running Lead Managers, who shall respond to the same.

Book Running Lead Managers

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005, India
Tel: (+ 91 22) 2217 8300

Fax: (+ 91 22) 2218 8332
E-mail: tara.ipo@sbicaps.com
Investor Grievance E-mail: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Mr. Gitesh Vargantwar/ Ms. Neha Pruthi
SEBI Registration No.: INM000003531

Antique Capital Markets Private Limited
6th Floor, Nirmal Building
Nariman Point
Mumbai 400 021, India
Tel: (+91 22) 4031 3300
Fax: (+91 22) 2202 2691
E-mail: tara.ipo@antiquelimited.com
Investor Grievance E-mail: tara.ipo@antiquelimited.com
Website: www.antiquelimited.com
Contact Person: Mr. Ankur Joshi
SEBI Registration No.: INM000011385

Syndicate Member(s)

[●]

Domestic Legal Advisor to the Issue

Amarchand & Mangaldas & Suresh A. Shroff & Co.
216, Amarchand Towers
Okhla Industrial Estate Phase III
New Delhi 110 020, India
Tel: (+91 11) 2692 0500
Fax: (+91 11) 2692 4900

Registrar to the Issue

Bigshare Services Private Limited
E/2, Ansa Industrial Estate, Sakivihar Road
Sakinaka, Andheri (East)
Mumbai 400 072, India
Tel: (+91 22) 2847 0652
Fax: (+91 22) 2847 5207
E-mail: ipo@bigshareonline.com
Investor Grievance E-mail: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Babu Raphael
SEBI Registration No.: INR000001385

Advisor to the Issue

Punjab National Bank
Capital Market Services Branch
PNB House, 2nd floor
Sir P. M. Road, Fort
Mumbai 400 001, India
Tel: (+91 22) 2262 1122
Fax: (+91 22) 2262 1124
E-mail: pnbcabsmumbai@pnb.co.in
Contract Person: Mr. K.K. Khurana
SEBI Registration No: INM000010882

Bankers to the Issue and Escrow Collection Banks

[●]

Refund Banks

[●]

Self Certified Syndicate Banks ("SCSBs")

The list of banks that have been notified by SEBI to act as SCSBs for the Application Supported by Blocked Amount ("**ASBA**") process is provided at http://www.sebi.gov.in/pmd/scsb.pdf. For details of Designated Branches of SCSBs collecting the ASBA Bid cum Application Forms, please refer to the abovementioned link.

Bankers to our Company

Allahabad Bank
IIFB, Cheema Chowk
Ludhiana 141 001
Punjab,India
Tel.: (+91 161) 502 8065
Fax: (+91 161) 222 7117
Email: albiifbldh@yahoo.co.in

Bank of India
Model Town Branch
579 – R, Model Town
Ludhiana 141 002
Punjab, India
Tel.: (+91 161) 241 0170
Fax.: (+91 161) 240 5323
Email: blmalik@hotmail.com

Canara Bank
Delhi Gate, Malerkotla,
Sangrur 148 023,
Punjab, India
Tel. : (+91 1675) 259 923
Fax : (+91 1675) 252 662
Email : managerchd2112@canbank.co.in

Punjab & Sind Bank
Khalsa College for Women
Civil Lines, Ludhiana 141 001
Punjab, India
Tel. : (+91 161) 506 8073
Fax : (+91 161) 240 6016
Email : l0692@psb.org.in

Punjab National Bank
Moti Bazar
Malerkotla 148 023
Punjab, India
Tel.: (+91 1675) 263 862
Fax: (+91 1675) 263 861
Email : bo3476@pnb.co.in

State Bank of India
College Road, Malerkotla
Sangrur 148 023
Punjab, India
Tel.: (+91 1675) 253 862
Fax: (+91 1675) 253 254
Email : sbi.01762@sbi.co.in

State Bank of Patiala
Talab Bazar, Malerkotla
Sangrur 148 023
Punjab, India
Tel. : (+91 1675) 253 005
Fax : (+91 1675) 253 981
Email: b5025@sbp.co.in

Auditors to our Company

Sukhminder Singh & Co.
Chartered Accountants
170-A, Model House
Ludhiana 141 002,
Punjab, India
Tel: (+91 161) 242 5015
Fax: (+91 161) 501 8501
Email: ca.harshdhawan@yahoo.co.in
Firm registration number: 016737N

Credit Rating

As this is an Issue comprising of only Equity Shares, credit rating is not required.

IPO Grading Agency

[●]

IPO Grading

This Issue has been graded by [●] and has been assigned a grade of [●] indicating [●]. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO grade 5 indicating strong fundamentals and IPO grade 1 indicating poor fundamentals. For information in relation to the rationale furnished by [●], see "***Annexure I***" to be included in the Red Herring Prospectus. Attention is to be drawn to the disclaimer appearing thereon.

Trustees

As this is an issue of equity shares, the appointment of trustees is not required.

Monitoring Agency

As this is an Issue for less than ₹ 5,000 million, there is no requirement for the appointment of a monitoring agency. The Audit Committee appointed by our Board of Directors will monitor the utilization of the Issue proceeds.

Experts

Except for the report of [●] in respect of the IPO grading of this Issue (a copy of which will be annexed to the Red Herring Prospectus as Annexure I), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange and except for the reports of the Auditors of our Company on the restated financial statements and for the 'Statement of Tax Benefits' included in this Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Statement of *inter-se* Allocation of Responsibilities among the BRLMs

S. No	Activity	Responsibility	Co-ordination
1.	Capital structuring with relative components and formalities such as composition of debt, equity, type of instruments, etc.	All BRLMs	Antique
2.	Drafting and design of the offer document, including memorandum containing salient features of the offer document. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI including finalisation of offer document filing.	All BRLMs	SBI Caps
3.	Drafting and approval of all statutory advertisement	All BRLMs	SBI Caps
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including corporate advertisement, brochure etc.	All BRLMs	Antique
5.	Appointment of other intermediaries connected with the Issue viz. Registrar, Printers and Bankers to the Issue	All BRLMs	SBI Caps
6.	Appointment of Advertising Agency	All BRLMs	Antique
7.	Preparation of Road show presentation	All BRLMs	SBI Caps
8.	International Institutional Marketing strategy • Finalise the list of division of investors for one to one meetings, in consultation with the Company, and • Finalising the International road show schedule and investor meeting schedules o Asia o Europe o Rest of the World	All BRLMs	Antique
9.	Domestic institutions/ banks/ mutual funds marketing strategy • Finalise the list and division of investors for one to one meetings, institutional allocation in consultation with the Company. • Finalising the list and division of investors for one to one meetings, and • Finalising investor meeting schedules	All BRLMs	SBI Caps

S. No	Activity	Responsibility	Co-ordination
10.	Non-Institutional and Retail marketing of the Issue, which will cover, amongst others, formulating marketing strategies, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) centres for holding conferences for stock brokers, investors, etc. (iii) collection centres, (iv) brokers to the Issue, and (v) underwriters and underwriting arrangement, distribution of publicity and issue material including application form, prospectus and brochure and deciding upon the quantum of issue material	All BRLMs	SBI Caps
11.	Co-ordination with Stock Exchanges for Book Building software, building terminals and mock trading	All BRLMs	SBI Caps
12.	Finalisation of Pricing, in consultation with the Company	All BRLMs	SBI Caps
13.	The post- Issue activities which shall involve essential follow-up steps including follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Issue, Bankers to the Issue, SCSB etc.*	All BRLMs	SBI Caps

***** *In case of under-subscription of the Issue, the lead merchant banker responsible for underwriting arrangements shall be responsible for involving underwriting obligations and ensuring that the notice for devolvement containing the obligations of the underwriters is issued in terms of these regulations and as agreed to in the underwriting agreement.*

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids, on the basis of the Red Herring Prospectus within the Price Band. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the BRLMs, and advertised in [●] edition of [●], [●] edition of [●] and [●] edition of [●] (one in English, one in Hindi and one in Punjabi, which is also the regional newspaper) at least two Working Days prior to the Bid/Issue Opening Date. The Issue Price is finalized after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- BRLMs;
- Syndicate Member(s) which are intermediaries registered with the SEBI or registered as brokers with the BSE/NSE and eligible to act as Underwriters. The Syndicate Member(s) are appointed by the BRLMs;
- Registrar to the Issue;
- Bankers to the Issue; and
- SCSBs.

The Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue shall be allocated to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. Further, not less than 15% and 35% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price. Any bidder may participate in the Issue through the ASBA process by providing details of the ASBA Account in which the corresponding Bid Amounts will be blocked by the SCSBs. For details in this regard, specific attention is invited to "***Issue Procedure***" on page 212.

Any Bidder may participate in the Issue through the ASBA process by providing details of the ASBA Account in which the corresponding Bid Amounts will be blocked by the SCSBs. For details in this regard, specific attention is invited to "***Issue Procedure***" on page 212. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. For details of Bids by Anchor Investors and Mutual Funds, see "***Issue Procedure***" on page 212.

QIBs Bidders cannot withdraw their Bids after the Bid Closing Date and Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to Anchor Investors will be on a discretionary basis. For more information, see "***Terms of Issue***" on page 209.

Our Company will comply with the ICDR Regulations and any other directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

The Book Building Process under the ICDR Regulations is subject to change from time to time and investors are advised to make their own judgment about investment through this process prior to making a Bid or an Application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors are advised that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the Price Band. For instance, assume a price band of ₹ 20 to ₹ 24 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the Bid/Issue Period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription (%)
500	24	500	16.67
1,000	23	1,500	50.00
1,500	22	3,000	100.00
2,000	21	5,000	166.67
2,500	20	7,500	250.00

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The issuer, in consultation with the book running lead managers will finalise the issue price at or below such cut-off Price, i.e., at or below ₹ 22. All bids at or above this issue price are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (For more information see "***Issue Procedure - Who Can Bid***") on page 213.

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Bid cum Application Form, as applicable.

3. Except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form and the ASBA Bid cum Application Form. (see "***Issue Procedure – PAN or GIR Number'*** " on page 226.

4. Ensure that the Bid cum Application Form and the ASBA Bid cum Application Form, as applicable, is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form and the ASBA Bid cum Application Form.

5. Ensure the correctness of your Demographic Details (as defined in the section titled "I***ssue Procedure – Bidder's PAN, Depository Account and Bank Account Details***" on page 222), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant.

6. Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs. ASBA Bidders should ensure that ASBA accounts have adequate credit balance at the time of submission to the SCSBs to ensure that the ASBA Bid cum Application Form is not rejected.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before Allotment. In such event, our Company will issue a public notice within two Working Days of the Bid Closing Date, in the newspapers in which the pre-Issue advertisements were published, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the day of receipt of such notification. Our Company shall also promptly inform the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment and within 12 Working Days of Bid Closing; and (ii) the final RoC approval of the Prospectus, after it is filed with the RoC.

In the event our Company, in consultation with the BRLMs, withdraws the Issue after the Bid Closing Date, a fresh offer document will be filed with the SEBI in the event we subsequently decide to proceed with an initial public offering.

Our Company in consultation with the BRLMs may decide to close the Bidding for QIBs one day prior to the Issue Closing Date. In such event, QIBs will not be able to withdraw their bids QIBs will not be able to withdraw their Bids after [●] i.e., one day prior to the Issue Closing Date.

Bidding Programme

BID OPENS ON	**[●]***
BID CLOSES ON	**[●]**

The Company may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one working day prior to the Bid/Issue Opening Date. Further, our Company, in consultation with the BRLMs, may decide to close the Bidding for QIBs one day prior to the Bid/Issue Closing Date.

Our Company may consider participation by Anchor Investors in terms of the ICDR Regulations. Anchor Investors shall submit their Bid one working day prior to the Bid/Issue Opening Date.

Bids and any revision in Bids will be accepted **only between 10 a.m. and 5 p.m**. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the Bidding centres mentioned in the Bid cum Application /Form, or in the case of Bids submitted through ASBA, at the Designated Branches of the SCSBs, **except that on the Bid Closing Date, Bids excluding ASBA Bids shall be accepted only between 10 a.m. and 3 p.m.** (Indian Standard Time) and uploaded until (i) 4 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) 5 p.m. or until such time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders where the Bid Amount is up to ₹ 100,000. Due to limitation of time available for uploading the Bids on the Bid Closing Date, Bidders are advised to submit their Bids one Working Day prior to the Bid Closing Date and, in any case, no later than 3 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in IPOs, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company, the BRLMs and the Syndicate Member(s) shall not be responsible. Bids will be accepted only on Working Days, i.e. Monday to Friday (excluding any public holidays).

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum Application Forms and ASBA Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges within half an hour of such closure.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the ICDR Regulations. The Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price as disclosed at least two Working Days prior to the Bid Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Member(s).

Underwriting Agreement

After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Member(s) does not fulfil its underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters would be several and subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares pursuant to Underwriting Agreement dated [●]:*

(₹ in million)

Underwriters	**Indicative Number of Equity Shares to be Underwritten**	**Amount Underwritten**
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

* *This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.*

The abovementioned is indicative underwriting and this would be finalised after the pricing and actual allocation and subject to the provisions of Regulation 13(2) of the ICDR Regulations.

In the opinion of our Board of Directors, the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●], has authorized the execution of the Underwriting Agreement with the Underwriters. The Underwriting Agreement is dated [●].

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters will be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure Bids for or subscribe to Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

Our share capital as on the date of this Draft Red Herring Prospectus is set forth below.

(*₹ in million*)

		Aggregate value at face value	Aggregate value at Issue price
A.	**AUTHORIZED SHARE CAPITAL**		
	50,000,000 Equity Shares of ₹ 10 each	500.00	
B.	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
	28,061,600 Equity Shares of ₹ 10 each, fully paid- up	280.61	
C.	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	[●] Equity Shares of ₹ 10 each	[●]	[●]
D.	**EQUITY CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of ₹ 10 each, fully paid- up	[●]	[●]
E.	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	129.03	
	After the Issue	[●]	

The present Issue has been authorized by our Board at its meeting held on September 1, 2010 and by our shareholders at their meeting held on September 25, 2010.

For details on change of authorized share capital of our Company, see "***History and Key Corporate Matters***" on page 105.

Notes to Capital Structure

1. **Equity Share Capital History of our Company**:

Date of issue/allotment of the Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration	Nature of allotment	Cumulative Equity Share Capital (₹ in million)
February 28, 1977	400	100	100	Cash	Subscription to Memorandum of Association	0.04
June 30, 1978	4,850	100	100	Cash	Preferential allotment	0.53
November 15, 1978	4,100	100	100	Cash	Preferential allotment	0.94
September 26, 1980	500	100	100	Cash	Preferential allotment	0.99
December 26, 1980	8,100	100	100	Cash	Preferential allotment	1.80
March 25, 2006	132,050	100	100	Cash	Preferential allotment	15.00
March 25, 2007	375,000	100	100	Cash	Preferential allotment	52.50
March 31, 2007	125,000	100	100	Cash	Preferential allotment	65.00
October 5, 2007	70,100	100	800	Cash	Preferential allotment	72.01
October 12, 2007	32,175	100	800	Cash	Preferential allotment	75.23
October 19, 2007	6,625	100	800	Cash	Preferential allotment	75.89
February 15, 2008	91,100	100	800	Cash	Preferential allotment	85.00
October 14, 2008	Split of 850,000 equity shares of ₹ 100 each to 8,500,000 Equity Shares of ₹ 10 each					85.00
October 15, 2008	520,000	10	70	Cash	Preferential allotment	90.20
August 7, 2009	10,824,000	10	N. A.	N. A.	Bonus issue (12:10)	198.44
August 8, 2009	200,000	10	200	Cash	Preferential allotment	200.44
September 25, 2010	8,017,600	10	N. A.	N. A.	Bonus issue (2:5)	280.61

2. **Build-up of Promoters' shareholding, Promoters' contribution and lock-in**

Pursuant to the ICDR Regulations, an aggregate of 20% of the post-Issue Equity share Capital of our Company shall be locked in by our Promoters for a period of three years from the date of Allotment.

2. *(a)* *Build-up of our Promoters' shareholding in our Company*

Name of Promoter	Date of allotment/transfer	Consideration (Cash other than Cash)	Nature of allotment / acquisition	No. of Equity Shares	Face Value (₹)	Consideration per Equity Share
Mr. Kulwant Singh	August 26, 2004	Cash	Transfer	6,050	100	250
	August 26, 2004	Cash	Transfer	(100)	100	250
	September 1, 2005	Cash	Transfer	(50)	100	100
	March 25, 2006	Cash	Preferential allotment	5,000	100	100
	March 25, 2007	Cash	Preferential allotment	15,000	100	100
	April 30, 2007	Cash	Transfer	137,750	100	100
	February 25, 2008	Cash	Transfer	53,600	100	725
	October 14, 2008	Split of 217,250 equity shares of ₹ 100 each to 2,172,500 Equity Shares of ₹ 10 each				-
	August 7, 2009	N. A.	Bonus issue	2,607,000	10	-
	September 25, 2010	N. A.	Bonus issue	1,911,800	10	-
Total (A)				**6,691,300**		
Mr. Balwant Singh	August 26, 2004	Cash	Transfer	5,950	100	250
	September 1, 2005	Cash	Transfer	(50)	100	100
	March 25, 2006	Cash	Preferential allotment	5,000	100	100
	March 25, 2007	Cash	Preferential allotment	15,000	100	100
	April 30, 2007	Cash	Transfer	169,550	100	100
	February 25, 2008	Cash	Transfer	60,000	100	725
	October 14, 2008	Split of 255,450 equity shares of ₹ 100 each to 2,554,500 Equity Shares of ₹ 10 each				-
	August 7, 2009	N. A.	Bonus issue	3,065,400	10	-
	September 25, 2010	N. A.	Bonus issue	2,247,960	10	-
Total (B)				**7,867,860**		
Mr. Jaswant Singh	August 26, 2004	Cash	Transfer	5,950	100	250
	September 1, 2005	Cash	Transfer	(50)	100	100
	March 25, 2006	Cash	Preferential allotment	5,000	100	100
	March 25, 2007	Cash	Preferential allotment	15,000	100	100
	April 30, 2007	Cash	Transfer	165,500	100	100
	February 25, 2008	Cash	Transfer	55,150	100	725
	October 14, 2008	Split of 246,550 equity shares of ₹ 100 each to 2,46,5500 Equity Shares of ₹ 10 each				-
	August 7, 2009	N. A.	Bonus issue	2,958,600	10	-
	September 25, 2010	N. A.	Bonus issue	2,169,640	10	-
Total (C)				**7,593,740**		
Total (A+B+C)				**22,152,900**		

None of the Equity Shares held by Promoters are pledged as security for any loan taken by the Company.

(b) Details of Promoters Contribution and Lock-in

Pursuant to ICDR Regulations, an aggregate of 20% of the post-Issue capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment.

[●] Equity Shares, aggregating to [●] of the post-Issue equity capital of our Company, held by our Promoters, shall be locked in for a period of three years from the date of Allotment in the Issue.

The details of Promoter Contribution and lock-in are as below:

Name of Promoter	Date of allotment/ transfer	Consideration (Cash other than Cash etc.)	Nature of allotment / acquisition	No. of Equity Shares allotted	Face Value (₹)	Consideration per Equity Share (₹)	No. of Equity Shares being locked in	% of Post Issue Paid Up Capital
Mr. Kulwant Singh								
	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Mr. Balwant Singh								
	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Mr. Jaswant Singh								
	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total				[●]				[●]

In addition to the above, the entire pre-Issue shareholding of the Company shall be locked-in for one year from the date of Allotment.

The Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as promoters under the ICDR Regulations. The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Regulation 33 of the ICDR Regulations. In this connection, we confirm the following:

(i) The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or unrealised profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

(ii) The minimum Promoters' contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iii) Our Company has not been formed by the conversion of a partnership firm into a company; and

(iv) The Equity Shares held by the Promoters and offered for minimum 20% Promoters' contribution are not subject to any pledge.

(c) Lock-in of Equity Shares allotted to Anchor Investors

Further, Equity Shares Allotted to Anchor Investors, in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment of Equity Shares.

(d) Other requirements in respect of lock-in

Locked-in Equity Shares held by the Promoters can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. However, Equity Shares locked in as Promoters contribution can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

The Equity Shares held by persons other than Promoters prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the "**Takeover Regulations**").

Equity Shares held by the Promoters may be transferred inter se to and among the Promoter Group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations.

3. **Shareholding Pattern of our Company**

The table below presents our shareholding pattern as on the date of filing of this Draft Red Herring Prospectus:

Category Code	**Category of Shareholders**	**Number of Shareholders**	**Total Number of shares**	**Number of Shares Held in dematerialized form**	**Total Shareholding as a percentage of total number of shares**		**Shares Pledged or otherwise encumbered**	
					As a percentage of A+B	**As a percentage A+B+C**	**Number of shares**	**As a percentage**
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
a	Individuals/Hindu Undivided Family	12	25,217,500	Nil	89.86	89.86	Nil	Nil
b	Central Government/State Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c	Bodies Corporate	1	2,844,100	Nil	10.14	10.14	-	-
d	Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A) (1)	13	28,061,600	Nil	100	100	Nil	Nil
2	**Foreign**	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a	Individuals(Non-Resident Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B	Bodies Corporate *i.e.* OCBs	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil
D	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Shareholding of Promoter and Promoter Group (A)(1)+(A)(2)	13	28,061,600	Nil	100	100	Nil	Nil
(B)	**Public Shareholding**							
1	**Institutions**							
A	Mutual Funds/UTI	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B	Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C	Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
D	Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	Nil
E	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
F	Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
G	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
H	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (B) (1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	**Non-Institutions**	Nil	Nil	Nil	Nil	Nil	Nil	Nil
A	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B	Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category Code	Category of Shareholders	Number of Shareholders	Total Number of shares	Number of Shares Held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
I	Individual Shareholders holding nominal Share Capital value up to ₹ 100,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil
II	Individual Shareholders holding nominal Share Capital value in excess of ₹ 100,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C	**Any Other (specify)**	Nil	Nil	Nil	Nil	Nil	Nil	Nil
I	Trust	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ii	NRI's	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Iii	OCB's	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Iv	Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total (B) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Public Shareholding (B)= (B)(1)+(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (A)+(B)	13	28,061,600	Nil	100	100	Nil	Nil
(C)	**Share held by Custodian and against which Depository Receipts have been issued**	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Grand Total (A)+(B)+(C)	13	28,061,600	Nil	100	100	Nil	Nil

4. **Shareholding of the Promoters and the Promoter Group**

The table below presents the shareholding pattern of our Promoters and Promoter Group as on the date of filing of this Draft Red Herring Prospectus:

Shareholders	Pre-Issue		Post-Issue*	
	No. of Equity Shares	Percentage	No. of Equity Shares	Percentage
Promoters				
Mr. Kulwant Singh	6,691,300	23.85	[●]	[●]
Mr. Balwant Singh	7,867,860	28.04	[●]	[●]
Mr. Jaswant Singh	7,593,740	27.06	[●]	[●]
Sub Total (A)	**22,152,900**	**78.95**	[●]	[●]
Promoter Group				
Mr. Tejinder Singh	261,800	0.93	[●]	[●]
Ms. Rajvir Kaur	184,800	0.66	[●]	[●]
Ms. Parminder Kaur	184,800	0.66	[●]	[●]
Ms. Ranjit Kaur	184,800	0.66	[●]	[●]
Balwant Singh HUF	415,800	1.48	[●]	[●]
Jaswant Singh HUF	415,800	1.48	[●]	[●]
Kulwant Singh HUF	415,800	1.48	[●]	[●]
Mr. Gurmukh Singh	770,000	2.74	[●]	[●]
Ms. Gurwinder Kaur	231,000	0.82	[●]	[●]
Tara Heart Care Products Limited	2,844,100	10.14	[●]	[●]
Sub Total (B)	**5,908,700**	**21.05**	[●]	[●]
Total Promoters and Promoter Group ((A) + (B))	**28,061,600**	**100.00**	[●]	[●]

* *Assuming none of the shareholders participate in the Issue.*

5. Under subscription, if any, in any category would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

6. The list of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Draft Red Herring Prospectus is as follows:

(a) Our top 10 shareholders as on the date of filing of this Draft Red Herring Prospectus are as follows:

S. No.	Name of Shareholder	No. of Equity Shares	Percentage
1.	Mr. Balwant Singh	7,867,860	28.04
2.	Mr. Jaswant Singh	7,593,740	27.06
3.	Mr. Kulwant Singh	6,691,300	23.85
4.	Tara Heart Care Products Limited	2,844,100	10.14
5.	Mr. Gurmukh Singh	770,000	2.74
6.	Balwant Singh and Sons HUF	415,800	1.48
7.	Jaswant Singh and Sons HUF	415,800	1.48
8.	Kulwant Singh and Sons HUF	415,800	1.48
9.	Mr. Tejinder Singh	261,800	0.93
10.	Ms. Gurwinder Kaur	231,000	0.82
	Total	**27,507,200**	**98.02**

(b) Our top 10 shareholders as on 10 days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

S. No.	Name of Shareholder	No. of Equity Shares	Percentage
1.	Mr. Balwant Singh	5,619,900	28.04
2.	Mr. Jaswant Singh	5,424,100	27.06
3.	Mr. Kulwant Singh	4,779,500	23.85
4.	Tara Heart Care Products Limited	2,031,500	10.14
5.	Mr. Gurmukh Singh	550,000	2.74
6.	Balwant Singh and Sons HUF	297,000	1.48
7.	Jaswant Singh and Sons HUF	297,000	1.48
8.	Kulwant Singh and Sons HUF	297,000	1.48
9.	Mr. Tejinder Singh	187,000	0.93
10.	Ms. Gurwinder Kaur	165,000	0.82
	Total	**19,648,000**	**98.02**

(c) Our top ten shareholders as of two years prior to filing this Draft Red Herring Prospectus were as follows:

S. No.	Name of Shareholder	No. of Equity Shares	Percentage
1.	Mr. Balwant Singh	255,450	30.05
2.	Mr. Jaswant Singh	246,550	29.01
3.	Mr. Kulwant Singh	217,250	25.56
4.	Tara Heart Care Products Limited	31,250	3.68
5.	Mr. Gurmukh Singh	25,000	2.94
6.	Balwant Singh and Sons HUF	13,500	1.59
7.	Jaswant Singh and Sons HUF	13,500	1.59
8.	Kulwant Singh and Sons HUF	13,500	1.59
9.	Mr. Tejinder Singh	8,500	1.00
10.	Ms. Gurwinder Kaur	7,500	0.88
	Total	**832,000**	**97.88**

7. All Equity Shares being offered and issued through the Issue shall be made fully paid up at the time of Allotment.

8. Except as stated in "***Our Management***" on page 109, none of our Directors or key management personnel holds any Equity Shares in our Company.

9. As of the date of the filing of this Draft Red Herring Prospectus, the total number of holders of our Equity Shares is 13.

10. Over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot.

11. Our Promoters, our Company, our Directors and the BRLMs have not entered into any buy-back or standby arrangements for purchase of Equity Shares from any person.

12. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Bidder.

13. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares as on the date of this Draft Red Herring Prospectus.

14. Our Company has not raised any bridge loans against the Net Proceeds.

15. We presently do not intend or propose any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment and rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

16. We shall ensure that transactions in Equity Shares by the Promoter and members of the Promoter Group between the date of registering the Red Herring Prospectus with the RoC and the Bid/Issue Closing Date shall be reported to the Stock Exchanges within 24 hours of such transaction.

17. We presently do not intend or propose to alter our capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus or rights or further public issue of Equity Shares or qualified institutions placements or otherwise.

18. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

19. Our Promoters and members of the Promoter Group will not participate in this Issue.

20. The BRLMs and their associates currently do not hold any Equity Shares in the Company.

21. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

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

OBJECTS OF THE ISSUE

The objects of the Issue are to: (1) finance the construction and development of the Punjab Facility III; (2) finance the construction and development of the Bihar Facility; (3) finance the construction and development of the CPP; (4) finance the construction and development of the Punjab Refinery II; and (5) fund the expenditure for general corporate purposes.

In addition, our Company expects to receive the benefits of listing the Equity Shares on the Stock Exchanges. We believe that the listing of our Equity Shares will, *inter alia*, enhance our visibility and brand name.

The main objects clause and objects incidental to the main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

Requirement of Funds and Means of Finance

We intend to utilize the proceeds of the Issue after deducting the Issue Related Expenses ("**Net Proceeds**"), which are estimated at ₹ [●].

The details of proceeds of the Issue are summarized in the following table:

(₹ in million)

Description	Amount
Gross proceeds of the Issue	1,600.00
Issue Related Expenses*	[●]
Net proceeds of the Issue*	[●]

**To be finalized upon determination of Issue Price.*

We intend to utilize the net proceeds of the Issue amounting to ₹ [●] ("**Net Proceeds**") for financing the objects as set forth below:

(₹ in million)

Particulars	Total Estimated Cost	Amount proposed to be financed from Net Proceeds	Amount proposed to be funded from existing identifiable internal accruals(1)	Amount proposed to be financed from sanctioned debt
Finance the construction and development of the Punjab Facility III	308.34	230.00	8.34	70.00
Finance the construction and development of the Bihar Facility	351.06	280.00	1.06	70.00
Finance the construction and development of the CPP	287.60	230.00	57.60	Nil
Finance the construction and development of the Punjab Refinery II	725.53	600.00	45.53	80.00
Fund expenditure for general corporate purposes(2)	[●]	[●]	-	-
Total	**[●]**	**[●]**	**112.53**	**220.00**

(1) As certified by Sukhminder Singh & Company, Chartered Accountants by their certificate dated September 27, 2010.
(2) To be finalized upon determination of the Issue Price.

Any additional expenditure incurred towards the aforementioned objects, including any loans from lenders or our Promoters, would be recouped from the Net Proceeds of the Issue.

As on September 29, 2010, no funds have been deployed towards the abovementioned objects of the Issue.

Details of means of finance

The total funds required for the construction and development of Punjab Facility III, Bihar Facility, CPP and Punjab Refinery II are ₹ 1,672.53 million. We confirm that 75% of the stated means of finance, excluding Net Proceeds and existing identifiable internal accruals have been arranged as follows:

(₹ in million)

	Particulars	Amount
I.	**Punjab Facility III**	
	Aggregate cost of the facility	308.34
	Expenditure already incurred as on September 29, 2010	Nil
	Amount proposed to be financed from the Net Proceeds	230.00
	Amount proposed to be funded from existing identifiable internal accruals(1)	8.34
	Funding required excluding the Net Proceeds and existing identifiable internal accruals	70.00
	75% of the funds required excluding the Net Proceeds and existing identifiable internal accruals	**52. 50**
	Firm arrangements for over 75% of the funds required excluding the Net Proceeds and existing identifiable internal accruals:	
	Sanctioned debt proposed to be utilized for Punjab Facility III	70.00
II.	**Bihar Facility**	
	Aggregate cost of the facility	351.06
	Expenditure already incurred as on September 29, 2010	Nil
	Amount proposed to be financed from the Net Proceeds	280.00
	Amount proposed to be funded from existing identifiable internal accruals(1)	1.06
	Funding required excluding the Net Proceeds and existing identifiable internal accruals	70.00
	75% of the funds required excluding the Net Proceeds and existing identifiable internal accruals	**52.50**
	Firm arrangements for over 75% of the funds required excluding the Net Proceeds and internal accruals:	
	Sanctioned debt proposed to be utilized for the Bihar Facility	70.00
III.	**CPP**	
	Aggregate cost of the CPP	287.60
	Expenditure already incurred as on September 29, 2010	Nil
	Amount proposed to be financed from the Net Proceeds	230.00
	Amount proposed to be funded from existing identifiable internal accruals(1)	57.60
	Funding required excluding the Net Proceeds and existing identifiable internal accruals	Nil
	75% of the funds required excluding the Net Proceeds and existing identifiable internal accruals	**N.A**
IV.	**Punjab Refinery II**	
	Aggregate cost of the refinery	725.53
	Expenditure already incurred as on September 29, 2010	Nil
	Amount proposed to be financed from the Net Proceeds	600.00
	Amount proposed to be funded from existing identifiable internal accruals(1)	45.53
	Funding required excluding the Net Proceeds and existing identifiable internal accruals	80.00
	75% of the funds required excluding the Net Proceeds and existing identifiable internal accruals	**60.00**
	Firm arrangements for over 75% of the funds required excluding the Net Proceeds and internal accruals:	
	Sanctioned debt proposed to be utilized for Punjab Refinery II	80.00

(1) As certified by Sukhminder Singh & Company, Chartered Accountants by their certificate dated September 27, 2010.

Details of debt financing arrangements and existing identifiable internal accruals

With regard to the amount to be funded through debt in relation to the construction and development of Punjab Facility III, Bihar Facility and Punjab Refinery II, amounting to ₹ 220.00 million, our Company has received a sanction letter dated September 28, 2010 for a term loan facility of ₹ 350.00 million from Allahabad Bank.

We have received a certificate dated September 27, 2010 from Sukhminder Singh & Company, Chartered Accountants, certifying the availability of existing identifiable internal accruals for utilization by our Company.

Except as disclosed above, the entire requirements of the objects detailed above are intended to be funded from the Net Proceeds. In view of above, we confirm that we have made firm arrangement of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount proposed to be raised through the Issue and existing identifiable internal accruals, in compliance with Regulation 4 (2) (g) of the ICDR Regulations.

The fund requirements and the intended use of the Net Proceeds as described herein are based on management estimates, and have not been independently appraised by any bank or financial institution or other independent third party. In view of the competitive and dynamic nature of the cattle feed and edible oil industry, our Company may have to revise its expenditure and fund requirements as a result of variations in the cost structure, changes in estimates, and external factors, which may not be within the control of its management. Further, the Net Proceeds shall not be utilized for the purchase of any second hand machinery or equipment. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

Details of the Objects

1. *Finance the construction and development of the Punjab Facility III*

We propose to develop the Punjab Facility III having an installed capacity of 400 TPD compounded cattle feed manufacturing facility at village Jitwal Kalan, Punjab, India. The development of Punjab Facility III is being undertaken by our Company and is expected to be operational by September 2011. Upon commissioning, the total production at the facility is estimated to be 120,000 tonnes per annum.

Our Company intends to utilize ₹ 230.00 million from the Net Proceeds towards the construction and development of the Punjab Facility III. In addition, we intend to utilize ₹ 8.34 million from our existing identifiable internal accruals and ₹ 70.00 million from debt. We have obtained a certificate dated September 27, 2010 from Sukhminder Singh & Company, Chartered Accountants certifying the availability of existing identifiable internal accruals for utilization by our Company.

The breakdown of cost of construction and development of the Punjab Facility III as currently estimated by our management is provided below:

(₹ in million)

Particulars	**Amount estimated by our management**
Land	Nil
Building	50.00
Plant and machinery	107.73
Miscellaneous fixed assets	14.15
Security paid to the State Electricity Board	Nil
Preliminary & pre-operative expenses	1.40
Contingencies	8.60
Margin for Working Capital	126.46
Total	**308.34**

As on September 29, 2010, no funds have been deployed towards the Punjab Facility III.

Land

There will be no cost of acquisition of land as this facility is proposed to be developed on land that is adjacent to our existing cattle feed manufacturing facilities, refinery and solvent extraction plant at village Jitwal Kalan, Punjab, India. Approximately 2.20 acres of land is required for this facility. Our land requirement of approximately 2.20 acres for Punjab Facility III includes land required for the construction of a machinery shed and godown(s) for storage of raw materials and finished goods.

Building

The cost of the building of the Punjab Facility III is estimated to be ₹ 50.00 million. It includes the construction costs, costs in relation to procuring cement and other raw materials, labor cost, architect fee, applicable taxes, cost of other construction materials etc.

Plant and machinery

The cost of plant and machinery is estimated to be ₹ 107.73 million. Plant and machinery costs include costs towards raw material receiving system, weighing and dosing system, grinding system, mixing system, pelleting system, finished packing system, aspiration system and electric control system, hoppers, fat/oil tank, molasses system, air compressor, boiler system, main cables, engineering and documentation, supervision of erection and startup, taxes, freight, insurance, etc.

Our Company has not yet entered into any contracts or placed any orders for the plant and machinery in relation to the estimated amount to be deployed. In the event our Company is able to procure plant and machinery of a higher or upgraded quality than the plant and machinery for which pro-forma invoices/ quotations have been obtained by us, we may decide to opt for such plant and machinery.

Detailed below are details of pro-forma invoices/ quotations received from various parties for the supply of plant and machinery in relation to Punjab Facility III:

S. No.	Name of the Vendor	Description	Quantity [(1)]	Estimated Cost (₹ in million)	Date of Quotation
1.	Buhler (Changzhou) Machinery Company Limited	Feedmill Plant	1	94.04[(2)]	September 25, 2010
2.	B.K. Engineers[(3)]	*Cattle feed plant allied machinery*			June 28, 2010
		Dosing Bins 20m3	9	4.73	
		Dosing Bins 40m3	4	2.88	
		Grinding Bins 4m3	1	0.13	
		Palleting Bins 20m3	4	2.10	
		Finishing Product Bins 20m3	6	3.15	
		Hoppers	7	0.60	
		Miscellaneous items	1	0.10	
	Total			**107.73**	

1) *Quantity is based on management estimates.*
2) *Exchange rate = ₹ 48 per USD*
3) *Excluding VAT, transportation and other charges*

Miscellaneous fixed assets

The cost of miscellaneous fixed assets is estimated to be ₹ 14.15 million. The miscellaneous fixed assets costs include costs towards purchase of trucks, electrical fittings, laboratory equipment, furniture and fixtures etc.

Security paid to the state electricity board

We are not required to pay any security deposit to the Punjab State Power Corporation Limited in relation to the Punjab Facility III as we expect that the power requirement of 470 KW of connected load would be met by the CPP once the CPP is operational.

Preliminary and pre-operative expenses

The cost of preliminary and pre-operative expenses is estimated to be ₹ 1.40 million. The costs under this head include cost towards travelling expenses, salary and wages, interest during construction, etc.

Contingencies

Contingency provision of ₹ 8.60 million (i.e., approximately 5% of the total estimated cost for the facility, excluding margin for working capital) has been made towards the total cost of the facility and includes provision for contingency on the cost of building, machinery and miscellaneous fixed assets.

Margin for working capital

The margin for working capital is estimated to be ₹ 126.46 million and includes amount for inventories, receivables and others.

2. *Finance the construction and development of the Bihar Facility*

We propose to develop the Bihar Facility having an installed capacity of 400 TPD cattle feed manufacturing facility in the state of Bihar, India. The development of the Bihar Facility is being undertaken and is expected to be operational by October 2011. Upon commissioning, the total production at the Bihar Facility is estimated to be 120,000 tonnes per annum.

Our Company intends to utilize ₹ 280.00 million from the Net Proceeds towards the construction and development of the Bihar Facility. In addition, we intend to utilize ₹ 1.06 million from our existing identifiable internal accruals and ₹ 70.00 million from debt. We have obtained a certificate dated September 27, 2010 from Sukhminder Singh & Company, Chartered Accountants certifying the availability of existing identifiable internal accruals for utilization for our Company.

The breakdown of the cost of construction and development of the Bihar Facility as currently estimated by our management is provided below:

(₹ in million)

Particulars	Amount estimated by our management
Land	50.00
Building	50.00
Plant and machinery	107.73
Miscellaneous fixed assets	3.55
Security paid to the State Electricity Board	1.32
Preliminary & pre-operative expenses	1.40
Contingencies	10.60
Margin for Working Capital	126.46
Total	**351.06**

As on September 29, 2010, no funds have been deployed towards the Bihar Facility.

Land

The estimated cost for land is ₹ 50.00 million and includes the cost of acquisition of approximately 10 acres of land. Our land requirement of approximately 10 acres for the Bihar Facility includes land required for construction of the facility, machinery shed, godowns for raw materials, labor quarters, laboratory facility, office, molasses tanks, we have not yet made arrangements with respect to the land for the Bihar Facility.

Building

The cost of the building of the Bihar Facility is estimated to be ₹ 50.00 million. It includes the construction costs of the main plant and buildings, godown, labor quarters, laboratory facility, office, costs in relation to procuring bricks, cement, round, angle, architect fee, labor chargers, and cost of other building materials, etc.

Plant and machinery

The cost of plant and machinery is estimated to be ₹ 107.73 million. Plant and machinery costs include costs towards raw material receiving system, weighing and dosing system, grinding system, mixing system, pelleting system, finished packing system, aspiration system and electric control system, hoppers, fat/ oil tank, molasses system, air compressor, boiler system, main cables, engineering and documentation, supervision of erection and start-up, taxes, freight and insurance.

Our Company has not entered into any contracts or placed any orders for the plant and machinery in relation to the estimated amount to be deployed. In the event, our Company is able to procure plant and machinery of a higher or upgraded quality than the plant and machinery for which pro-forma invoices/ quotations have been obtained by us, we may decide to opt for such plant and machinery.

Detailed below are details of pro-forma invoices/ quotations received from various parties for the supply of plant and machinery in relation to Bihar Facility:

S. No.	Name of the Vendor	Description	Quantity (1)	Estimated Cost (₹ in million)	Date of Quotation
1.	Buhler (Changzhou) Machinery Company Limited	Feedmill Plant	1	94.04(2)	September 25, 2010
2.	B.K. Engineers(3)	*Cattle feed plant allied machinery*			June 28, 2010
		Dosing Bins 20m3	9	4.73	
		Dosing Bins 40m3	4	2.88	
		Grinding Bins 4m3	1	0.13	
		Palleting Bins 20m3	4	2.10	
		Finishing Product Bins 20m3	6	3.15	
		Hoppers	7	0.60	
		Misc items	1	0.10	
	Total			**107.73**	

(1) Quantity is based on management estimates.
(2) Exchange rate = ₹48 per USD
(3) Excluding VAT, transportation and other charges

Miscellaneous fixed assets

The cost of miscellaneous fixed assets is estimated to be ₹ 3.55 million. The miscellaneous fixed assets costs include costs towards electrical fittings, weigh bridge, laboratory equipment, furniture, fixture, etc.

Security paid to the state electricity board

The security deposit to be paid to the Bihar State Electricity Board for meeting the total power requirement at the Bihar Facility, which is expected to be 470 KW of connected load with the peak load requirement at 400 KW. The security deposit is estimated to be ₹ 1.32 million for the Bihar State Electricity Board’s sanction.

Preliminary and pre-operative expenses

The cost of preliminary and pre-operative expenses is estimated to be ₹ 1.40 million. The costs under this head include cost towards travelling expenses, salary and wages and interest during construction etc.

Contingencies

Contingency provision of ₹10.60 million (i.e., approximately 5% of the total estimated cost for the facility, excluding margin for working capital) and includes provision for contingency on the cost of building, machinery and miscellaneous fixed assets.

Margin for working capital

The margin for working capital is estimated to be ₹ 126.46 million and includes amount for inventories, and receivables.

3. *Finance the construction and development of the CPP*

We propose to develop the CPP, a 3 MW husk-based captive power plant at village Jitwal Kalan, Punjab, India. The development of the CPP is being undertaken by our Company and is expected to be operational by September 2011.

Our Company intends to utilize ₹ 230.00 million from the Net Proceeds towards the construction and development of the CPP. In addition, we intend to utilize ₹ 57.60 million from our existing identifiable internal accruals. We have obtained a certificate dated September 27, 2010 from Sukhminder Singh & Company, Chartered Accountants, certifying the availability of existing identifiable internal accruals for utilization by our Company. As on September 29, 2010, no funds have been deployed towards the CPP.

Land

There will be no cost of acquisition of land as the CPP is proposed to be developed on land that is adjacent to our existing cattle feed manufacturing facilities, refinery and solvent extraction plant at village Jitwal Kalan, Punjab, India. Approximately 4.00 acres of land is required for the CPP that includes land required for setting-up boilers, fire fighting system, reverse osmosis plant, air compressor and laboratory equipment.

Plant and machinery

The cost of plant and machinery is estimated to be ₹ 273.91 million. Plant and machinery costs include costs towards setting-up boilers, fire fighting system, reverse osmosis plant, air compressor and laboratory equipment, taxes, freight and insurance.

Our Company has not entered into any contracts or placed any orders for the plant and machinery in relation to the estimated amount to be deployed. In the event, our Company is able to procure plant and machinery of a higher or upgraded quality than the plant and machinery for which pro-forma invoices/ quotations have been obtained by us, we may decide to opt for such plant and machinery.

Detailed below are details of pro-forma invoices/quotations received for the supply of plant and machinery in relation to the CPP:

S. No.	Name of the Vendor	Description	Quantity [(1)]	Estimated Aggregate Cost (₹ in million)	Date of Quotation
1.	Thermax Limited	Equipment and components constituting of boiler and balance of plant	1	235.00	September 4, 2010
		VAT/CST	-	4.70	
		Duties	-	24.21	
		Insurance	-	2.50	
		Transport	-	7.50	
	Total			**273.91**	

Contingencies

Contingency provision of ₹ 13.70 million (i.e. approximately 5% of the total estimated cost of the CPP) and includes provision for contingency on the cost of plant and machinery.

4. *Finance construction and development of Punjab Refinery II*

We propose to develop the Punjab Refinery II having an installed capacity of 100 TPD edible oil refinery at village Jitwal Kalan, Punjab, India. The development of Punjab Refinery II is being undertaken by our Company and is expected to be operational by October 2011. Upon commissioning, the total production at Punjab Refinery II would be 22,500 tonnes per annum.

Our Company intends to utilize ₹ 600.00 million from the Net Proceeds towards the construction and development of Punjab Refinery II. In addition, we intend to utilize ₹ 45.53 million from our existing identifiable internal accruals and ₹ 80.00 million from debt. We have obtained a certificate dated September 27, 2010 from Sukhminder Singh & Company, Chartered Accountants certifying the availability of existing identifiable internal accruals for utilization by our Company.

The breakdown of cost of construction and development of Punjab Refinery II as currently estimated by our management is provided below:

(₹ *in million)*

Particulars	Amount estimated by our management
Land	Nil
Building	27.00
Plant and machinery	448.35
Miscellaneous fixed assets	66.80
Security paid to the State Electricity Board	Nil
Preliminary & pre-operative expenses	13.50
Contingencies	27.78
Margin for Working Capital	142.10
Total	**725.53**

As on September 29, 2010, no funds have been deployed towards the Punjab Refinery II.

Land

There will be no cost of acquisition of land as this facility is proposed to be developed adjacent to our existing cattle feed manufacturing facilities, refinery and solvent extraction plant at village Jitwal Kalan, Punjab, India. Approximately 1.50 acres of land is required for this facility. Our land requirement of approximately 1.50 acres for Punjab Refinery II includes land required for the construction of a machinery shed and godown(s) for storage of raw materials and finished goods.

Building

The building cost of the facility is estimated to be ₹ 27.00 million. The building cost primarily includes the cost of the machinery shed, costs in relation to procuring bricks, cement, round, angle, architect fee, labor charges and cost of other building materials.

Plant and machinery

The cost of plant and machinery is estimated to be ₹ 448.35 million. Plant and machinery costs include costs towards supply of plant and machinery, including machinery required for de-gumming section, industrial lecithin plant, pre-bleaching, de-waxing, winterization (including star crystallizer), and de-odorization in relation to Punjab Refinery II etc.

Our Company has not entered into any contracts or placed any orders for the plant and machinery in relation to the estimated amount to be deployed. In the event, our Company is able to procure plant and machinery of a higher or upgraded quality than the plant and machinery for which pro-forma invoices/ quotations have been obtained by us, we may decide to opt for such plant and machinery.

Detailed below are details of pro-forma invoices/ quotations received from various parties for the supply of plant and machinery in relation to the Punjab Refinery II:

S. No.	Name of the Vendor	Description	Quantity [(1)]	Estimated Cost (₹ in million)	Date of Quotation
1.	Muez-Hest India Private Limited	Edible oil refinery plant	1	409.75	September 23, 2010
2.	Paras Hydrotech (Private) Limited	200 m^3/day effluent treatment plant	1	2.14	September 23, 2010
3.	Supertech Engineers	Blending, filling and packing section	1	5.30	September 21, 2010
		Acid oil plant	1	2.11	
		Erection and commissioning		18.70	
4.	National Fire Service & Motor Parts	Fire fighting system	1	2.56	September 23, 2010
5	Suket Enterprises	Laboratory Equipments	1	6.06	September 23, 2010
6.	Avery India Limited	Electronic type road weigh- bridge	1	1.73	September 25, 2010
	Total			**448.35**	

1) *Quantity is based on management estimates.*

Miscellaneous fixed assets

The cost of miscellaneous fixed assets is estimated to be ₹ 66.80 million. The miscellaneous fixed assets costs include costs towards electrical fittings, weigh bridge, generator, laboratory equipment, furniture and fixtures etc.

Security paid to the state electricity board

We are not required to pay any security deposit to the Punjab State Power Corporation Limited in relation to the Punjab Refinery II as the estimated power requirement of 880 KW of connected load would be met by the CPP once the CPP is operational.

Preliminary and pre-operative expenses

The cost of preliminary and pre-operative expenses is estimated to be ₹ 448.35. The costs under this head include costs towards travelling expenses, salary and wages and interest during construction.

Contingencies

Contingency provision of ₹ 27.78 million (5% of the total estimated cost for the refinery, excluding margin for working capital) has been made towards the total cost of the facility and includes provision of contingency on the cost of building, machinery, miscellaneous fixed assets.

Margin for working capital

The margin for working capital is estimated to be ₹ 142.20 million and includes inventories and receivables.

5. Fund the expenditure for general corporate purposes

We intend to use a part of the Net Proceeds, approximately ₹ [●] million, towards general corporate purposes including funding cost overruns, if any, of our manufacturing facilities, refinery and CPP, repayment of loans, brand building and meeting exigencies which we may face in the ordinary course. Our management, in accordance with the policies of the Board, will have the flexibility in utilizing the sum earmarked for general corporate purposes and any surplus amounts from the Net Proceeds.

In the event there is a shortfall of the funds required for the above objects, such shortfall shall be met out of the amount allocated for general corporate purposes and/ or through internal accruals, additional equity infusions, debt and/or other means of finance. In the event, there are surplus amounts, which have not been utilized in the above objects, such portion of the Net Proceeds would then be utilized towards general corporate purposes at the sole discretion of the management.

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the Net Proceeds in the aforesaid objects by Fiscal 2012 and the projects would be operational as follows:

S. no	Particulars	Expected date of commissioning
1.	Punjab Facility III	September 2011
2.	Bihar Facility	October 2011
3.	CPP	September 2011
4.	Punjab Refinery II	October 2011

Appraisal of the Objects

None of the objects for which the Net Proceeds will be utilized have been financially appraised. The estimates of the costs of the objects mentioned above are based upon internal estimates of our Company and pro-forma invoices/ quotations received from various parties.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees etc. The estimated Issue expenses are as follows:

S. No.	Activity Expense	Amount (₹ in million)	Percentage of Total Issue Expenses	Percentage of Total Issue Size
1.	Lead management fees*	[●]	[●]	[●]
2.	Underwriting and selling commission*	[●]	[●]	[●]
3.	Registrar's fees*	[●]	[●]	[●]
4.	Advertisement and marketing expenses*	[●]	[●]	[●]
5.	Printing and distribution expenses*	[●]	[●]	[●]
6.	IPO Grading expenses*	[●]	[●]	[●]
7.	Advisors*	[●]	[●]	[●]
8.	Bankers to the Issue*	[●]	[●]	[●]
9.	Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, etc.) *	[●]	[●]	[●]

** To be finalized upon determination of the Issue Price.*

Interim use of funds

Our management, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest and dividend bearing liquid instruments including investments in mutual funds, deposits with banks and other investment grade interest bearing securities. Such investments would be in accordance with investment policies approved by our Board from time to time. We confirm that pending utilization of the Net Proceeds, we shall not use the funds for any investments in the equity markets. The particular composition, timing and schedule of deployment of the Net Proceeds will be determined by our Company based on the progress of construction and development of our manufacturing facilities, refinery and CPP.

Monitoring Utilization of Funds

As this is an Issue for less than ₹ 5,000.00 million, in terms of proviso to Regulation 16 (1) of the ICDR Regulations, there is no requirement for the appointment of a monitoring agency.

We will disclose the details of the utilisation of the Net Proceeds, including interim use, under a separate head in our financial information specifying the purpose for which such proceeds have been utilised or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges. The Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet for the relevant fiscal year. As per the requirements of Clause 49 of the Listing Agreement, we will disclose to the Audit Committee the uses/applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made until such time that the Net Proceeds from the Issue have been fully utilized. The statement shall be certified by our Statutory Auditors. Further, in terms of Clause 43A of the Listing Agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the utilization of Net Proceeds from the objects stated in this Draft Red Herring Prospectus. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Clause 41 of the Listing Agreement and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Clause 49 of the Listing Agreement.

Other confirmations

There are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds of the Issue or estimated cost as above with our Promoters, our Directors, our key management personnel and Group Entities. No part of the Net Proceeds will be paid by us as consideration to our Promoters, Promoter Group, our Directors, Group Entities or key managerial personnel, except in the normal course of our business.

BASIS FOR ISSUE PRICE

The Issue Price of ₹ [●] has been determined by the Company in consultation with the BRLMs, on the basis of assessment of market demand from the investors for the offered Equity Shares by way of Book Building process. The face value of the equity shares is ₹ 10 and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to "***Risk Factors***" and "***Financial Statements***" beginning on pages xii and 127 of this Draft Red Herring Prospectus. The financial data presented in this section are based on the Company's financial statements, as restated.

Qualitative Factors

We believe the following strengths allow us to successfully operate in this industry and compete with our peers:

- Amongst the few organised players in the compounded cattle feed industry with a well established dealer network
- Proximity of manufacturing facilities to areas with high raw materials resources and consumer demand
- Stringent quality control measures for raw materials and other inputs
- Involvement of senior management team in research and development

For further details, see the section "***Our Business – Our Strengths***" beginning on page 76 of this Draft Red Herring Prospectus.

Quantitative Factors

Information presented in this section is derived from our Restated Financial Statements prepared in accordance with Indian GAAP. For more details, refer to the section "***Financial Statements***" beginning on page 127 of this Draft Red Herring Prospectus.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. EARNING PER EQUITY SHARE (EPS), PRE-ISSUE

As per our restated Summary Statements:

Year ended	Basic EPS(1) & Diluted EPS (2) (in `) (3)	Weight
March 31, 2010	19.72	3
March 31, 2009	6.19	2
March 31, 2008(2)	4.11	1
Weighted Average	*12.61*	

(1) Earning per share represents basic earnings per share calculated as net profit attributable to equity shareholders, as restated divided by a weighted average number of equity shares outstanding during the year.

(2) Earning per share represents basic earnings per share calculated as net profit attributable to equity shareholders as restated divided by a weighted average number of shares outstanding during the year.

(3) The above values includes the impact of the stock split effected on October 14, 2008, bonus equity shares issued in the ratio of 12 for every 10 equity shares held on August 7, 2009, and bonus equity shares issued in the ratio of 2 for every 5 equity shares held on September 25, 2010.

Note:

a) The earning per share has been computed on the basis of the restated profits and losses of the respective years.
b) The denominator considered for the purpose of calculating earnings per share is the weighted average number of Equity Shares outstanding during the year.
c) EPS calculations have been done in accordance with Accounting Standard 20-"Earning per share" issued by the Institute of Chartered Accountants of India.

2. PRICE TO EARNINGS RATIO (P/E RATIO), PRE-ISSUE

a. Based on the basic & diluted EPS of ₹ 19.72 for the year ended March 31, 2010, the P/E ratio is [●] at the lower end of the price band and [●] at the higher end of the price band.

b. Based on the weighted average EPS of ₹ 12.61, the P/E ratio is [●] at the lower end of the price band and [●] at the higher end of the price band.

c. Industry P/E#
i) Highest: 29.40
ii) Lowest: 0.50
iii) Average: 12.91
 # Source: Capital Market Online accessed on September 24, 2010

3. RETURN ON NET WORTH:

Return on Net Worth as Per Restated Financial Statements

Year ended	RONW (%) (1)	Weight
March 31, 2010	43.70%	3
March 31, 2009	31.09%	2
March 31, 2008	27.15%	1
Weighted Average	*36.74%*	

(1)Return on Net Worth as is calculated as Restated Earnings attributable to Equity Shares holders divided by Net worth, restated as at the end of the year

4. MINIMUM RETURN ON INCREASED NETWORTH REQUIRED TO MAINTAIN PRE-ISSUE EPS

The minimum return on increased net worth required to maintain pre-Issue EPS of ₹ 19.72 is [●]% at the lower end of the price band and [●]% at the higher end of the price band.

5. NET ASSET VALUE PER EQUITY SHARE:

a.	(i) As of March 31, 2010	:	₹ 50.99 *
	(ii) As of March 31, 2010 (Adjusted for Bonus and Split of the face value)	:	₹ 36.42 **
b.	After the Issue	:	₹ [●]
c.	Issue Price	:	₹.[●]

* *The above value is based on the net worth of the Company as on March 31, 2010 as divided by the no. of equity shares outstanding as on March 31, 2010.*
** *The above value is based on the net worth of the Compnay as on march 31, 2010 as divided by the number of equity shares as adjusted for the impact of the stock split effected on October 14, 2008, bonus shares issued in the ratio of 12 for every 10 equity shares held on August 7, 2009, and bonus shares issued in the ratio of 2 for every 5 equity shares held on September 25, 2010.*

6. COMPARISON OF ACCOUNTING RATIOS:

Name of the Company	Face Value per equity share (₹)	EPS (₹) (2)	P/E	Book Value per Share (₹)	Return on Net Worth (%)
	(For the year ended March 31, 2010)				
Tara Health Foods Limited	10	19.72		50.99* 36.42**	43.7%
Peer Group(1)					
Agro Tech Foods.	10	9.8	28.8	61.8	17.9%
Anik Industries	10	3.6	16.1	73.9	5.6%
Gokul Refoils	2	3.2	29.4	28.9	11.9%
K S Oils	1	5.5	9.3	30.9	21.2%
KSE	10	24	8.1	101.8	27.3%

Name of the Company	Face Value per equity share (₹)	EPS (₹) [(2)]	P/E	Book Value per Share (₹)	Return on Net Worth (%)
	(For the year ended March 31, 2010)				
Murli Industries	2	7	14.3	58.1	18.9%
Ruchi Soya Inds.	2	5.6	24	65.9	11.3%
Sanwaria Agro	1	2.8	21.7	9.0	41.4%
Peer Group Average		7.7	19.0	53.8	19.4%

* *Based on the number of equity shares outstanding as on March 31, 2010*
** *Based on the number of equity shares as adjusted for the impact of the stock split effected on October 14, 2008, bonus shares issued in the ratio of 12 for every 10 equity shares held on August 7, 2009, and bonus shares issued in the ratio of 2 for every 5 equity shares held on September 25, 2010*
(1) Source: Capital Market Online accessed on September 24, 2010
(2) The EPS values above includes the impact of the stock split effected on October 14, 2008, bonus shares issued in the ratio of 12 for every 10 equity shares held on August 7, 2009, and bonus shares issued in the ratio of 2 for every 5 equity shares held on September 25, 2010.

Since the Issue is being made through the 100% Book Building Process, the Issue Price will be determined on the basis of investor demand.

The Issue Price of ₹ [●] has been determined by the Company, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified based on the above quantitative and qualitative factors. For further details, see the section "***Risk Factors***" beginning on page xii of this Draft Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the section "***Financial Statements***" beginning on page 127 of this Draft Red Herring Prospectus to have a more informed view. The trading price of the Equity Shares of the Company could decline due to the factors mentioned in the section "***Risk Factors***" beginning on page xii of this Draft Red Herring Prospectus and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

The below Statement of 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. The Statements made are based on the tax laws in force and as interpreted by the relevant taxation authorities as of date. Investors are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of Equity Shares.

To,

The Board of Directors
Tara Health Foods Limited
3rd Floor, Mall Plaza,
Fountain Chowk,
The Mall, Ludhiana - 141001,
Punjab, India

Statement of Possible Direct Tax Benefits

Dear Sirs,

We hereby report that the enclosed annexure states the possible direct tax benefits available to 'Tara Health Foods Limited' ('Company') and its shareholders under the current tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

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

The Direct Taxes Code, Bill 2010 ('DTC") has been presented on 30 August 2010 in Lok Sabha. The DTC is expected to be implemented with effect from 1 April 2012 and would replace the existing Income Tax Act, 1961 and the Wealth Tax Act, 1957. The proposals in DTC may alter the tax benefits discussed in the said enclosed statement. However, since, DTC is yet to be legislated into an Act, the impact of provisions contained in the DTC has not been discussed in this statement of tax benefits.

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

i. the Company or its shareholders will continue to obtain these benefits in future;

or

ii. the conditions prescribed for availing the benefits have been / would be met with. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Tara Health Foods Limited. We shall not be liable to Tara Health Foods Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

Thanking you,

Yours faithfully,
For Sukhminder Singh & Co.
Chartered Accountants
Firm Registration No: 016737N

Harsh Dhawan
Partner
Membership No. 513454
Place: Malerkotla
Date: 27.09.2010

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO TARA HEALTH FOODS LIMITED AND TO ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 ("THE ACT")

A. TO THE COMPANY

I. SPECIAL TAX BENEFITS

The following benefits are available to the company for the products manufactured.

- Cattle/Poultry Feed is exempted from Excise Duty and Value Added Tax

The Company is entitled to avail capital subsidy of Rs.5 million from the Ministry of Food Processing Industry, Government of India for manufacture of Refined Edible Oil

The following benefits are available to the company for its plant situated in state of Uttaranchal.

- 100% Excise exemption for 10 years
- 100% income tax exemption for first five years and 30% tax deduction from income tax liability for next five years under sec - 80 – IC
- Capital investment subsidy @15% subject to maximum of Rs.3 million
- Exemption from entry tax on plant & machinery
- Reimbursement of 75% of expenditure subject to Rs.0.2 lacs maximum incurred for obtaining approved quality marks e.g ISO

II. GENERAL TAX BENEFITS

These benefits are available to all companies or to the shareholders of any Company, after fulfilling certain conditions as required in the respective Act.

a. Dividend (whether interim or final) received by the Company from its investment in shares of another domestic company would be exempt as per the provisions of section 10(34) read with section 115O of the Act. Further, income received from units of a Mutual Fund specified under section 10(23D) of the Act would also be exempt as per the provisions of section 10(35) of the Act. However, a domestic company / a mutual fund have to pay Dividend Distribution Tax (DDT) on the amount of dividend declared, distributed or paid. From assessment year 2009-10 onwards, while computing the DDT payable, the domestic company can reduce the amount of dividend received from its subsidiary, which has paid the DDT on such dividend distributed subject to fulfilment of certain conditions prescribed therein.

b. Under section 10(38) of the Act, any long-term capital gains arising to the Company from transfer of long-term capital asset, being equity shares in a company or a unit of an equity oriented fund (i.e. if the shares or units are held for more than twelve months) would not be liable to tax in the hands of the Company, if the transaction of sale of such equity share or unit is chargeable to securities transaction tax. However, such income will be considered in computing Minimum Alternate Tax (MAT) under section 115JB of the Act.

c. Under section 32 of the Act, the Company is entitled to claim depreciation subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.

d. Under section 35D of the Act, the Company will be entitled to a deduction equal to 1/5th of the expenditure incurred of the nature specified in the said section, including expenditure incurred on present issue, such as underwriting commission, brokerage and other charges, as specified in the provision, by way of amortization over a period of 5 successive years, beginning with the previous year in which the business commences or after the commencement of its business in connection with the extension of its industrial undertaking or in connection with setting up a new industrial unit, subject to the stipulated limits.

e. Under Section 54EC of the Act, and subject to the conditions and to the extent specified therein, long-term capital gains arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in certain notified bonds (not exceeding Rs. 50 lacs in a financial year) within a period of six months after the date of such transfer. However, if the company transfers or converts the notified bonds into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money. The bonds specified for this section are bonds issued by the National Highways Authority of India (NHAI) and Rural Electrification Corporation Limited (RECL).

f. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.

g. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:-
   (i) 20% of the capital gains as computed after indexation of the cost; or
   (ii) 10% of the capital gains as computed without indexation.

h. The Company would be required to pay tax on its book profits under the provisions of section 115JB of the Act in case where tax on its „total income [as term defined under section 2(45) of the Act] is less than 18% of its „book profits (as term defined under section 115JB of the Act) for Assessment Year 2011-12. Such tax is referred to as MAT.

   The difference between the MAT paid for any assessment year and the tax on its total income payable for that assessment year shall be allowed to be carried forward as 'MAT credit'. The MAT credit shall be utilized to be set off against taxes payable on the total income in the subsequent assessment years computed in accordance with the provisions other than Section 115JB. However, it can be carried forward up to 10 assessment years succeeding the assessment year in which such MAT was paid.

i. Unabsorbed business losses, if any, for any year can be carried forward and set off against business profits for subsequent years (up to 8 years).

B. TO THE MEMBERS

I. GENERAL TAX BENEFITS

(a) Resident Members

1. Dividend (whether interim or final) received by a shareholder from investment in shares of a domestic company would be exempt in the hands of the shareholders as per the provisions of Section 10(34) read with Section 115O of the Act. However, the Company has to pay DDT on the amount of dividend declared, distributed or paid.

2. As per section 10(38) of the Act, long term capital gains arising to the resident member from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of such members.

3. As per section 111A of the Act, short term capital gains arising to the resident members from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% .

4. Section 94(7) of the Act, provides that loses arising from the sale/ transfer of shares within a period of three months prior to the record date and sold / transferred within three months after such date, will be disallowed to the extent dividend income on such shares are claimed as tax exempt.

5. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of: -
   - 20% of the capital gains as computed after indexation of the cost; or

- 10% of the capital gains as computed without indexation.

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.

7. As per the provisions of Section 54F of the Act and subject to conditions specified therein, long-term capital gains (in cases not covered under Section 10(38) of the Act) arising to an individual or HUF on transfer of shares of the Company will be exempted from capital gains tax, if the net consideration from such shares are used for purchase of residential house property within a period of one year before and 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 transfer, provided that the individual / HUF should not own more than one residential house other than the new residential house on the date of transfer. If only part of such net consideration is invested within the prescribed period in a residential house property, the exemption shall be allowed proportionately.

   For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

   If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such residential house is transferred.

   Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house, then the original exemption will be taxed as long-term capital gains in the year in which the additional residential house is acquired.

(b) Non-Resident Indian Members

1. Under Section 10(34) of the Act, any income by way of dividends referred to in Section 115O of the Act (i.e. dividends declared, distributed or paid) received by a non-resident Indian shareholder (i.e. an individual being a citizen of India or person of Indian origin who is not a „resident‟) on the shares of the company is exempt from tax. However, the company has to pay Dividend Distribution Tax (DDT) on the amount of dividend declared, distributed or paid.

2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.

3. As per section 111A of the Act, short term capital gains arising from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% .

4. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of: -

   - 20% of the capital gains as computed after indexation of the cost; or
   - 10% of the capital gains as computed without indexation.

5. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. Under first proviso to Section 48 of the Act, the taxable capital gains arising on transfer of capital assets being shares or debentures of an Indian company need to be computed by converting the cost of acquisition,

expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be done at the prescribed rates prevailing on dates stipulated.

As per the provisions of Section 112 of the Act, long-term gains are subject to tax at a rate of 20% (plus applicable surcharge and education cess). Based on the judicial precedents, a view may be taken long-term capital gains arising on transfer of listed securities or units can be computed at the rate of 10% without indexation benefit in case of nonresident shares holders.

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a “long term specified asset” within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.

7. As per the provisions of Section 54F of the Act and subject to conditions specified therein, long-term capital gains (in cases not covered under Section 10(38) of the Act) arising to an individual or HUF on transfer of shares of the Company will be exempted from capital gains tax, if the net consideration from such shares are used for purchase of residential house property within a period of one year before and 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 transfer, provided that the individual / HUF should not own more than one residential house other than the new residential house on the date of transfer. If only part of such net consideration is invested within the prescribed period in a residential house property, the exemption shall be allowed proportionately.

   For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

   If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such residential house is transferred.

   Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house, then the original exemption will be taxed as long-term capital gains in the year in which the additional residential house is acquired.

8. Section 94(7) of the Act, provides that loses arising from the sale/ transfer of shares within a period of three months prior to the record date and sold / transferred within three months after such date, will be disallowed to the extent dividend income on such shares are claimed as tax exempt.

9. In accordance with section 115E, income from investment or income from long- term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% . Income by way of long term capital gains in respect of a specified asset (as defined in section 115C (f) of the act), shall be chargeable at 10% .

10. In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gain arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset.

11. In accordance with section 115G, it is not necessary for a Non resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act.

12. In accordance with section 115-I, where a Non Resident Indian opts not to be governed by the provision of chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act.

13. As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

14. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

(c) Foreign Institutional Investors (FII's)

1. Dividend (whether interim or final) received by a shareholder from investment in shares of a domestic company would be exempt in the hands of the shareholders as per the provisions of Section 10(34) read with Section 115O of the Act. However, the Company has to pay DDT on the amount of dividend declared, distributed or paid.

2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.

3. As per section 115AD read with section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% .

4. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provisions of section 10(38) of the Act at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains (other than referred to in section 111A)	30

In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

5. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.

(d) Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized 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.

(e) Venture Capital Companies / Funds

As per section 10(23FB) of the Act, all Venture Capital Companies/Funds registered with the Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on their entire income, including income from sale of shares of the company. However, under section 115U of the Act, income received by a person out of investment made in a venture capital company or in a venture capital fund will be chargeable to tax in the hands of such person.

UNDER THE WEALTH TAX ACT, 1957

"Asset" as defined under section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

UNDER THE GIFT TAX ACT, 1958

1. The Gift Tax Act, 1958 is now abolished and accordingly, Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax.

2. However, as per the provisions of Section 2(24)(xv) of the Income Tax Act ,1961 read with Section 56(2)(vii) of the Income Tax Act, on or after 1st October, 2009 income of an individual or HUF shall include any property other than immovable property, the aggregate fair value of which exceeds Rs 50,000 received from any person or persons without consideration or for inadequate consideration expect for receipt under certain specified conditions. The term "any property" also includes shares and securities.

3. Where a firm or a company (other than a company in which public are substantially interested) receives on or after June 1, 2010 any property, being shares of a company (other than a company in which public are substantially interested)

(i) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property;
(ii) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration:

would be treated as the income of such recipient firm/company.

4. Some of the exceptions to the provisions in 2 & 3 hereinabove include:

(i) amount received from any relative (as specifically defined);
(ii) amount received on the occasion of the marriage of the individual;
(iii) amount received under a will or by way of inheritance;
(iv) amount received in contemplation of death of the payer;
(v) amount received from any local authority as defined in the Explanation to clause (20) of Section 10 of the Act;
(vi) amount received from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of Section 10 of the Act;
(vii) amount received from any trust or institution registered under Section 12AA of the Act.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2010. Many of these benefits are subject to the Company and the Shareholders complying with various conditions specified in the relevant tax laws

2. All the rates of tax mentioned above are subject to applicable surcharge and education cess. However, surcharge is not applicable in case of an Individual, HUF, AOP and partnership firm from the assessment year 2010-11.

3. The above Statement of possible tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or list of all potential tax consequences. This is not an opinion or assurance that the Company and/or shareholders will be eligible for any of the tax benefits.

4. The stated benefits will be available only to the sole / First named holder in case the share is held by joint holders.

5. 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 Agreements, if any, between India and the country in which the non-resident has fiscal domicile.

6. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investments in the Company.

NOTES:

(i) In the above statement only basic tax rates have been enumerated and the same is subject to surcharge and education cess, wherever applicable.

(ii) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

(iii) All the above benefits are as per the current tax laws (including amendments made by the Finance Bill 2010), legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above.

(iv) Several of these benefits are dependent on the company and its shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.

(v) This statement is only extended to provide general information to the investors and is neither designed nor intended to be a substitute for Professional Tax Advice. In view of the individual nature of tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its investments in the shares of the Company.

(vi) The provisions of The Finance Bill of 2010 wherever applicable have been considered even though the same has not yet become the Act.

SECTION IV - ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been obtained or derived from publicly available documents prepared by various sources, including officially prepared materials from the Government of India and its various ministries, from various multi-lateral institutions and ICRA Management Consulting Services Limited (IMaCS). It has not been independently verified by the Company and Book Running Lead Managers or their respective affiliates, their legal or financial advisors, and no representation is made as to the accuracy of this information, which may be inconsistent with information available or compiled from other sources. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness, underlying assumptions and reliability cannot be assured. Accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as on specific dates and may no longer be current.

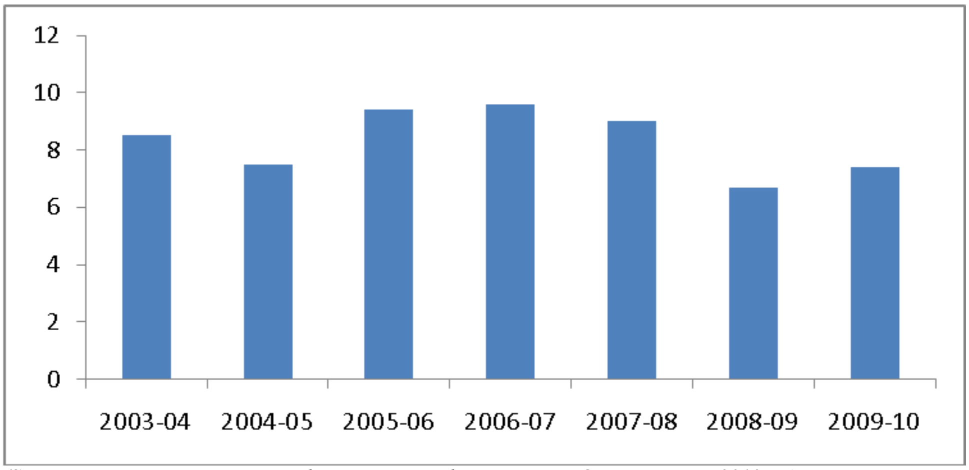
Some of the information contained in the enclosed report has been obtained by IMaCS from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and IMaCS in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information and estimates contained herein must be construed solely as statements of opinion, and IMaCS shall not be liable for any losses incurred by users from any use of this publication or its contents.

INDIAN ECONOMY: AN OVERVIEW

India, the world's largest democracy with an estimated population of 1.17 billion, had an estimated GDP on a purchasing power parity basis of an estimated US$3.57 trillion in 2009, according to the United States Central Intelligence Agency (CIA) Factbook (the "**CIA Factbook**"). This made the Indian economy the fourth largest in the world after the United States, China and Japan.

Growth in Real GDP of India

India is one of the fastest growing economies in the world and has managed an average growth rate in excess of 7% per year since 1997. An industrial slowdown early in 2008, followed by the global financial crisis, led annual GDP growth to slow to 6.50% in 2009, still the second highest growth in the world among major economies. The Indian economy exhibited robust acceleration in the pace of recovery in the fourth quarter of FY2010 led by strong growth in industrial activities. At 8.60%, GDP growth in the fourth quarter of FY2010 showed a significant recovery in relation to the 5.80% growth recorded during the second half of FY2009 and approached the average 8.80% growth achieved during 2003-2008. The Professional Forecasters' Survey conducted by the Reserve Bank in June 2010 places overall (median) GDP growth rate for 2010-11 at 8.40%, higher than 8.20% reported in the previous round of the survey. *(Source: CIA World Factbook, https://www.cia.gov/library/publications/the-world-factbook/geos/in.html)*



(Source: RBI's Macroeconomic and Monetary Developments First Quarter Review 2010-11)

The turnaround in the growth momentum was backed with Index of Industrial Production "IIP" registering a growth rate of 10.90% during 2009-10, as against the growth rate of 7.70% during April-November, 2009. The sectors which showed growth rates of 5.00% or more are:

Sector	Growth Rate (%)
Mining and Quarrying	10.6
Manufacturing	10.8
Electricity, gas and water supply	6.5
Construction	6.5
Trade, hotels, transport and communication	9.3
Financing, insurance, real estate and business services	9.7
Community, social and personal services	5.6

(Source: CSO Press note May 31, 2010)

Domestic demand, driven by purchases of consumer durables and automobiles, has re-emerged as a key driver of growth. The Government's fiscal policies and the monetary policies of the Reserve Bank of India have also played an important role in the revival of economic growth. In particular, the Government as part of its fiscal stimulus package took the following initiatives to promote consumption in the economy:

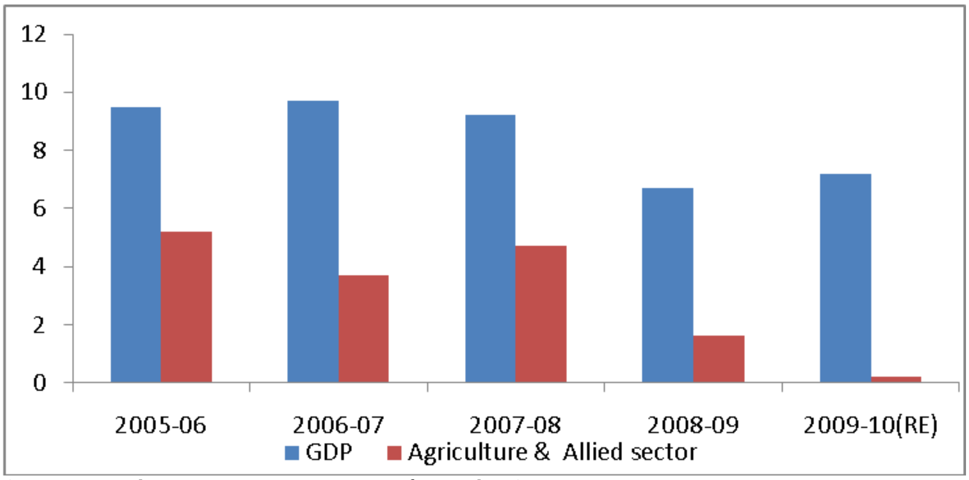
- Increased Government expenditure especially on infrastructure
- Reduced taxes to spur consumption

(Source: RBI's Macroeconomic and Monetary Developments First Quarter Review 2010-11)

AGRICULTURE SECTOR IN INDIA: AN OVERVIEW

Agriculture as the largest enterprise in India is the lifeline of Indian economy. During 2008-09, Agriculture accounted for 17.00% of GDP of India and 10.23% (provisional) of total exports besides providing employment to around 58.20% of the work force.

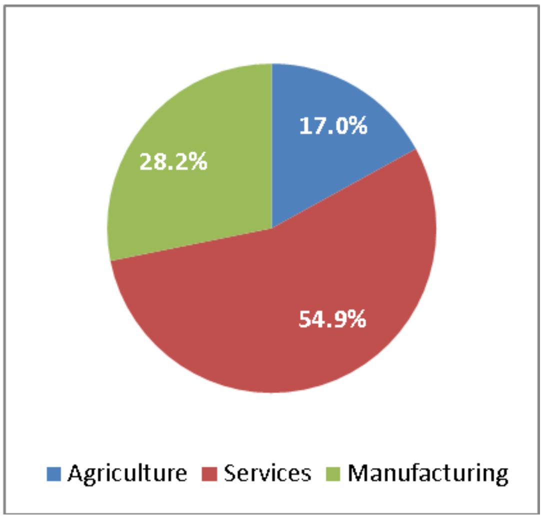
Growth in agriculture and allied sector GDP vis-à-vis total GDP (at 2004-05 prices)



(Source: Annual Report 2009-10 Department of Agriculture)

The overall target of GDP growth in the country for the Eleventh Plan is 9.00% per annum with an annual average growth rate of 4.00% in agriculture, 10-11.00% in industry and 9-11.00% in the services sector. The strategy for accelerating agricultural growth to 4.00% per annum in the Eleventh Plan requires action in terms of bringing technology to the farmers, improving the efficiency of investments, increasing systems support and rationalizing subsidies, diversifying.

GDP Composition by sector 2009

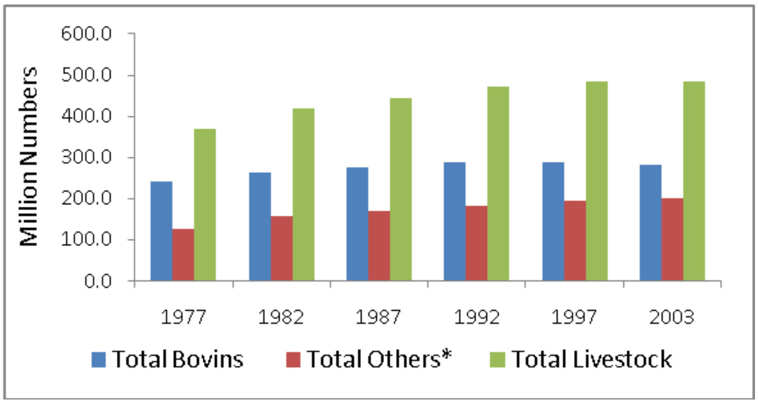


(Source: CIA Fact book, https://www.cia.gov/library/publications/the-world-factbook/geos/in.html)

LIVESTOCK INDUSTRY IN INDIA: AN OVERVIEW

India has vast resource of livestock and poultry, which play a vital role in improving the socioeconomic conditions of rural masses. India ranks first in respect of buffalo, 2nd in cattle and goats, 3rd in sheep, 4th in ducks, 5th in chickens and 6th in camel population in the world. India has 57% of the world's buffalo population. *(Source: Annual Report 2007-08, Department of Animal Husbandry, Dairying & Fisheries, GoI*)

Livestock Population in India (1977 -2003)



* Others includes Sheep, Goats, Horses and Ponies, Camels, Pigs, Mules, Donkeys
(Source: Directorate of Economics and Statistics – Agricultural Statistics at a Glance 2009)

At constant prices, the Gross Domestic Product (GDP) from livestock was over ₹ 2,000 billion in 2008-09 and accounted for about 5% of the total GDP. This signifies the importance of the livestock market in India. The average annual growth rate in livestock GDP, for the period 2006-09, was 4.6% at constant prices and about 10.9% at current prices.

Contribution of Livestock to India's GDP (₹ in billion)

	2004-05	2005-06	2006-07	2007-08	2008-09
Livestock GDP (constant prices)	1,747	1,815	1,892	1,978	2,075
As % of total GDP	5.9	5.6	5.3	5.1	5.0
Livestock GDP (current prices)	1,747	1,913	2,109	2,336	2,610
As % of total GDP	5.9	5.6	5.3	5.1	5.0

(Source: IMaCS Research)

Regional distribution livestock Gross State Domestic Product (GSDP) in 2005-06 indicates that Northern India, which accounts for 20.4% of the total land area under all states, contributed a significant 30% to the states' GSDP. It was followed by Western with 22.7% of total value of output from livestock related activities by all states, Southern India (21.7%), Eastern India (15.1%), Central India (8%) and North Eastern India (2.4%).

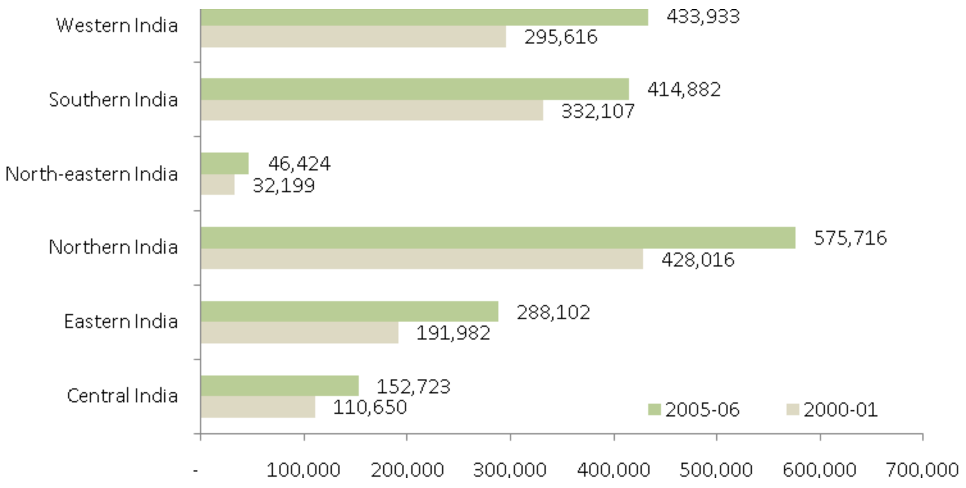
Region-wise Share of Livestock GSDP (%)

	Land share	2000-01	2005-06
		Livestock GSDP share	
Central India	13.56	7.96	7.99
Eastern India	12.79	13.81	15.07
Northern India	20.37	30.78	30.11
North Eastern India	8.02	2.32	2.43
Southern India	19.25	23.88	21.70
Western India	26.00	21.26	22.70

(Source: IMaCS Research)

In the Northern region, Punjab and Uttar Pradesh accounted for 71% of the value of output from livestock. The other significant states in this region were Haryana and Jammu and Kashmir. Despite being a major contributor to livestock related industry in the country, the Northern region lags behind the Western region, which produces about 80% feed for poultry and cattle. Northern region produces only 9% and Eastern less than 2%. Given the market potential, there is scope for further development of the compound feed industry in the region as contract farming and farm mechanization gain ground.

Regional Distribution of Livestock GSDP (₹ in millions)

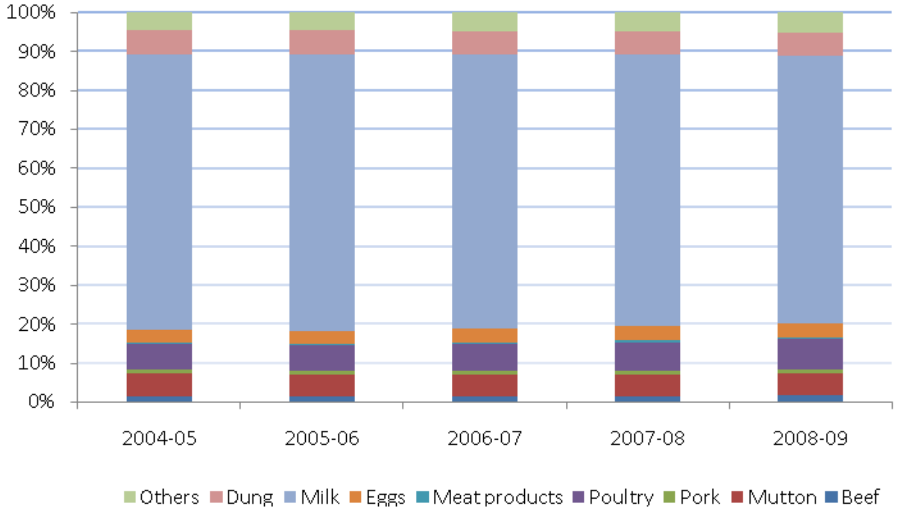


(Source: IMaCS Research)

In the livestock industries of the Western countries, cattle are useful, primarily, in meat and milk production. In India, cattle (including buffaloes) serve several other purposes, particularly, in the unorganized farm sector. Farmers rear them on their un-mechanized farms for tilling the land, as their beasts of burden and for dung, which is used as fuel for cooking. It is estimated that over 70% of the livestock market is owned by 67% of small and marginal farmers and by the landless. Women constitute about 60% of livestock farming labor and over 90% of the work related to animal care is rendered by the womenfolk in the family.

Milk accounts for a major share of livestock GDP. While it was still at about 69% in 2008-09, the share of poultry meat has grown from 7% in 2004-05 to 8% in 2008-09. The share of others also increased 1% during this period. The major constituents of this category are meat by-products, hides, skins, wool, hair, silk worm cocoons and honey.

Constitution of Livestock GDP -At constant prices



(Source IMaCS Research)

DAIRY INDUSTRY IN INDIA- AN OVERVIEW

India is the number one milk producing country in the world, maintaining the top position since 1988. World milk production is estimated at 693 million tonnes during 2007-08 and Indian milk production stands at 105 million tonnes. Buffalo milk is now estimated to account for 57% of the total milk production in India.

World Estimates of Milk Production - 1992 to 2007 (million tonnes)

Year	Cow	Buffalo	Goat	Sheep	Total*	India to World
1992	460.6	46.1	10.4	7.8	526.1	58
	(87.60)	(8.80)	(2.00)	(1.50)	(100.00)	(11.00)
1995	464.4	54.4	11.7	8	539.8	66.2
	(86.00)	(10.10)	(2.20)	(1.50)	(100.00)	(12.30)
1998	475.5	62.9	11.6	8.2	559.3	75.4
	(85.00)	(11.20)	(2.10)	(1.50)	(100.00)	(13.50)
2001	497.6	70.4	11.9	8.3	589.4	84.4
	(84.40)	(11.90)	(2.00)	(1.40)	(100.00)	(14.30)
2004	523.4	76.5	12.5	8.6	622.3	92.5
	(84.10)	(12.30)	(2.00)	(1.40)	(100.00)	(14.90)
2007	560.5	85.4	14.8	9.1	671.3071	104.8
	(83.50)	(12.70)	(2.20)	(1.40)	(100.00)	(15.60)

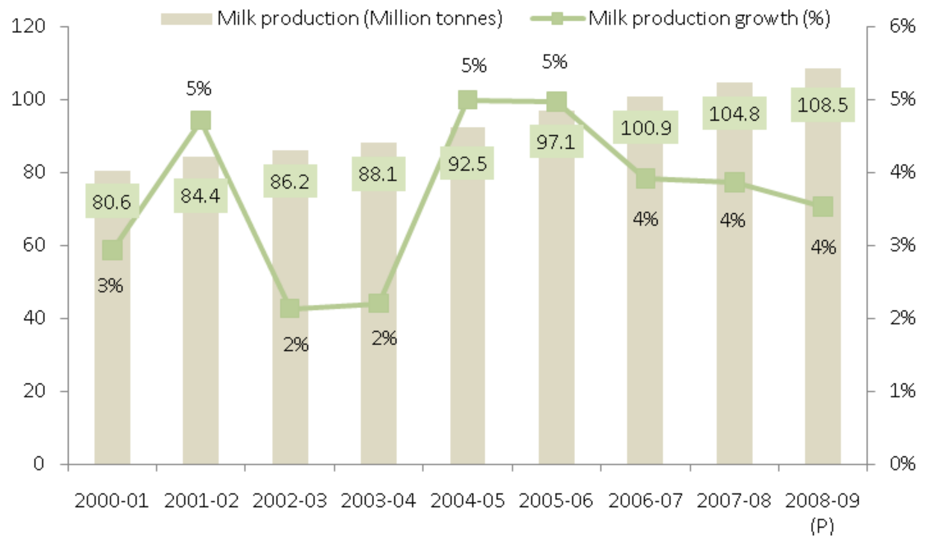
** Milk total for the World includes camel milk. Figures in brackets show percentages*
(Source: FAOSTAT - Website year 2008)

India has a unique pattern of production, processing and marketing/consumption of milk, which is not comparable with any large milk producing country. Approximately 70 million rural households (primarily, small and marginal farmers and landless laborers) in the country are engaged in milk production. Over 11 million farmers are organized into about 0.1 million village Dairy Cooperative Societies (DCS) (about 110 farmers per DCS). The cumulative milk handled by DCS across the country is about 18 million kg of milk per day. These cooperatives form part of a national milk grid, which links the milk producers through-out India with consumers in more than 700 towns and cities bridging the gaps on account of seasonal and regional variations in the availability of milk.

About 35% of milk produced in India is processed. The organized sector (large scale dairy plants) processes about 13 million tonnes annually, while the unorganized sector (halwaiis and vendors) processes about 22 million tonnes per annum. In the organized sector, there are 789 dairy plants in the Cooperative, Private and Government sectors registered with the Government of lndia and the state Governments.
(Source: Annual Report 2008-09, Ministry of Food Processing Industries, Government of India)

Milk Production Growth

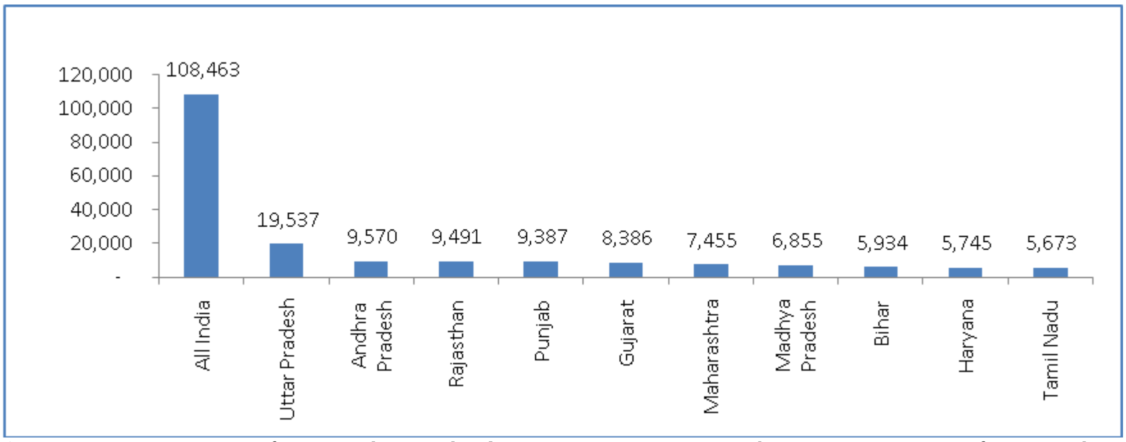
Milk production has increased at an average annual rate of 4% in the five-year period of 2004-09. The provisional production figure for 2008-09 was 108.5 million tonnes.



(Source: IMaCS Research)

Uttar Pradesh is the largest producer of milk in the country. The Northern region accounts for about 35% of total milk production in the country. There are as many as 25 well-defined breeds of cattle and six well-defined breeds of buffaloes in India. A few breeds are the dairy type in which females yield a large quantity of milk and males work. A majority of breeds are the draught type where females do not produce much milk but bullocks are of a high quality. There are also dual-purpose breeds where females yield a moderate quantity of milk and males are good working bullocks. Well-defined breeds are found in dry parts of the country while cattle in areas of heavy rainfall like south and east India usually do not belong to any definite breed.

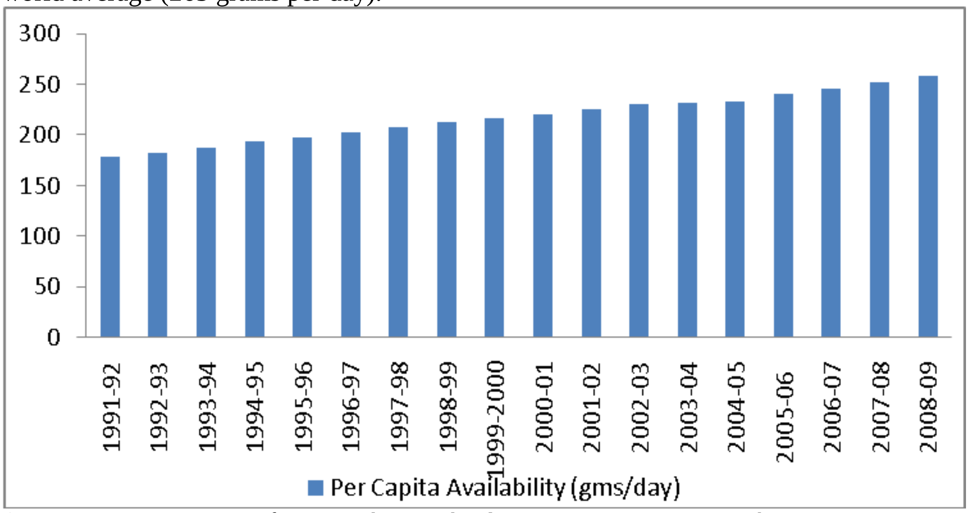
Estimated Top 10 Milk Producing states in '000 tonnes (2008-09)



(Source: Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, GoI; http://www.nddb.org/statistics/milkproduction_states.html)

Per Capita Milk availability in India

Despite a higher growth rate, the per capita availability of milk in India (252 grams per day) is lower than the world average (265 grams per day).



(Source: Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, GoI; http://www.nddb.org/statistics/milkproduction.html)

CATTLE FEED INDUSTRY IN INDIA – AN OVERVIEW

The Indian cattle feed market was an estimated 55 million tonnes in 2008-09. However, the actual market is much smaller because a large portion of this market is serviced by the unorganized (grazing) sector. The three key types of cattle-feed producers are:

- Home-mixers,
- Dairy cooperatives; and
- Private sector manufacturers of compound cattle feed

Commercial production of cattle feed is about 6 million tonnes. India exported 16,000 tonnes of cattle feed in 2008-09 and imported 7,700 tonnes.

Cattle feeds include grazing on grasslands, home-mixed feed and manufactured compound feed. The land area under permanent pastures and grazing is about 10.36 million hectares and constitutes about 38% of total uncultivated land excluding fallow land in the country. It is a major source of cattle feeding fodder. Compound cattle feed is a more balanced feed prepared from a wide-ranging mixture of grains, oil cakes, seeds, plants, molasses, minerals and vitamins. Cattle feed other than grazing fodder comes from cooperative milk societies, home-mixers and private sector manufacturers. Cooperatives, with 46% share of the compound cattle feed industry, produce low-cost feed for their members. Home-mixers are farmers who prepare their own feed mixtures and constitute 32%. Private compound cattle feed manufacturers constitute about 22%.

About 46% of the cattle-feed demand is met through deoiled cakes and green fodder, 32% by home-made mixes and only 22% is manufactured compound feed. Dairy cooperatives in India supply low cost compound feed to farmer members while private feed manufacturers mainly cater to the requirements of farmers with independent operations and the buffalo meat industry.

Commercial cattle feed

The cattle population is fragmented and spread over large parts of the country. Low levels of awareness on cattle nutrition calls for education programmes to create broader market for compound feed. More than 50% of the country's total milk production comes from a very large number of low-yielding cows and buffaloes. Industrially manufactured compound cattle feed has proved its value for cross-bred cows and buffaloes but not for low-yielding cattle because of their genetic limitations. Commercial cattle feed typically consists of raw material such as cornstarch, liquid glucose, dextrose, sorbitol, fabrilose, maltodextrin, corn gluten meal, soy meal, rape meal and mineral mixtures. Intake of cattle supplements improves the general health condition of cattle and leads to a high yield of good quality milk that is rich in fat, protein and sweetness.

Some of the key technical specifications of various ingredients largely used to manufacture high quality cattle feed:

- **De-oiled Rice Bran (Rice Bran Extractions / Meal):** Rice Bran extractions though grouped in the starchy low energy feed materials, has a 14%-16% protein content of excellent quality. Rice bran extractions have a very low fat content (0.50% - 1%) and are therefore free from rancidity problems. Though cheap, it is rich in the valuable amino acids-methionine, cystine & lysine and phosphorus-avital and expensive mineral. Further, because of its low fibre content and adequate metabo- lisable energy, the de-oiled rice bran is in great demand for use in poultry as well as in cattle feed

- **Sal Seed Extraction:** Sal seed extraction can be beneficially used to decrease the ruminal degradation of other proteins in the compound feed in order to increase their biological values for ruminants and is preferred for use in cow feed

- **Soybean Extraction / Meal:** The Indian soybean extractions has a high pro-fat content (49% - 50%) compared to a 44% pro-fat content of China and other Western countries and is very well accepted in the international market

- **Groundnut Extraction:** India is in a position to offer groundnut extraction having protein content varying from 41% - 50% with aflatoxin content of less than 0.50% 0.20% or 0.05 ppm. Groundnut extraction is a very good vegetable protein for poultry feed and can be used up to the level of 25%.

The importance of commercial cattle feed is growing because of India’s prominence as a leading milk and meat producer.

The need for commercial cattle feed has increased over the years because of the following factors:

- Doubling of milk production in the last two decades
- Greater emphasis on increasing per capita availability of milk from about 258 gm per day to over 400 grams per day
- Per capita milk consumption in fluid form of about 36 kg as compared to 78 kg in the US
- A population of over 1.10 billion growing at an average rate of 1.40% (2007-09)
- Growing emphasis on public health and nutrition
- Increasing exports of meat products

- Stricter regulation on quality of food products including milk and meat products
- Changing food habits, with young Indians preferring to include more meats in their diets

Historical growth and future projections

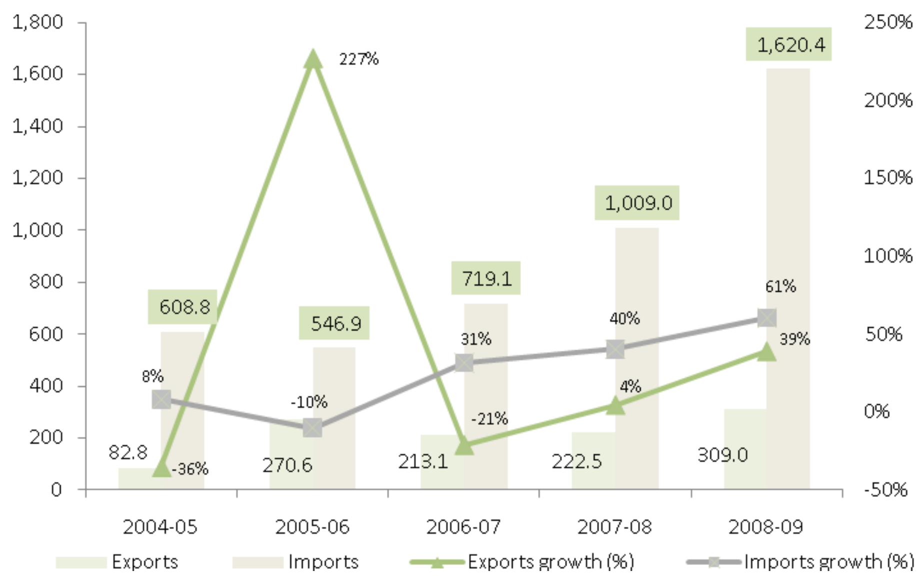
Since a large part of the cattle feed market is under the unorganized sector with farmers preparing their home mixes, it is difficult to arrive at a definite value of the cattle feed market. IMaCS estimates the current market and future projections based on several factors including growth in value of output from livestock related activities, milk production and availability, meat-products market, global standards of cattle feed industry, contribution of different segments in the organized sector and other such factors.

The growing importance of compound cattle feed is indicated by the significant increase in imports of cattle feed. Imports increased from ₹ 608.80 million in 2004-05 to ₹ 1,620.00 million in 2008-09. The average annual growth registered during this period was 30%. The top-ten countries accounted for over 99% of imports of cattle feed.

Sri Lanka alone accounted for about 85.00% of Indian imports. The other exporting countries were China, Switzerland, Germany, Australia, Bulgaria, the US, Singapore, Malaysia, Thailand, France, South Korea and Belgium. In terms of quantity, imports increased from 8,300 tonnes in 2004-05 to 10,000 tonnes in 2007-08. In 2008-09, the quantity of cattle feed imported was about 7,700 tonnes.

Exports were comparatively much lower in value, but increased from ₹ 82.80 million to ₹ 309.00 million, registering an average annual rate of 40%. In terms of quantity, exports increased from 782 tonnes in 2004-05 to 16,000 tonnes in 2008-09. The major exports destinations compound cattle feed from India were China, Malaysia, Germany, Sri Lanka, Oman, Bangladesh and Kuwait.

Annual Growth in Exports and Imports of Cattle Feed (₹ in millions)



Source: IMaCS Research

At a milk production level of 108 million tonnes, the potential market for cattle feed in 2008-09 is about 53 million tonnes. However, the actual compound feed industry is just about 6 million tonnes, today. It is expected to grow at an average annual rate of 4% for the next three to five years and reach at least 7-8 million tonnes by 2014. There would still be a significant gap between market potential and supply.

Estimated Cattle Feed Industry Size (Million tonnes)

	2004-05	2005-06	2006-07	2007-08	2008-09
Total cattle feed	5.50	5.70	5.90	6.20	6.40
Private and cooperative sector	3.70	4.00	4.00	4.30	4.30

Source: IMaCS Research

Key trends and growth drivers

The average milk yield of exotic or cross-bred cows in India was 6.8 kg per day in 2008-09. It was about 2.40 kgs per day from indigenous and non-descript cows and 4.50 kgs per day for buffaloes. In the US, a cow is considered economically unviable if the daily yield falls below 10.60 kgs.

Nutrition plays an important role in improving milk production and reproductive performance of milk producing cattle. Depending on the age of the animal, ensuring optimum body fat reserves is essential. Proteins, minerals and vitamins are equally important. Studies in Indian cattle breeding and feeding patterns have established that farmers change their feed supplements according to the season. In the dry seasons, they feed their cattle leaves flowers, pods, creepers and bushes, while they are allowed to graze during the wet seasons and fed with concentrate supplements. This pattern indicates that traditional experience emphasizes the need for protein supplements over energy supplements in traditional feeding practices. On-farm nutrition experiments conducted by BAIF Development Research Foundation in rainy seasons have resulted in 10-30% higher yield in non-descript breeds of milking cows and about 20% higher yield in cross-bred cows.

The Perspective 2010 plan of the National Dairy Development Board (NDDB) has set goals for strengthening the dairy cooperative business, production enhancement, quality assurance standards, etc. The goals of the perspective are: increasing liquid milk procurement by cooperatives to 33% (48.80 million kgs) of the marketable surplus in Operation Flood areas, constituting 80% of the national milk produced and increasing liquid milk sales to 36.50 million kgs per day.

The action plan for achieving NDDB's goals under the perspective plan includes the following:

Breeding	Animal nutrition
Increasing productivity of cows and buffaloes	Raising installed cattle-feed plant capacity
Increasing percentage of milk in animals	Raising cattle-feed plant utilization
Expansion of Artificial Insemination (AI) coverage	Increasing and strengthening quality control laboratories
Increasing inseminations and genetic improvement programmes	Increasing the number of mineral mixture plant
Reducing AI per conception	Increasing production and utilization of fodder seeds

(Source: IMaCS Research)

The major drivers of cattle feed industry in the coming three to five years include the following:

- Increasing per capita disposable income and greater emphasis on nutrition;
- Private Final Consumption Expenditure (PFCE) on milk and meat products constituted about 8.50% of the total PFCE in 2008-09; and
- Milk constituted about 70% of the total value of output from livestock, while meat and meat products constituted 16%.

Private Final Consumption Expenditure (₹ in billion)

Product	2004-05	2005-06	2006-07	2007-08	2008-09
Milk and milk products	1,330	1,420	1,448	1,469	1,489
Meat, fish, eggs	623	650	687	726	773

(Source: IMaCS Research)

- A growing middle-class, which accounts for about 300 million people.
- On an average an Indian spends about 28% of the total expenditure on food, including 5.60% on milk and 2.90% on meat, fish and eggs.
- India produces just about 2.40% of total meat and products produced world-wide, although it is a top ranking country in terms of cattle head.
- Food habits are changing with young vegetarians experimenting with meats.
- Milk consumption is expected to increase to 450 gm per day in the next 10-15 years.
- India ranks first in terms of buffalo heads in the world and second after Brazil in the number of cattle heads.

- However, it is estimated that over 50% of the total milk comes from a very large number of low-yielding cows and buffaloes.
- A further 25% of milk production is from buffaloes and another 25% from cross-bred and improved cows.
- There is now a focused drive by NDDB to improve cattle productivity.
- Investments in the dairy farming sector have increasingly been directed at improving cattle quality through cross-breeding for higher yields.
- Compound cattle feed has been found to be highly effective on cross-bred varieties.
- The Government's Operation Flood programme for milk production in the country has yielded good results with the dairy cooperative movement.
- There are over 220 cooperatives in the country. The Western region has about 82 cooperatives, North (62), South (45) and the rest in the East and Northeast.
- Among the 62 cooperatives in the Northern region, Punjab and Uttar Pradesh have 11 and 46, respectively.
- Increasing trend of contract farming in the country is likely to result in more emphasis on rearing good quality milk producing cattle as farmers resort to technologically advanced farming methods, thereby, reducing the dependence on cattle for tilling.
- Government of India has recently drawn out a plan for developing the food processing industry, which would indirectly have a positive impact on the cattle feed industry.
- In the Vision-2015 statement for the industry the key targets for the industry include: tripling the size of the food processing industry from around ₹ 3,600.00 billion to about ₹ 9,450.00 billion, raising the level of processing of perishables from 6% to 20%, increasing value addition from 20% to 35%, and enhancing India's share in global food trade from 1.50% to 3%.
- The ministry of food processing also plans to set up new food processing units, cold chains, mega food parks and preservation units.

Processed Dairy and Meat Products Exports (₹ in millions)

	2006-07	2007-08	2008-09
Dairy products	4,357.8	8,665.6	9,808.6
Processed meat	71.3	129.6	101.4
Buffalo meat	32,137.5	35,497.8	48,397.1

(Source: IMaCS Research)

- The Central Government has proposed a financial outlay of ₹ 11.30 billion to fund the programmme for 'Salvaging and Rearing of Male Buffalo Calves' for the purpose of increasing meat production during the Eleventh Five-Year Plan period (2007-12).
- New developments in the cattle feed industry relate to scientific development of feed manufacturing technology.
- The Indian feed industry employs the services of qualified nutritionists working in well-equipped analytical laboratories.

Key Players in the Industry

While there are over 300 registered manufacturers of animal feeds including cooperatives, many are involved in trading, the cooperatives cater to the needs of their member farmers, and some manufacture cattle feed. Some of the well known manufacturers are Goderj Agrovet Limited and its subsidiary Goldmohur Foods and Feeds Limited, Kriti Agro, Coromandel Agro Products, Premier extractions Limited, Preastige Feed Mills, Modern Feed Mills, Markfed Feed Mixing Plant and Laxmi Feeds. The state cooperatives are also a key competing segment. In the Northern region itself, there are over 35 registered manufacturers of animal feeds.

Outlook for Milk

Dairying continues to remain a remunerative occupation for the milk producers, as they will produce more milk only if the income from the sale of milk is sufficiently attractive. This means that as the cost of milk production rises, there is no option but for consumers to pay higher and higher prices for milk. The only solution to moderate prices and still meet the growing demand for milk is to increase the productivity of milch animals.

Even though milk production has been increasing steadily, the demand for milk is seen to be increasing at a much faster rate. The increase in incomes and improved redistribution of such income in both urban and rural areas is fuelling this growth in demand. The projected demand for milk by 2021-22 is estimated at 180 million tonnes which implies that milk production would have to double and this would require increase in milk production (which has been growing annually at about 3.20 million tonnes over the last 15 years) to 6 million tonnes annually.*(Source: NDDB, http://www.nddb.org/news-more.php#5fa44218302074a3b2b4fe88ffe3c890*)

Outlook for Cattle Feed

The Indian cattle feed market is driven by growth in milk production and meat production. India is a leader in milk production and is the largest exporter of buffalo meat. The recent thrust on developing the food processing industry is likely to further strengthen the two industries further. However, improving yields remains a concern with over 50% of milk coming from low-yielding cows. In order to increase the yield to international levels, the industry is investing on improving the breed quality through cross-breeding. Such cattle respond well to compound feeds, which is a small but steadily growing industry.

Feed constitutes 70 % of the cost of milk production. Milk producers in India depend on crop residues and byproducts for feeding their cattle .Thus the profitability in milk production is dependent on an adequate supply of feed ingredients at reasonable prices. Due to the stagnation in total food grain production and the reduction by nearly 15 million tonnes during 2009-10, the price of dry fodder, the cheapest ingredient in the animal's ration went up threefold. *(Source: NDDB, http://www.nddb.org/news-more.php#5fa44218302074a3b2b4fe88ffe3c890)*

The compound feed market potential is estimated at over 50 million tonnes, although the actual industry size is just about 6 million tonnes. It is growing at an average annual rate of 4.00-4.50%. The potential market is expected to increase as dairy and meats markets grow because of domestic demand from improving economic conditions and greater emphasis on health and nutrition and growth in exports of processed foods. However, higher growth rate in the compound feed industry is likely to come from farmers adopting more balanced feeds for cattle, greater education on benefits of such feeds, cost effective products, and end product growth.

With availability of quality feed becoming a necessary constraint, the technologies that improve the efficiency of utilization of the feed ingredients such as bypass protein, bypass fat, area specific mineral mixtures need to be disseminated on a much wider scale. Farmers need to be educated on what a balanced ration is and the impact it can have on increasing milk yield and reducing the cost of feeding. *(Source: NDDB, http://www.nddb.org/news-more.php#5fa44218302074a3b2b4fe88ffe3c890)*

In the next three to five years, the cattle feed industry is expected to grow at an average annual rate of 4% to reach 7-8 million tonnes by 2014. There would still be a significant gap between market potential and supply.

OIL SEEDS IN INDIA: AN OVERVIEW

India has accounted for about 7.80% of the global industry in the period, 2001-2010. Though it has the largest cultivated area under oilseeds in the world, crop yields tantamount to only 50-60% of the world's average. The country ranks among the top five oilseeds producing countries with a production level of 33.70 million tonnes in 2009.

Major Oilseeds Producing Countries (million tonnes)

	2006	2007	2008	2009	2010*	Average share 2001-2010
US	95.67	96.84	82.45	89.20	96.11	24.1%
Brazil	59.13	62.02	64.18	59.47	64.44	15.1%
Argentina	45.03	53.16	51.71	35.66	57.24	11.6%
China	56.80	55.23	53.35	57.80	55.24	14.8%
India	30.70	29.92	33.95	33.70	33.35	7.8%
EU-27	23.47	24.50	24.52	26.99	28.81	6.1%
Canada	12.73	12.61	12.35	16.01	14.12	3.0%
Indonesia	7.69	7.92	8.23	9.01	9.01	2.0%
Russia	7.44	8.08	6.93	8.85	8.45	1.7%
Ukraine	5.60	6.79	5.95	10.20	8.35	1.5%
Others	47.19	47.11	47.96	47.60	50.24	12.3%
Total	391.45	404.18	391.59	394.49	425.36	100%

**Estimate*
(Source: IMaCS Research)

Major Oil seeds in India

Three oilseeds - Groundnut, Soybean and Rapeseed/ Mustard - together account for over 80.00% of aggregate cultivated oilseeds output. Mustard seed alone contributes ₹ 120,000.00 million turnover out of ₹ 600,000.00 million oilseed based sector domestic turnover. Cottonseed, Copra and other oil-bearing material too contribute to domestic vegetable oil pool.

Production of major oil seeds in India (million tonnes)

Crop	08-09	07-08	06-07	05-06	04-05	03-04
Major Oilseeds						
Groundnut	7.3	9.2	4.9	8.0	6.8	8.1
Rape/Mustard	7.4	5.8	7.4	8.1	7.6	6.3
Soybean	9.9	11.0	8.8	8.3	6.9	7.8
Other Six	3.6	3.8	3.2	3.5	3.1	3.0
Sub-Total	28.2	29.8	24.3	27.9	24.4	25.2
						Others
Cottonseed	8.7	9.9	9.0	8.5	6.8	5.5
Copra	0.6	0.6	0.6	0.6	0.7	0.7
Grand Total	37.5	40.3	33.9	37.0	31.9	31.4

(Source: www.seaofindia.com - India's General Economy, Agriculture Sector and Overview of Indian Oilseeds Complex by B.V. Mehta, Executive Director, The Solvent Extractors' Association of India, September 2009)

The key oilseeds producing states are Madhya Pradesh, Maharashtra, Gujarat, Rajasthan, Andhra Pradesh, Karnataka, Tamil Nadu, Uttar Pradesh, West Bengal, Haryana, Orissa, Assam, Bihar, and Punjab. The Northern states of Uttar Pradesh ("**UP**"), Haryana and Punjab contributed about 6.60% of total oilseeds production the country in 2007-08. The yields in these three states varied between 856 kgs per hectare (UP) and 1,288 kgs per hectare (Punjab) as compared to the all-India average of 1,115 kgs per hectare.

STRUCTURE OF EDIBLE OIL INDUSTRY IN INDIA

Edible oil processing consists of three basic operations:

1. **Crushing and expelling:** These facilities take oil seeds as there raw materials and separate the oil content from its solid form 70% of which is sold in the open market. The remaining 30% is refined and sold as branded oil.

2. **Solvent extraction:** These facilities use oilcake as their raw material and produce the oil through a Chemical process. In short it can be said that they chemically remove residual oil from the oilcake.

3. **Oil refining:** These facilities remove impurities from oil through various processes like de-waxing, degumming etc. to produce refined oil that can be used as edible oil by the consumers directly.

In many countries, the above three said processing operations are conducted in a single vertically integrated plant. In India, however, only a small share of oilseed production undergoes solvent extraction and oil refining

India's oilseeds processing sector

- **Ghanis:** Largely cottage industry crushers serving rural villages.

- **Small Scale Expellers:** Much like the ghanis, use metal screws to press or expel oil from seeds. However, they are larger than the ghanis, oil expelling capacity being in the range of 5-10 tonnes per day, compared to around 50-60 kgs a day for ghanis.

- **Solvent Extractors:** They belong to the organized segment and are also the second largest after the SSI segment, in the domestic edible oil industry. They use modern technology to process low oil & high meal seeds (eg.soyabean, cottonseed) into edible oil and de-oiled cake.

- **Oil Refiners:** They also belong to the organized sector and have recorded rapid growth in recent times. Refiners generally refine both expeller oils and solvent extracted oils.

- **Vanaspati Manufacturers:** It is made by hydrogenation of refined oil to vegetable shortening or spread and is similar to the milk product ghee and absorbs around 10% of the total edible oil supply in India.

Due to increased consumer preference for nontraditional oils such as soyabean and sunflower oil, the organized sector has emerged as one of the fastest growing sectors in recent times clocking double digit growth. Branded products, though small portion of the total edible oils market, have been one of the main drivers of rapid growth. *(Source: Ministry of Food Processing Industries, http://mofpi.nic.in/ContentPage.aspx?CategoryId=687)*

Size of vegetable oil Industry

Plant type	No. of units	Installed capacity (million tonnes)	Material for processing	Capacity utilization
Oilseed crushing units	150,000*	42.5	Seeds	10-30%
Solvent extraction units	795	41.9	Hard oilseeds	34%
Refineries of Vanaspati units	127	5.1	Oil	45%
Refineries of solvent extraction units	226	3.7	Oil	29%
Refineries	1,533	16.1	Oil	37%
Vanaspati units	268	5.8	Vanaspati**	19%

**Estimate*
***Includes bakery shortening and margarine*
(Source: IMaCS Research)

Production and Consumption of Edible oil in India

India is among the world's largest producers and consumers of edible oils, and currently accounting for 5-6% of total production. Globally, edible oil production varies from year to year, depending on oilseeds production and availability. Because of a significant increase in oilseeds production during the period, 1986-1999, India's domestic vegetable oils production and availability increased significantly from 2.90 million tonnes in 1985-86 to 8.13 million tonnes in 1996-97. However, subsequent demand growth has been met by imports. The estimated production in 2008-09 was 6.70 million tonnes.

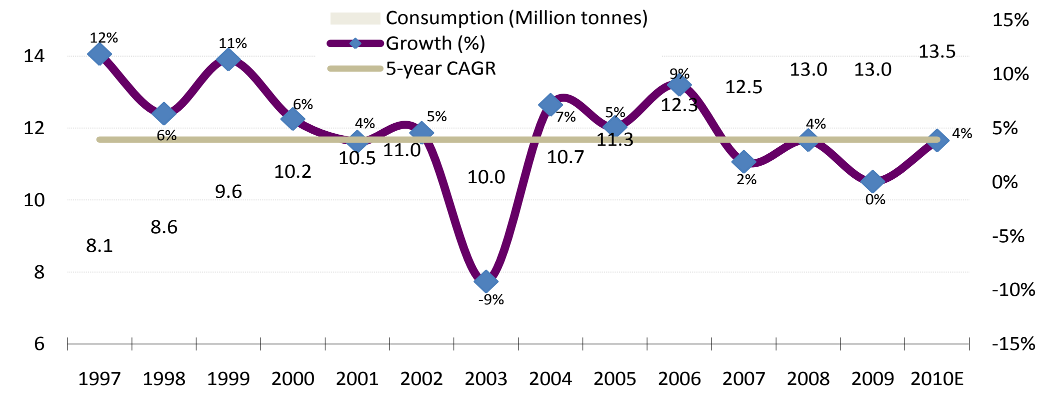
Estimated Domestic Production of Vegetable Oils (thousand tonnes)

	2005	2006	2007	2008	2009	2010*
Soybean	900	1,140	1,280	1,445	1,200	1,050
Cottonseed	660	755	920	1,050	1,000	1,050
Groundnut	970	950	580	900	650	450
Sunflower	470	620	580	550	500	450
Rapeseed	1,570	2,250	2,150	1,700	1,800	1,900
Sesame	200	125	120	150	150	160
Coconut	400	400	380	380	390	400
Rice Bran	610	660	680	720	740	700
Others	200	200	225	250	250	250
Total	5,980	7,100	6,915	7,145	6,680	6,410

** Estimates*
(Source: IMaCS Research)

India's edible oil consumption was around 13 million tonnes in 2009, placing India after China and the EU in total edible oil consumption. Growth in consumption has been driven by increase in population, higher income levels and Government's policies on oilseeds production, domestic processing and imports.

India's Edible Oil Consumption

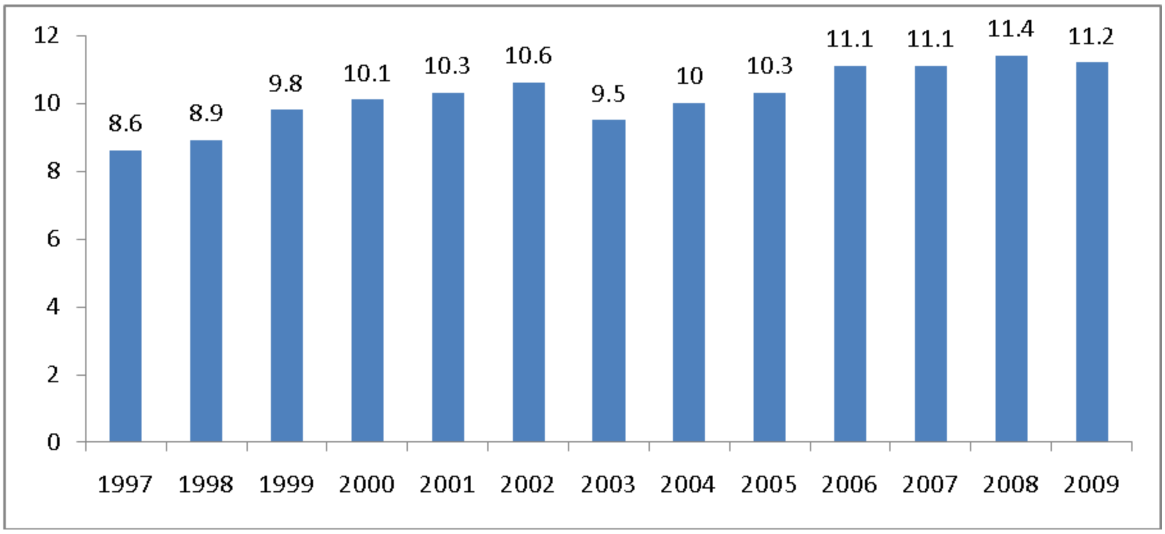


(Source: IMaCS Research)

With the population increasing from 541 million in 1971 to around 1.16 billion at present and per capita income rising during this period, consumption growth in India has been almost uninterrupted. However, the growth rate has moderated in recent years primarily because of sharp rise in product prices.

Per capita availability of edible oils has increased from around 9 kg in the late-1990s to 11.2 kg in 2008-09. The global average is about 19 kgs. Consumption increased significantly after the Government allowed State Trading Corporation and private traders to import edible oils. Easier access to imported oils has also resulted in a shift in consumption from traditional oils such as groundnut oil to palm, soybean and other oils.

Per Capita Consumption of Edible Oils (Kg per Annum)



(Source: IMaCS Research)

Groundnut and mustard oil together account for 59% and 67% of total edible oil consumption in urban and rural areas, respectively. The share of raw oil, refined oil, and vanaspati in total consumption is estimated at 35%, 55% and 10%, respectively.

Consumers in most of the Southern and Western states prefer groundnut oil, while those in the Eastern and North Eastern regions use rapeseed and mustard oils. Several pockets in South India have a preference for coconut and sesame oils. The North Indian market has traditional preference for vanaspati and mustard oils.

Vanaspati, a partially hydrogenated edible oil mixture, has an estimated share of 10% of the edible-oil market. It has the ability to absorb a heterogeneous variety of oils, which do not generally find direct marketing opportunities because of consumers' preference for traditional oils. Newer oils such as soybean, sunflower, rice bran and cottonseed as well as oils from oilseeds of tree and forest origin have found their way to the edible oil pool, largely, through the vanaspati route. After undergoing multiple processes – refining, bleaching and de-odourising – edible oils available today, are practically colorless, odourless and more acceptable.

Oils from cottonseed and rice bran are also now being consumed. The share of rice bran oil increased from 5.30% of total oil consumption in 2005 to 5.70% in 2009. The average annual growth during this period was 5.40%.

Vegetable Oil Consumption by Oilseeds (Thousand tonnes)

	2005	2006	2007	2008	2009
Soybean	2,700	2,850	2,550	2,100	2,000
Cottonseed	660	720	900	1,000	900
Groundnut	950	1,020	580	880	650
Sunflower	500	680	780	580	850
Rapeseed/Mustard	1,420	2,250	2,150	1,650	1,750
Sesame	200	160	120	150	150
Palm Oil	3,436	3,150	3,925	5,090	5,660
Coconut	450	450	600	600	600
Rice Bran Oil	600	650	680	720	740
Others	350	350	225	225	200
Total	11,266	12,280	12,510	12,995	13,000

(Source: IMaCS Research)

In recent years, edible oil imports have accounted for a rising share of India's agricultural imports. The Government of India eliminated state monopoly on imports in 1994 under the WTO obligation and placed imports under the open-general-license (OGL) system. The Government also agreed to eliminate import quotas and set upper-boundary limits on tariffs. Subsequently, the Government allowed liberal imports of edible oils by removing quantitative restrictions.

Sustained growth in population, higher disposable incomes, stagnation in oilseeds production, and demand-supply gap in the domestic market has led to growth in imports since the late-1990s. India's self sufficiency of the 1950s has declined to about 55-57% over the past few years.

At present, India is the world's second-largest importer of edible oils after China and demand-supply fluctuations from India have a major bearing on international edible-oil prices. The country is the world's second-largest importer of soybean oil (accounting for 11% of world imports), and the largest importer of palm oil (accounting for 19% of world palm oil imports).

Imports of Agricultural Products (₹ in billion)

FY	1997	2004	2005	2006	2007	2008	2009
Agricultural products	66.13	219.73	228.12	214.99	296.38	299.06	367.37
Vegetable Oils (Edible)	29.29	116.83	110.77	89.61	95.40	103.01	158.15
Share of Edible Oils	44.3%	53.2%	48.6%	41.7%	32.2%	34.4%	43.0%

Historical Consumption pattern

As against an estimated consumption of 13 million tonnes 2008-09, the net availability of edible oil from all domestic sources was at 8.20 million tonnes. In the next three to five years, edible oil consumption is expected to increase at an annual rate of 3% per annum. Considering the inter-year variations and slow rate of growth in oilseeds and edible oil production, the shortage is expected to result in higher imports of edible oils.

Demand-Supply Gap in Domestic Edible Oil Industry (Thousand tonnes)

	2005	2006	2007	2008	2009
Primary Sources	6,067	6,906	5,130	5,340	5,450

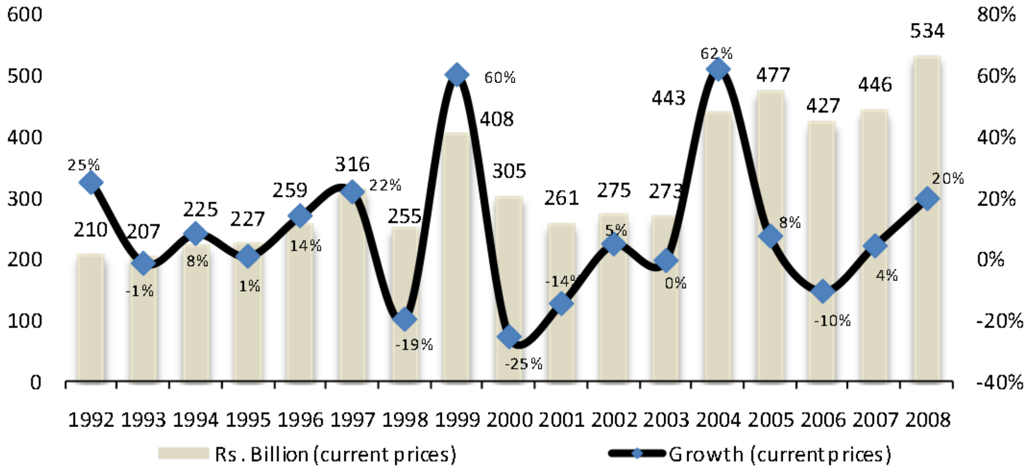
Groundnut	1,558	1,838	740	1,170	820
Rapeseed/Mustard	2,354	2,521	1,990	1,510	2,150
Soybean	1,100	1,324	1,210	1,440	1,330
Sunflower	392	475	560	510	400
Sesame	209	199	140	160	170
Niger seed	34	32	10	10	10
Safflower	52	69	50	50	50
Castor	317	396	350	410	460
Linseed	51	52	80	80	60
Secondary Sources	2,030	2,230	2,630	2,900	2,750
Coconut	550	420	400	420	420
Cottonseed	430	570	900	1,050	900
Rice bran	620	680	750	800	850
Others	430	560	580	630	580
Domestic Availability	8,097	9,136	7,760	8,240	8,200
Domestic Consumption	11,266	12,280	12,510	12,995	13,000

(Source: IMaCS Resources)

Key trends in edible oils

The Private Final Consumption Expenditure (PFCE) for oils and oilseeds doubled from ₹ 255.00 billion in 1994-95 to ₹ 534.00 billion in 2007-08. Oil and oilseeds PFCE accounted for 2.10% of total PFCE in 2007-08. During the period 2004-08, while PFCE on oils and oilseeds increased at a five-year compound average growth rate (CAGR) of 14.30%, per capita expenditure increased at 12.60%.

PFCE on Oils and Oilseeds



Source: IMaCS Research

According to National Sample Survey, 63rd Round (July 2006-June 2007), the average Monthly Per-capita Consumption Expenditure (MPCE) of ₹ 695 in rural India comprised ₹ 363 for food, and ₹ 332 for non-food. For urban India, the average MPCE of ₹ 1,312 comprised ₹ 517 for food and ₹ 795 for non-food expenditure. The share of edible oils in food MPCE was 7.5% in rural India, and 7.3% in urban India.

MPCE for Edible Oils (Rs, %)

	1987-88	1993-94	1999-00	2004-05	2005-06	2006-07
Rural						
Edible Oil	7.88	12.50	18.16	25.72	25.46	27.22
As % of food MPCE	7.8%	7.0%	6.3%	8.4%	7.6%	7.5%
Urban						
Edible oil	13.23	20.10	26.81	36.37	35.02	37.52
As % of food MPCE	9.5%	8.0%	6.5%	8.1%	7.5%	7.3%

Source: IMaCS Research

Expenditure on edible oil varies across states, reflecting food habits. At over 11%, as of 2005, the share of edible oils in total food expenditure was the highest in Gujarat. In the Northern region, the share of edible oils in total monthly expenditure varied between 6.2% in Haryana to 8.5% in Jammu and Kashmir. In terms of actual consumption, Northern India is the largest market for edible oils. It is followed by the South, West, East and North East.

State-wise MPCE on Edible Oils (2004-05)

		Rural		Urban		
						% of Total MPCE
Andhra Pradesh	0.55	28.00	8.7%	0.62	31.97	7.6%
Arunachal Pradesh	0.51	14.78	3.8%	0.53	32.93	7.3%
Assam	0.46	26.58	7.4%	0.65	38.62	7.4%
Bihar	0.42	23.51	8.7%	0.55	29.92	8.4%
Chhattisgarh	0.40	19.85	8.3%	0.64	34.40	8.9%
Delhi	0.69	39.79	8.9%	0.76	43.82	8.0%
Gujarat	0.82	43.57	12.6%	1.06	57.82	11.6%
Haryana	0.38	19.01	4.5%	0.56	29.12	6.2%
Himachal Pradesh	0.60	35.41	8.9%	0.78	46.46	8.2%
Jammu & Kashmir	0.67	38.79	8.8%	0.76	44.46	8.5%
Jharkhand	0.39	22.40	8.5%	0.64	36.70	7.9%
Karnataka	0.45	23.00	8.1%	0.55	29.97	6.7%
Kerala	0.42	26.62	5.8%	0.47	30.56	5.9%
Madhya Pradesh	0.42	20.48	8.8%	0.64	31.47	9.0%
Maharashtra	0.66	33.90	11.6%	0.79	44.15	9.5%
Meghalaya	0.36	20.49	5.6%	0.56	33.30	6.9%
Orissa	0.29	16.17	6.6%	0.42	24.57	6.5%
Punjab	0.66	33.66	8.1%	0.74	38.56	7.7%
Rajasthan	0.42	21.93	6.8%	0.58	31.17	7.8%
Tamil Nadu	0.44	24.14	7.7%	0.55	31.71	6.9%
Uttar Pradesh	0.47	24.01	8.4%	0.56	29.12	7.5%
West Bengal	0.49	27.44	8.3%	0.69	40.67	8.3%
All India	0.48	25.72	8.4%	0.66	36.37	8.1%

(Source: IMaCS Resource)

Growth Drivers

The key drivers of edible oils market include the following:

- The country's population is projected to increase from 1.16 billion in 2009 to 1.28 billion in 2017;
- The projected population growth rate for the period 2012-2017 is 1.54% for the age group, 15-59 years;
- Higher access to education for women, who are the key decision makers on oil consumption by the family, is expected to result in market expansion;
- There is a growing middle class, estimated at 300 million, which is more discerning, health conscious and spends over 7% on edible oil purchase of total monthly expenditure on food;
- Annual variations oilseeds production, both domestic and international, plays an important role in selection of pure oils over cheaper vanaspati variants;
- Imports substitution increases with rise in domestic prices of edible oils;
- Branding is important as it creates visibility and positioning of the product in this highly competitive market;

- Healthy brands find preference in high income households, while the middle-income households purchase blended oils such as soybean and sunflower; low income households prefer to purchase oil sold in lose and manufactured by local players; and
- Private consumption expenditure on oils and oilseeds increased from 4.5% in 2001 to 5.4% in 2008.
- While traditional savouries and convenience food involves frying, there is a growing preference for lighter and healthful oils.

Growth Projections

Considering population growth rate of 1.8% (around 20 million additions every year) and income increases through economic growth (assuming an average of 8.50% a year), consumption demand for vegetable oil is set to expand on an average by 6-7% over the next five years. This translates to roughly 700,000 to 800,000 tonnes of additional demand every year. By 2010, India's total vegetable oil consumption demand at 4% growth rate is slated to reach 15.6 million tonnes and further to 20.80 million tonnes by 2015; and at 6% growth rate, it will be 17 million tonnes by 2010 and about 25 million tonnes by 2015.

Year	Population @1.8% Growth	Consumption @ 4% Growth		Consumption @ 5% Growth		Consumption @ 6% Growth	
	In Billion	Per Capita Kgs	MT	Per Capita Kgs	MT	Per Capita Kgs	MT
2007	1.2	11.4	13.2	11.6	13.3	11.7	13.4
2008	1.2	11.9	13.9	12.1	14.2	12.4	14.5
2009	1.2	12.4	14.8	12.7	15.2	13.1	15.6
2010	1.2	12.9	15.6	13.4	16.2	13.9	16.9
2011	1.2	13.4	16.5	14.0	17.3	14.7	18.2
2012	1.3	13.9	17.5	14.7	18.5	15.6	19.6
2013	1.3	14.5	18.5	15.5	19.8	16.5	21.2
2014	1.3	15.1	19.6	16.3	21.2	17.5	22.8
2015	1.3	15.7	20.8	17.1	22.6	18.6	24.7

(Source: www.seaofindia.com - India's General Economy, Agriculture Sector and Overview of Indian Oilseeds Complex by B.V. Mehta, Executive Director, The Solvent Extractors' Association of India, September 2009)

Projection of demand for Edible oil in India

Parameter	2008	2010	2015
Population (In Billion)	1.2	1.2	1.3
Total Demand of Edible Oils (MT)	13.5	16.6	22.5
Domestic Supply of edible Oils (MT)	7.5	9.1	12.5
Import of Edible Oils (MT)	6.0	7.5	10.0
Imports as Share of Demand	44%	45%	44%

(Source: www.seaofindia.com - India's General Economy, Agriculture Sector and Overview of Indian Oilseeds Complex by B.V. Mehta, Executive Director, The Solvent Extractors' Association of India, September 2009)

Government Policies

The Government has made many progressive changes in the import policy of edible oils during the past few years. Edible Oil was first de-canalized partially in April, 1994 when import of edible vegetable palmolein was placed under open general license (OGL) subject to 65% of basic custom duty. Subsequently, import of other edible oils was also placed under OGL, except Coconut Oil. The Government has adopted the following ideologies in order to boost the growth of the Edible Oil Industry

- Frequently freezing the minimum support price (MSP) for wheat and rice while increasing the MSP for oil seeds, thereby prompting a diversification from wheat-rice to oil seeds. This is intended to improve the supply of oil seeds.

- Free imports since 1994, have further lowered the entry barrier to the industry as crude or refined oil can be imported, packed and distributed doing away with the need of having manufacturing facility in the domestic market.

- Adopted a modified customs tariff for agricultural products in March 2000. The tariff bindings, subsequent to revision in 1996 and renegotiations within the WTO in 1999, retain the overall structure notified after the Uruguay Round: 100% for commodities, 150% for processed products, and 300% for edible oils. India's bound rates for edible oil are as high as 300% ad valorem, except for 45% on soybean oil, and 75% for rapeseed oil. On all other oils, the GoI can raise the level of customs duty up to 300%.

The major changes that have taken place in the recent years are given in the table below:

Period	Development
August, 2006	Special additional duty of customs not applicable on Vanaspati imported from Nepal. Import duty on Crude Palm oil/ Crude Palmolein reduced from 80% to 70% and import duty on refined Palm Oil/ RBD Palmolein reduced from 90% to 80%.
January, 2007	Import duty on Crude Palm Oil/ Crude Palmolein reduced from 70% to 60%, import duty on refined Palm Oil/ RBD Palmolein reduced from 80% to 67.5%, import duty on Crude Sunflower oil reduced from 75% to 65% and import duty on refined Sunflower oil reduced from 85 % to 75%.
2007-08 (Budget)	Import duty on Crude Sunflower Oil has been reduced from 65% to 50% and import duty on refined Sunflower Oil and other Oils has been reduced from 75% to 60%. Further edible oils (except Soybean oil, rapeseed oil and mustard oil) will attract education cess of 3% of the aggregate of customs duty. Further, all edible oils will not attract Special Additional Duty of customs @ 4%.
April, 2007	Import duty on Crude Palm Oil /Crude Palmolein has been reduced from 60% to 50% and import duty on refined Palm Oil / RBD Palmolein has been reduced from 67.5% to 57.5%
April, 2008	Customs duty on crude and refined forms of Palm Oil, Palmolen, Palm Kernel Oil, Soyaben Oil, Rapessed/Mustard Oil, Sunflower Oil, Safflower Oil, Groundnut Oil, Coconut Oil and some other Vegetable Oils has been reduced to 0% and 7.5% respectively.
April, 2008	State Governments have been authorized to re-impose stock restrictions with respect to edible oils/oilseeds with effect from 7th April, 2008.
March, 2009	Custom duty on the degummed Soyabean Oil reduced to nil
November, 2008	Export of fish oil permitted

(Source: http://www.fcamin.nic.in/dfpd)

Trends in Customs Duties

At present, India’s bound rates for customs duties on crude and refined edible oils can be as high as 300%, except 45% for soybean oil and 75% for rapeseed oil. On all other edible oils, the Government can raise the level of customs duty up to 300%. However, the trend has been one of lowering tariff levels because of increasing cost of oils (particularly, palm oil) and the need for substitution with other oils. The basic customs duty on all crude edible oils is nil and on refined edible oils is 7.5%.

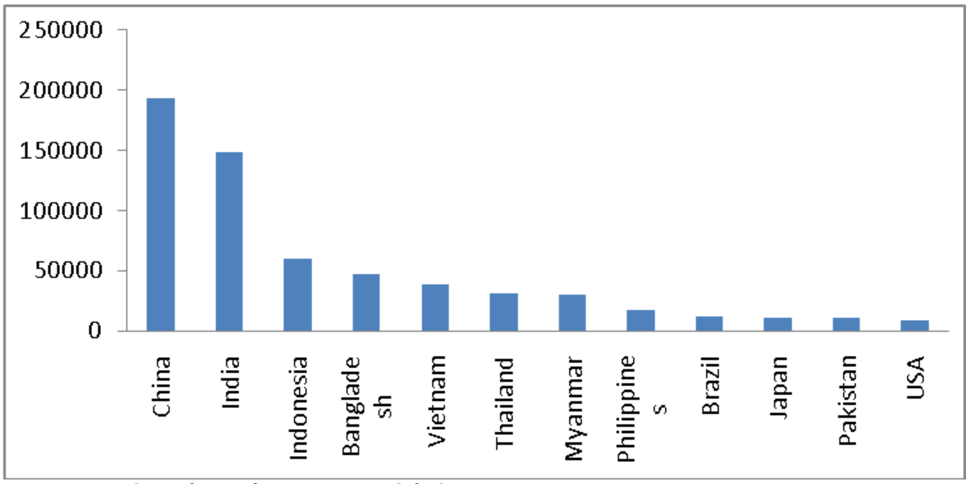
As of	Aug-06	Mar-07	Mar-08	Nov-08	Mar-09
Crude Palm Oil and Palmolein	70%	60%	20%	0%	0%
Refined Palm Oil & RBD Palmolein	80%	67.5%	27.5%	7.5%	7.5%
Vanaspati	80%	80%	80%	7.5%	7.5%
Crude Edible Oil for Vanaspati Refiners	90%	90%	90%	90%	90%
Crude Sunflower	75%	50%	20%	0%	0%
Refined Sunflower	85%	60%	27.5%	7.5%	7.5%
Refined Rapeseed	75%	75%	27.5%	7.5%	7.5%
Refined Soybean	45%	45%	45%	7.5%	7.5%
Crude (Degummed) Soybean	45%	45%	40%	20%	0%

(Source: IMaCS Research)

Overview of Rice in India

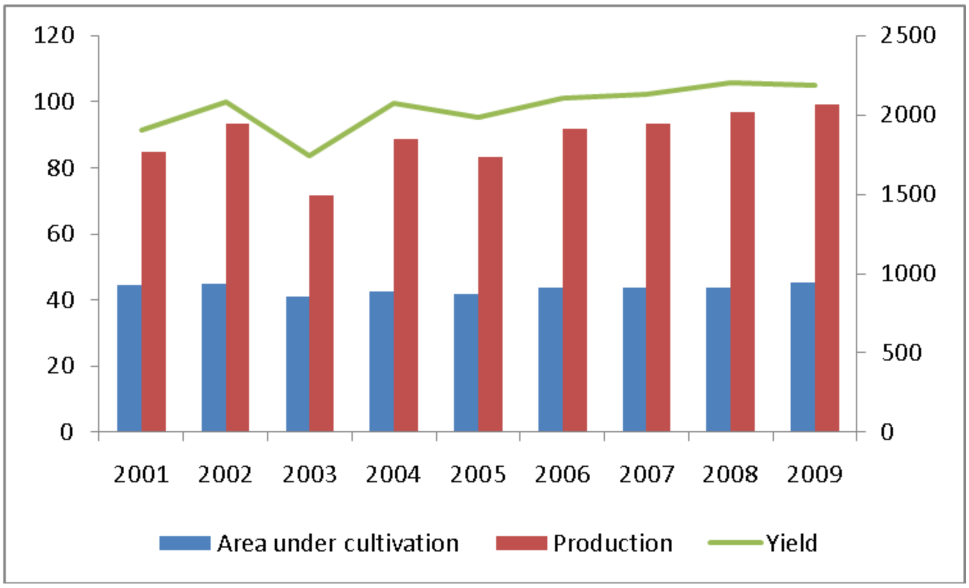
India is the second largest producer of rice in the world second only to china. In India rice is grown both in summer as well as winter. West Bengal, Uttar Pradesh, Andhra Pradesh, Punjab, Tamil Nadu, Bihar, Orissa, Assam, Karnataka and Haryana are the major producing states.

Production of rice in various countries -2008 (MT)



(Source: FAO, http://faostat.fao.org/site/339/default.aspx)

Production of rice in India



Area in Million Hectares
Production in Million Tonnes
Yield in KG/Hectare
(Source: http://dacnet.nic.in/eands/latest_2006.htm)

Rice Bran Oil: An Overview

Rice bran oil is the oil extracted from the germ and inner husk of rice. It is produced by refining of rice bran. Despite its similarities to other common vegetable oils, rice bran oil offers several unique properties that make it very interesting as specialty oil in niche markets. It has a very appealing nut-like flavor and once extracted is very stable with good fry-life. But perhaps its most notable feature is its high level of components with nutraceutical value such as gamma-oryzanol and tocotrienols.

Health Benefits of Rice Bran Oil

Rice Bran oil is found to be a 'Heart Friendly - Health Oil' with following unique properties beneficial for maintaining good health

- Rice bran oil contains low linolenic acid and high tocoferol

- RBO is good for heart as it contains Oryzanol which increases HDL (good) Cholesterol and lowers LDL (bad) Cholesterol and triglycerides.
- It has the ideal ratio of saturated, monounsaturated and polyunsaturated fatty acids and is the closest to World Health Organisation recommendation.
- It is good for skin as It contains Squalene which improves skin tone and delays wrinkle formation.
- It has natural antioxidants which protect against diseases.
- It has 4 hydroxy 3 methoxy Cinnamic acid which stimulates hormonal secretion and rejuvenates health.
- It has Tocopherol (Vit. E) which helps in maintaining balance of nervous system.
- It has Tocotrienol which has anti-thrombotic and anti-Cancer properties.
- Food fried in refined Rice Bran Oil absorbs 15% less oil, lower calorie intake.

Some of the scientifically proven facts about RBO based on research and studies conducted from time to time are enumerated below:

- Human trials conducted in the National Institute of Nutrition, Hyderabad, have confirmed significant reduction in total cholesterol particularly the triglyceride levels by using RBO as compared to other conventional cooking oils.
- Studies conducted in the Central Food Technological Research Institute (CFTRI), Mysore, a premier research institute of the Government of India, had shown significant reduction of bad cholesterols (LDL + VLDL) and increase in good cholesterols (HDL) in rats fed with refined RBO for 11 weeks as compared to rats fed with Groundnut Oil although the fat composition of both the oils is similar. The study has attributed the better cholesterol lowering ability of RBO to its unique "Oryzanol" and some other micro nutrients present in it.
- Studies conducted in Japan have shown that RBO has better cholesterol lowering power than Sunflower Oil, Corn Oil and Safflower Oil.
- Studies conducted by Reputed Scientists of Tufts University, Boston and University of Massachusetts Lowell, U.S.A.; have demonstrated greater reduction in bad cholesterol by feeding physically refined Rice Bran Oil to hamsters (animals) as compared to Canola Oil (a low erucic acid variety of Rape/Mustard Oil) and Coconut Oil.
- Studies conducted in the University of Lowell, U.S., have revealed that RBO has significantly better cholesterol lowering properties than popular Olive Oil
- Studies conducted in Taipei Medical University, Taiwan, have shown that RBO is effective in increasing insulin sensitivity in case of Type 2 Diabetes. Thus RBO also helps to control Diabetes

(Source:http://seaofindia.com/articles_arsharma-RB%20Oil%20a%20Unique%20Health%20Oil.html)

Saturated/Unsaturated fatty acids profile of various oils

Oil	Fatty Acid % wt.		
	Saturated (SFA)	Monounsaturated (MUFA)	Polyunsaturated (PUFA)
Mustard/Rapessed	6	67	27
Cottonseed	28	22	50
Sunflower	12	21	67
Safflower	10	15	75
Soybean	16	24	60
Palm	51	39	10
Olive	14	77	9
Canola	6	58	36
Corn	13	20	62
Coconut	92	6	2
Palm Kernel	86	12	2
Groundnut	20	50	30

Oil	Fatty Acid % wt.		
	Saturated	Monounsaturated	Polyunsaturated
	(SFA)	(MUFA)	(PUFA)
Rice Bran	18	45	37
Recommended by WHO	28.6	42.8	28.6

(Source: http://www.seaofindia.com/ricebran3.html)

Rice Bran Oil with 'Ideal' SFA/MUFA/PUFA ratio is the closest to WHO recommendation as compared to other edible oils.

Hypocholesterolemic Activity of Various Edible Oils

Edible Oil	Linoleic acid %	Cholesterol level
Safflower	77.1	-16
Sunflower	61.4	-12
Cottonseed	58	0
Soybean	50.2	3
Sesame	45.9	2
Corn	43	-15
Rice Bran	36	-17
Groundnut	35	5

(Source: http://www.seaofindia.com/ricebran3.html)

Rice Bran Oil is the 'Heart Friendly' Cooking Oil due to its remarkable Cholesterol lowering property in comparison with other edible oils.

Micro-nutrient Profile of Rice Bran Oil

Micro-nutrient	Amount %	Advantage
Tocopherol	0.02-0.08	Antioxidant, Free radical scavenger, Reduce risk of cardiovascular diseases, Arthritis, Cancer, Cataract, Antitumour activities.
Tocotrienol	0.025- 0.17	Cholesterol reduction, Reversing Atherosclerosis, Anticancer (breast, liver), tumour supression, Antioxidant.
Oryzanol	1.2 - 1.7	Increase good (HDL) Cholesterol, Decreases bad (LDL) Cholesterol, Treats nerve imbalance & Menopause disorder, Retards aging effects, Antidandruff and anti-itching agent.
Squalene	(Physically refined RBO) 0.3-0.4	Antioxidant

(Source: http://www.seaofindia.com/ricebran3.html)

Advantages of Rice Bran Oil

Rice bran oil is a superior to many oils and has the following advantages:

- Nutritionally Superior
- Contains more micronutrients
- Better Protection for Heart & related blood vessel
- More stable at higher temperature
- Anti-viral capability

- Longer shelf Life
- Oil is less sticky, saves soap
- Economical - 15% less absorption of oil during frying
- Gives better taste & flavour to food items
- Frying takes less time, saves energy

(Source: http://www.seaofindia.com/ricebran3.html)

Status of Rice Bran Oil in other countries

RBO is extensively used in Japan, Korea, China, Taiwan and Thailand as a 'Premium Edible Oil'. In Japan, RBO is more popularly known as a 'Heart Oil'. In Western countries RBO has acquired the status of a 'Health Food'. In U.S.A. & Japan, by-products such as soaps, gels, vitamin tablets etc. are prepared from Rice Bran Oil to promote cosmetic use of this oil as ‘Beauty Aids’. In U.S.A. research institutes are working on this oil to promote it as ‘Massage Oil’ which will give beautiful, wrinkle free skin to the actors.

Rice Bran Oil in India

India being the second largest producer of rice in the world next to China, has a potential to produce about 11 lakh tonnes of Rice bran oil in 2009.

In India, due to nine National Seminars organized by The Solvent Extractors’ Association of India in last nine years, good amount of consumer awareness has been created among the Indian consumers in major cities and metros about the benefits of using healthy oils. Still much more is needed to be done so that the ‘Health Oil’ occupies a pride place in every kitchen.

Highly comprehensive research work carried out on RBO by National Institute of Nutrition, Hyderabad, Central Food Technological Research Institute, Mysore and Council of Scientific & Industrial Research, New Delhi certifies RBO as a miracle product obtained from the outer brown layer of rice.

Potential Market for Rice Bran Oil in India

Parameter	Quantity
Paddy production (2008-09)	99.2 million tonnes
Estimated rice bran production	7.4 million tonnes
Estimated edible oil production	1.1 million tonnes
Consumption of rice bran oil (2008-09)	740,000 tonnes
Potential for growth	380,000 tonnes

(Source: IMaCS Research)

Current market development initiatives include promotion of rice bran oil as a healthy, but economically priced edible oil. Rice bran oil is more economical than the other traditional cooking oils it absorbs 20-25% less oil while cooking. Besides, the degradation is lower at the time of frying, allowing for reuse.

OVERVIEW OF OLIVEOIL

Olive oil is the oil obtained solely from the fruit of the olive tree (Olea europaea L.), to the exclusion of oils obtained using solvents or re-esterification processes and of any mixture with oils of other kinds. *(Source: http://www.internationaloliveoil.org/web/aa-ingles/oliveWorld/aceite.html)*

Types of Olive Oil

- **Extra Virgin Oil:** It comes from the first cold-pressing of olives, with an absolutely impeccable taste and aroma, fruity, contains not more than 0.8% acidity and is judged to have a superior taste, used a primary ingredient, enriches the taste of food

- **Pure Olive Oil:** A blend of refined olive and extra virgin olive oil (acidity<1%). Typically, used as the base for salad dressings and in general cooking. It is a wonderful medium for frying

- **Olive Pomace Oil:** A blend of refined olive pomace oil and extra virgin olive oil fit for human consumption and used for deep frying

Advantages of Olive Oil

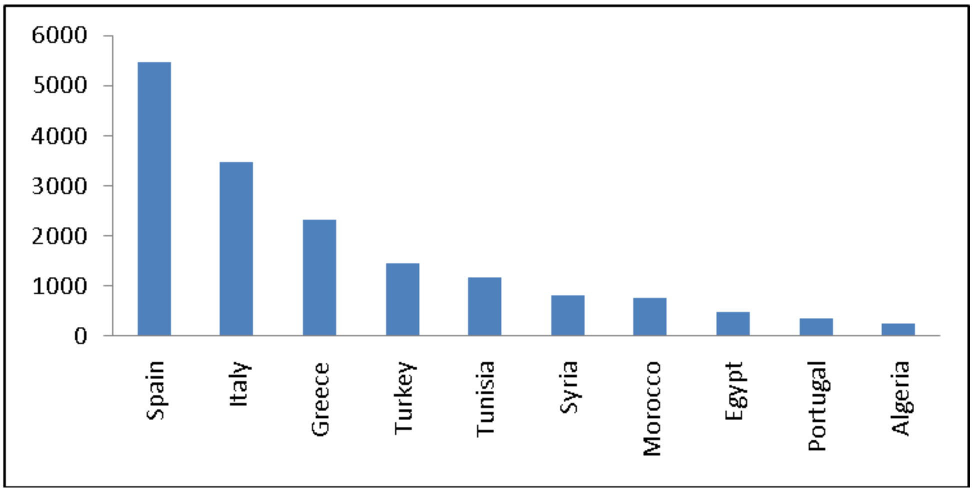
- Olive oil has an effect in preventing the formation of blood clots and platelet aggregation thus contributing to the low incidence of heart failure in countries where olive oil is the principal fat consumed.
- Olive oil lowers the levels of total blood cholesterol, LDL-cholesterol and triglycerides. At the same time it does not alter the levels of HDL-cholesterol (and may even raise them), which plays a protective role and prevents the formation of fatty patches, thus stimulating the elimination of the low-density lipoproteins.
- Virgin olive oil has a strong antioxidant effect, protecting against damage from free radicals (scavenger activity) and against the formation of cancer.
- An olive-oil-rich diet is not only a good alternative in the treatment of diabetes; it may also help to prevent or delay the onset of the disease.
- Olive oil is rich in various antioxidants which play a positive, biological role in eliminating free radicals, the molecules involved in some chronic diseases and ageing, and in extending life expectancy, which has been demonstrated in several epidemiological studies.
- It has also been suggested that because of its pronounced antioxidant effect, olive oil could play a choice part in the prevention of continuous oxidation, one of the processes that influences the development of certain types of skin cancer.
- Oleic acid in Olive Oil reduces the risk of breast cancer.

(Source: http://www.internationaloliveoil.org)

GLOBAL OLIVE OIL INDUSTRY

The countries bordering the Mediterranean sea produce most of the world's olives nearly all of which are crushed for oil, and the rest - about 10 per cent - are preserved for eating. These countries possess an estimated 800 million trees, with 500 million in the European Community. The leading producer is Spain, followed closely by Italy, then Greece and Tunisia. The leading consumers per head of population are, in descending order, the Greeks (especially the Cretans), the Spaniards and Italians, the Libyans, the Syrians, the Portuguese, the Turks, the Tunisians and the French. *(Source: http://www.alloliveoil.com/production.html)*

Top Ten olives producing countries-2008
Figures in Billion Tonnes



(Source: International Olive Oil Council (November 2009))

OVERVIEW OF OLIVE OIL INDUSTRY IN INDIA

India is only a consumer and not a producer of olive oil. India presently imports its olive oil requirement predominantly from Spain and Italy During the calendar year 2008, the olive pomace registering a growth rate of 36% olive oil by 23% and virgin oil by 19%. It was expected that in the year 2009, the olive oil consumption will reach 4,000 tonnes. Further, IOA forecasts that the consumption of Olive oil in India is expected to grow to 25,000 tonnes in 2010 and 42,218 tonnes by 2012.

Recent Government initiatives

Some of the initiates taken by government are given below

- The Indian government has proposed to establish new purity standard for olive oil by amending the Prevention of Food Adulteration (PFA) Rules, 1955. The PFA rules are being amended to harmonize the Indian laws concerning olive oil purity with that of the internationally accepted CODEX which is a WHO / FAO initiative to ensure food purity. The Codex Alimentarius Commission was created in 1963 by FAO and WHO to develop food standards, guidelines and related texts such as codes of practice under the Joint FAO/WHO Food Standards Program. The draft amendments are available with the ministry and are likely to be notified shortly. India is set to become a huge market for imported olive oil but certain rules in the PFA were said to be an impediment in importing various kinds of olive oil. The change to the PFA rules is meant to ensure that India follows internationally accepted norms of olive oil purity

- Indian government also reduced the import duty on olive oil to 7.5%. Customs duty was reduced from 45% for virgin olive oil and 40% for refined olive oil to a uniform 7.5% for all grades of olive oil

- Governments of Rajasthan, Punjab and Himachal Pradesh have taken up projects of olive oil plantations in their respective states

(Source: Food Industry India)

Health disorders in India

1. Heart Risk

- India No.1 in cardiac patients: 10% population affected, US/Europe No. 2: 7% each; China: 4%.
- Heart Diseases to be single greatest 'killer' in India by 2015 (WHO).
- 50 million people in India suffer from heart problems. Number expected to double by 2010.
- Highest growth among young execs: 1 of 8 is under 40 years.
- Heart attacks among execs at 10 years ahead of global average age: Prevention needs to start in early 20s.
- Prevalence of CAD up from 17.5% to 35% among corporate execs in past decade: two-fold rise

Obesity

- 31 percent of urban Indians are either overweight or obese
- Obesity can, in fact, triple the risk of heart disease

Stress/ Hypertension/ BP/ Lipids

- Hypertension & Stress, especially from work, account for more than 50% of heart ailments
- 100 million people in India have high blood pressure
- Two out of three employees in India are a victim of stress
- Over 40% of urban Indians have high lipid levels (cholesterol and triglycerides) that are the major risk factors for heart disease

(Source: http://www.indolive.org/lifestyle.htm, WHO)

Due to the inherent characteristics of Rice Bran Oil and olive oil coupled with raising health concerns, reduction in import duty on olive oil and the strong growth seen in Indian economy, the consumption of health oils are expected to see a significant increase not only in metros but also in other towns

Key players in Edible Oil sector

Some of the large players in the domestic refined edible oil market are the National Dairy Development Board, Agrotech Foods, Cargill India, Marico Industries, Adani Wilmar, Ruchi Soya and NK Proteins. Some of the players in rice bran oil industry are Hemraj Industries, Shree Sita Agro Foods and Sambandam Solvent Extraction. The VN Dalmia Group has interests in developing the domestic olive oil market.

India, China, Japan and Myanmar are the key producers of rice bran oil, constituting 95% of global production. Although, rice bran oil is gaining acceptance in the Western world as healthy oil, key exports markets exist in the East – Japan, Korea, China, Taiwan and Thailand – where it is sold as premium edible oil.

Since the entire olive oil is requirement is presently imported, new domestic investors will have to face competition from established industries of the Mediterranean countries, which have a keen eye on the emerging Indian market.

Future Outlook

India's oilseed acreage area has increased significantly during the period, 2004-09 because of favourable growing conditions and higher support prices for oilseeds relative to other crops. India's oilseeds area is projected to continue to expand. Production is projected to grow at an annual rate of 2.3-2.5% during the medium term, based on moderate area expansion and yield improvements from the application of modern production technologies.

With its large population and continued strong economic growth, India is likely to register growth of 3% per annum in total vegetable oil consumption in the next three to five years. The extent to which increased consumption is met by imports—and the types of oil imported—will be strongly influenced by India's trade and domestic agricultural policies. However, as in recent years, consumption growth is expected to be higher than production, resulting in considerable market potential. Despite the growth in total consumption, India's average per capita consumption level is lower than most other countries in Asia. The financial performance of players in the Indian edible oil industry is expected to be driven by domestic oilseed production and edible oil prices.

The share of rice bran oil in total demand for edible oils is likely to be driven by health benefits because of its oryzanol content (an antioxidant that helps prevent heart attacks), phytosterols (compounds believed to help lower cholesterol absorption) and relatively high amounts of vitamin E. The total rice-bran consumption is expected to grow at an average rate of 4-5% per year for the next three to five years. The olive oil market, though fledgling, is likely to be adopted by the high income groups because of changing food habits, substantial investments in promoting its utility in Indian cooking and health benefits.
(Source: IMaCS Research)

OUR BUSINESS

*The following information is qualified in its entirety, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "**Risk Factors**" on page xii.*

Overview

We are engaged in the production and supply of compounded cattle feed and refining and processing edible oil, including olive oil and blended oil, primarily in northern India. Compounded cattle feed refers to formulated feed with specific ingredients, such as rice bran, maize, soyabean extracts and molasses, so as to deliver a balanced and nutritious diet to cattle. We have established a distribution network in relation to our compounded cattle feed business mostly in rural and certain urban areas of Punjab, Haryana, Uttarakhand, Himachal Pradesh, Jammu & Kashmir, Uttar Pradesh, Rajasthan and Delhi NCR. Employing the cross-sectional utility of rice bran, a by-product of milling of paddy, we started commercial production of edible oil in 2008 primarily to cater to the health-conscious consumer base, with a distributor network in the northern states of Punjab, Jammu & Kashmir, Haryana, Himachal Pradesh and Delhi NCR. We market our compounded cattle feed and edible oil products primarily under the brand names 'Tara' and 'Raath'.

Our Company was incorporated in 1977 and was acquired in 2004 by our Promoters, including Mr. Balwant Singh, our Managing Director, who is a first-generation entrepreneur with approximately nine years of experience in the compounded cattle feed industry. For details of the acquisition and changes in the name of the Company, including the reasons thereof, see "***History and Other Corporate Matters***" on page 105.

With respect to our compounded cattle feed business, our Company has two operational manufacturing facilities, Punjab Facility I and Uttarakhand Facility, located in the states of Punjab and Uttarakhand with an aggregate installed capacity of 500 TPD and three manufacturing facilities, Punjab Facility II, J&K Facility and Haryana Facility, that are under various stages of implementation in the states of Jammu & Kashmir, Haryana and Punjab with an aggregate installed capacity of 750 TPD. In addition, we propose to develop two manufacturing facilities, Punjab Facility III and Bihar Facility, in the states of Punjab and Bihar with an aggregate installed capacity of 800 TPD, for which we intend to raise funds through this Issue. Upon completion of the development of all the manufacturing facilities, our Company plans to have a total installed capacity of 2,050 TPD for our compounded cattle feed business. The compounded cattle feed manufacturing facilities that are either proposed or under various stages of implementation are being undertaken to effectively cater to the demand for compounded cattle feed in the northern states of Bihar, Haryana, Jammu & Kashmir and Uttarakhand. In addition, we intend to acquire a manufacturing facility with an installed capacity of 50 TPD located in the state of Punjab upon completion of the acquisition of Tara Feed Factory, a Group Entity. For further details of the acquisition of Tara Feed Factory, including the effective date of such acquisition, see "***History and Other Corporate Matters***" on page 105 and for further details of Tara Feed Factory, see "***Promoters and Group Entities***" on page 118.

In relation to the commercial production of edible oil, we have an operational refinery, Punjab Refinery I, with an installed capacity of 120 TPD in the state of Punjab and intend to raise funds through this Issue for establishing another refinery, Punjab Refinery II, with an installed capacity of 100 TPD in the state of Punjab. Both the operational and proposed refineries will be adjacent to our operational compounded cattle feed manufacturing facility. Upon completion of the second refinery in the state of Punjab, our Company will have a total installed capacity of 220 TPD for our edible oil business.

The following table sets forth a summary of our manufacturing facilities and refineries that are either operational, under various stages of implementation or proposed:

Description	Location	Installed Capacity (TPD)	Status
A. Cattle Feed			
Punjab Facility I	Jitwal Kalan, Sangrur, Punjab	250	Operational
Uttarakhand Facility	Sitarganj, Uttarakhand	250	Operational
Punjab Facility II	Jitwal Kalan, Sangrur, Punjab	250	Under Implementation
J&K Facility	Bari Brahmara, Jammu, Jammu & Kashmir	250	Under Implementation
Haryana Facility	Karnal, Haryana	250	Under Implementation

Description	Location	Installed Capacity (TPD)	Status
Punjab Facility III	Jitwal Kalan, Sangrur, Punjab	400	Proposed
Bihar Facility	Bihar	400	Proposed
B. Edible Oil			
Punjab Refinery I	Jitwal Kalan, Sangrur, Punjab	120	Operational
Punjab Refinery II	Jitwal Kalan, Sangrur, Punjab	100	Proposed

We also propose to establish a husk-based captive power plant with an installed capacity of 3 MW at Jitwal Kalan in the state of Punjab ("**CPP**"), for which we intend to raise funds through this Issue that will supply power to our manufacturing facilities and refineries at Jitwal Kalan in the state of Punjab.

Our Company has an operational Solvent Extraction Plant with an installed capacity of 250 TPD at Jitwal Kalan in the state of Punjab, where rice bran is processed and the resulting products i.e. DoC and crude oil. The DoC is utilized as an essential ingredient in producing our compound cattle feed products at Punjab Facility I. The crude oil is utilized in the Punjab Refinery I, partially and the excess requirement of crude oil for the refinery is met by purchasing crude oil from the market, on a spot basis. Our intention behind establishing the Solvent Extraction Plant was to ensure continuity in the supply of DoC for Punjab Facility I and Punjab Refinery I along with a reduction in transportation and freight charges associated with procuring DoC and crude oil from the open market.

We sell compounded cattle feed through an established dealer network to retail customers and bulk customers. Our compounded cattle feed marketing operations were spread across northern India through a wide network of dealers. In relation to our edible oil business, our marketing operations are spread across the states of Punjab, Jammu & Kashmir, Haryana, Himachal Pradesh and Delhi NCR through a network of distributors. Our distributors supply our edible oil products to retail customers and a few bulk customers. We are currently focusing on building the brand recognition of 'Zaitoon Tara' and are engaged in establishing an enterprising dealer and distributor network.

We have also established a R&D centre in 2005 at Jitwal Kalan in the state of Punjab, adjacent to the Punjab Facility I and Punjab Refinery I, to test and verify the quality of raw materials being procured by our Company and the finished product. Additionally, the R&D centre develops cost-reduction measures of production techniques to enhance the quality of our existing compounded cattle feed and edible oil products and undertakes research for developing new products. Over the years, we have leveraged our R&D abilities to expand our range of products and manufacture quality compounded cattle feed and edible oil. We along with our senior management have established and intend to continue to establish quality testing laboratories at our manufacturing facilities at other locations, that are either proposed or under various stages of implementation.

We have been granted ISO 9001:2000 certification for the quality management systems of our Company in relation to the manufacture of blended edible oil and cattle feed at the Punjab Facility I and Punjab Refinery I by DAS, which is valid until December 31, 2010. Our Uttarakhand Facility has been granted the ISO 9001:2000 certification for the quality management systems of our Company in relation to the manufacture of blended edible oil and cattle feed by the Corporate Office, International Certifications Limited, Auckland, New Zealand, which is valid until August 3, 2013. In addition, DAS has certified our operational refinery as meeting the requirements of the Codex based HACCP, a food safety management system, and this certification is valid until October 21, 2011. By a letter dated July 13, 2010, the Registration Authority cum Director, Dairy Development Department, Punjab has certified that a sample of compounded cattle feed collected by it from the open market, on a random basis, is in compliance with BIS standards. Our Company has filed an application dated September 2, 2010 before the BIS, Chandigarh for grant of license in accordance with IS 2052:1979, which we believe will enable us to participate in government or armed forced tenders.

For fiscal 2010, our total sales (net of returns) was ₹ 3,411.00 million, which included our income from our compounded cattle feed business amounting to ₹ 1,949.45 million and our income from our edible oil business amounting to ₹ 1,471.49 million. In fiscal 2009 and fiscal 2008, our total sales (net of returns) was ₹ 1,951.75 million and ₹ 1,012.17 million, respectively. Over the same period, our CAGR for profit after tax has been 120.97% and our net profit after tax was ₹ 440.15 million, ₹ 169.97 million and ₹ 90.14 million for fiscal 2010, fiscal 2009 and fiscal 2008, respectively.

Our Strengths

We believe that our business is characterized by the following key strengths:

We believe that we are amongst the few organized players in the compounded cattle feed industry with a well established dealer network

We believe that we are one of the few organized players in the compounded cattle feed industry, with manufacturing units across various states in northern India, a solvent extraction plant and a well-established dealer network. We believe that we have been able to create a market for our products and expand our operation to achieve economies of scale that other unorganized producers of cattle feed are unable to do.

Our compounded cattle feed has been tested by certain government agencies, government-approved laboratories and international certifying agencies and has been found to adhere to the quality control parameters set by such agencies and laboratories. We believe that by exercising greater control over the production process, from procurement of raw materials until distribution of the finished product, we have been able to achieve our goal of maintaining and enhancing the quality of our products.

We have an established dealer network of dealers who sell our products to retail customers and a few bulk customers. Our dealers also assist us in assessing demand for our products among consumer and such assessments are vital to us while setting monthly sale targets for our products. We believe that having access to an established dealer network, as compared with most unorganized players in the compounded cattle feed and cattle feed industry, helps us in catering to the demand for our products in the market, including in remote areas.

Proximity of manufacturing facilities to areas with high raw materials resources and consumer demand

We are currently predominantly based in Punjab but by December 2011 we seek to set up manufacturing facilities in other north Indian states, such as Bihar, Haryana and Jammu & Kashmir. We also propose to establish two additional cattle feed manufacturing facilities and an edible oil refinery in the state of Punjab. We believe that the northern states in which our manufacturing facilities and refineries are located or are proposed to be located, are rich in raw materials that we require for our compounded cattle feed business and provide higher opportunity for resource mobilization. We are able to effectively procure raw materials for our cattle feed business and edible oil production, and at the same time, have access to a considerably large consumer base especially in relation to our compounded cattle feed business. As we have established our operations in northern India over the period since our inception, we believe that we can exploit our established dealer network and the expertise gained from our cattle feed business in expanding our edible oil business and consolidating our compounded cattle feed business.

Stringent quality control measures for raw materials and other inputs

Achieving high quality standards in our products has been one of our primary goals. We endeavor to utilize only quality raw materials, whether it be rice bran for compounded cattle feed production or crude oil procured for our edible oil refineries. The Punjab Facility I and Punjab Refinery I has been granted ISO 9001:2000 certification and the Punjab Refinery I has been certified to meet the requirement of the Codex based HACCP by DAS. Our Uttarakhand Facility has been granted the ISO 9001:2000 certification for the quality management systems of our Company in relation to the manufacture of blended edible oil and cattle feed by the Corporate Office, International Certifications Limited, Auckland, New Zealand, which is valid until August 3, 2013. The Registration Authority cum Director, Dairy Development Department, Punjab has certified that a sample of compounded cattle feed collected by it from the open market, on a random basis, is in accordance with BIS standards and our Company has filed an application dated September 2, 2010 before the BIS, Chandigarh for grant of license in accordance with IS 2052:1979.

Furthermore, we induct suppliers of raw materials, packaging, machinery spares and consumables for our compounded cattle feed business and edible oil business as regular sources only after the completion of an assessment process for ensuring quality control of the material being sourced from such suppliers. Our quality assurance programs include regular testing of raw material and crude oil samples, analysis of post-production quality of products and ongoing dialogue with workers, dealers and distributors to reduce errors and drawbacks in our products. We plan to continue to focus on maintaining and upgrading the quality standards relating to our production processes for compounded cattle feed and edible oil.

Involvement of senior management team in research and development

Our senior management team, including certain Directors, has substantial involvement in the R&D center at Jitwal Kalan in the state of Punjab that verifies the quality of raw materials along with undertaking research to develop new products and determine a cost-effective formulae for production of our compounded cattle feed and edible oils products. The verification and testing is two-pronged and is also undertaken once the product is ready to be dispatched to our dealers and distributors. Our senior management has also been involved in setting-up a quality testing laboratory at our manufacturing facility at Sitarganj in the state of Uttarakhand and intends to establish such quality testing laboratories at the compounded cattle feed manufacturing facilities that are either proposed or under various stages of implementation. These quality testing laboratories are intended to perform functions similar to the R&D center, except for undertaking research.

Our Managing Director, Mr. Balwant Singh, has been instrumental in developing our compounded cattle feed products and edible oil products, including 'Zaitoon Tara' and 'Tara Unique', our blended oil products. He is assisted by certain members of our senior management, including Mr. Manmohan Singh in developing edible oil products and by Dr. Avtar Singh Ratol in evolving or modifying production formulae for our compounded cattle feed business in accordance with the season and availability of raw materials. Mr. Manmohan Singh is our Senior Vice President (Technical and Production) and has over 32 years of experience in refined oils and allied industries whereas Dr. Ratol is Senior Vice President (Marketing and Business Development – Cattle Feed) and has 12 years experience in agriculture and dairy farming.

Our Business Strategies

Our aim is to strengthen our position as an established producer of cattle feed and enhance our production capacity and increase our geographical reach in India. In addition, we aim to improve the brand recognition and positioning of our edible oil products in the Indian market. In order to achieve our aim with regard to our compounded cattle feed and edible oil business, we intend to follow the key business strategies described below:

Increase our production capacity

As part of our growth strategy and with a view to take advantage of emerging business opportunities, we plan to further expand our manufacturing facilities by establishing (a) three cattle feed manufacturing facilities with an aggregate installed capacity of 750 TPD that are under various states of implementation in the states of Haryana, Jammu & Kashmir and Punjab, and are expected to become operational by fiscal 2011, (b) two cattle feed manufacturing facilities with an aggregate installed capacity of 800 TPD in the states of Punjab and Bihar, which are currently in the planning stage, and are expected to be operational by fiscal 2012, and (c) one edible oil refinery having an installed capacity of 100 TPD in the state of Punjab. For more information on our manufacturing facilities, refinery and our future expansions, see the sections titled "***–Cattle Feed – Manufacturing Facilities***" and "***–Edible Oil - Refineries***" on pages 82 and 90, respectively. We believe that the expansion of these manufacturing facilities and refinery will enable us to manufacture our planned portfolio of products and tap emerging business opportunities and markets in the cattle feed industry and edible oil.

Strengthen our brand recognition

We have been conducting awareness campaigns at regular intervals to educate our existing and prospective customers regarding the health of cattle and humans and the importance of wellness as a key to enhancing productivity. Awareness campaigns generally involve our employees, including members of the senior management, traveling to various villages, towns and cities in various north Indian states. We believe that these campaigns provide an effective method of one-on-one interaction with existing and prospective customers, dealers and distributors regarding our products and their utility in enhancing animal or human health. Such awareness campaigns also help us in identifying and assessing the needs of the customers, dealers and distributors and communicating, thereby aiding us in customizing and developing products to cater to specific customer requirements. Along with the proposed increase in our manufacturing facilities, we plan to continue conducting such awareness campaigns in the areas where we intend to establish such manufacturing facilities to increase our customer base and consolidate our presence in the compounded cattle feed business.

In relation to edible oil, we are also concentrating on increasing our market share, especially in relation to 'Zaitoon Tara' and 'Tara Unique', our blended oil products and 'O' Pure' and 'Tara Olive', our olive oil products. We are currently involved in increasing the visibility of our edible oil brands in the backdrop of the increasing awareness amongst consumers about the health enhancing properties of olive oil and rice bran oil by conducting door-to-door awareness campaigns in certain northern states. We intend to continue and gradually augment our marketing efforts for our edible oil products in the future.

Continue focus on research and development

Since commencing operations, we have concentrated on developing and maintaining our in-house R&D abilities. Our R&D center is located at Jitwal Kalan in the state of Punjab, in close proximity to our manufacturing facilities and edible oil refinery in Punjab. Our R&D center is engaged in developing new products and verifying the quality of raw materials being procured for our cattle feed and edible oil production prior to our Company placing bulk orders for raw materials. We believe that our in-house R&D abilities will further enable us to expand our product offerings in both the cattle feed and edible oil segments which, we believe, have potential for continued growth.

In 2008, we forayed into refining and processing olive oil and through the consistent efforts of our in-house R&D team have been able to develop what we believe is an ideal blend of olive oil and rice bran oil. Such blended oils have negligible cholesterol and negligible trans-fatty acids that are widely-accepted to be the primary causes of heart related diseases. This allows us to cater to the growing demand for health-conscious edible oil. We are developing and intend to launch, upon successful completion of the tests being conducted by our R&D center, a blend of rice bran oil and sunflower oil by December 2010. We plan to expand our product-portfolio in both the cattle feed and edible oil segments, by continuing to utilize our in-house R&D abilities optimally with a special focus on developing products to meet specific requirements of our customers.

Expand our dealer network

We have an established and wide network of dealers for our compounded cattle feed business and of distributors in relation to our edible oil business in different parts of northern India, and are continually focusing on exploring opportunities to further penetrate into remote areas of such and other states by expanding our dealer and distributor network through new dealer and distributor appointments. We plan to consolidate our presence across the northern regions of India and will continue to assist our existing dealers and distributors in enhancing their performance and improving their sales.

Expand geographical reach

We seek to expand and enhance our presence in our existing business segments of compounded cattle feed and edible oil by identifying markets where we can provide cost-effective and quality products to prospective consumers. In the domestic market, we seek to capitalize on our existing experience, established contacts with dealers, distributors and suppliers and familiarity with local working conditions. We are also actively seeking opportunities to market our edible oil products in the international market, particularly in Europe.

Focus on manufacturing edible oil products to cater to demand by health-conscious consumers

Our edible oil products target the growing demand for olive oil in health-conscious consumers. Consumer preference for non-traditional edible oils, such as olive oil, has witnessed a substantial increase as non-traditional edible oils are considered to be low in cholesterol and fatty acids thereby making them healthier than traditional cooking oils. ‘Tara Olive’ and ‘O’ Pure’ are our olive oil products. Further, our blended oils products such as ‘Zaitoon Tara’ and ‘Tara Unique’ have negligible cholesterol and negligible trans-fatty acid, which are typically associated with diseases such as heart and arterial diseases. We believe that increased consumer interest and demand in ‘healthy’ edible oils will lead to an increased demand for our olive oil products and blended oil offerings.

Our Business Activities

We produce cattle feed and edible oil and market our products through our network of dealers and distributors.

A. Cattle Feed

Products portfolio

Our range of compounded cattle feed products have been developed on the basis of the above mentioned qualitative characteristics while maintaining a focus on the targeted end users of such products. We believe that this has helped us in positioning our products in different customer segments and at different price points. Our current product portfolio in cattle feed covers premium and low cost cattle feed, including feed supplements. ‘Tara Feed’ was the first product launched by our Company, along with ‘Raath Gold’, a premium product and ‘Raath No. 1’, a high energy cattle feed. Our lower cost segment products are ‘Raath Panjiri’ and ‘Raath Special’. In addition, ‘Tara MIN (Mineral Mixture)’, a feed supplement produced by our Company aids in covering deficiency of mineral in cattle. All the above mentioned products have varying amounts of antioxidants, proteins, minerals etc., in varying degrees and are customized in accordance with milk yielding capacity of the cattle.

The following table sets forth a brief description of each product and the sales of our cattle feed products in fiscal 2010:

S.No.	Cattle Feed	Description	Sale in fiscal 2010 (₹ in million)
1.	Tara Feed	Possesses by-pass protein and by-pass fat to meet the average nutritional requirement of all types of cattle. It is also suitable for all weather conditions and is one of our most popular products.	1,564.44
2.	Raath Gold	Rich in by-pass protein and by-pass fat, this product provides energy to cattle. This product is suited for early lactation of high yielding cattle as by-pass proteins aid in obtaining a higher milk and fat yield in cattle. It is sold directly to dairy farmers that have high yielding cattle.	326.92
3.	Raath No. 1	Possesses high content of minerals and vitamins, which result in higher energy levels in cattle. This product is popular with farmers who have medium yielding cattle but want a product that is priced at the lower end of the market.	1.64
4.	Raath Special	Possesses minerals, vitamins in addition to by-pass protein and by-pass fat. The protein and fat content is slightly lower than other products and is targeted at medium yielding cattle.	15.85
5.	Raath Panjiri	This product has been developed to cater to the needs of farmers who are unable to access products on that are priced higher and want medium priced products. This product is suitable for low yielding cattle. This product has a lower by-pass fat content.	26.41
6.	Tara MIN (Mineral Mixture)	A feed supplement that helps to reduce mineral deficiencies in cattle. It contains micro-minerals and trace minerals, which helps maintain the body of cattle and develop their immune system.	0.31

Raw materials and other purchases

The raw materials for cattle feed include various oil seed cakes, DoC, soyabean extracts, sunflower seed extracts, rice bran, mustard, maize, bajra, common salt, mineral mixtures, vitamins and molasses. Our operational and proposed manufacturing facilities are situated in areas from where we can source raw materials easily and at competitive prices. Rice bran is purchased from rice millers located in the states where our manufacturing facilities are situated. This ensures easy availability, competitive pricing and better quality of rice bran. Similarly other raw materials are easily available within the states where our manufacturing facilities are located.

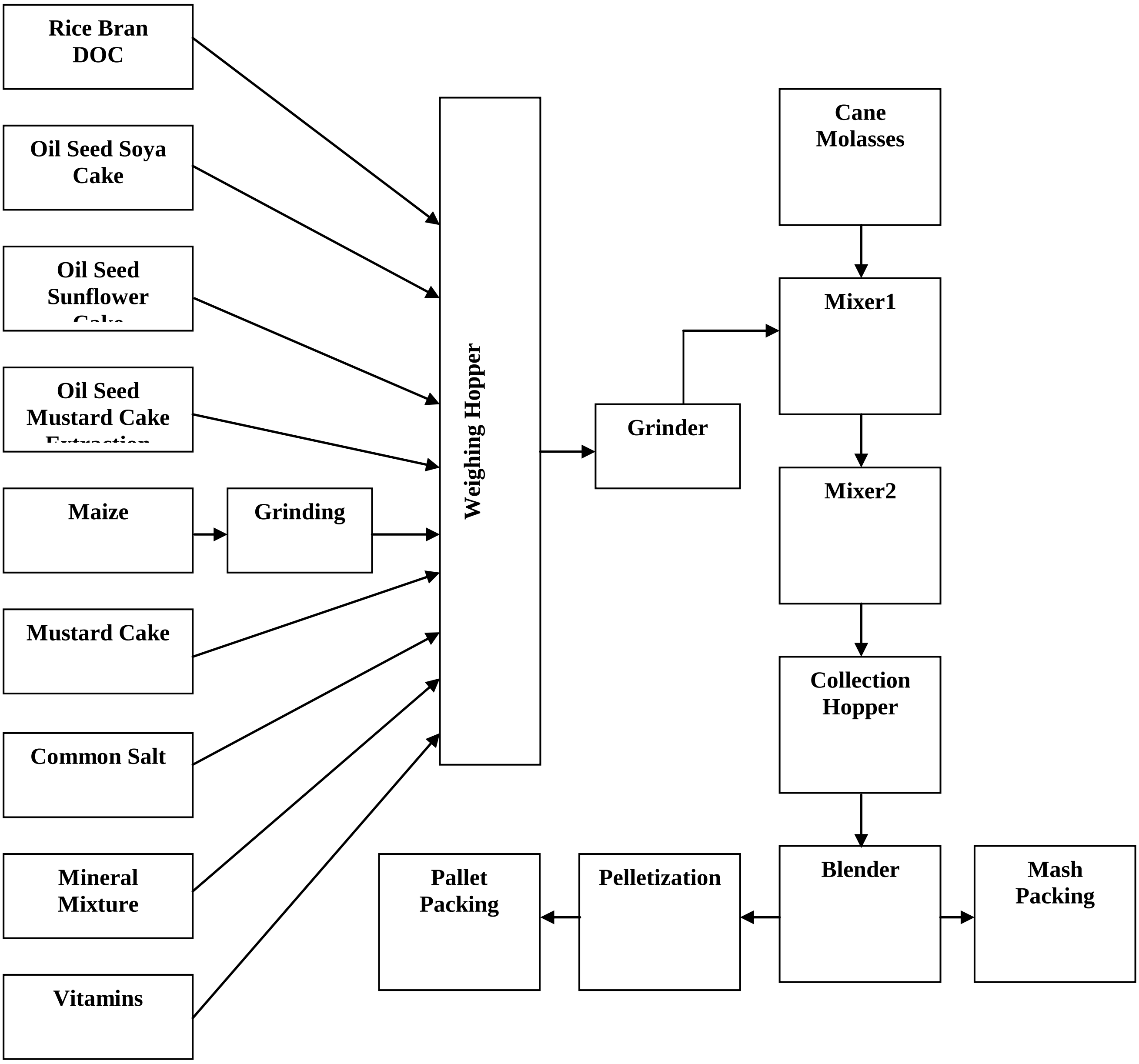
The availability of certain key raw materials used in the production of cattle feed is seasonal in nature and we have made arrangements for warehousing such raw material at our manufacturing facilities. At the beginning of each month, an assessment of performance for the concerned month is done by us, which involves inputs from all key managerial personnel and from sales/ field staff and sales target for the next month are finalized. Based on this, monthly production targets and raw materials procurement targets are finalized by the senior management. Usually, we maintain sufficient stock of raw materials for build up of enough stock of finished goods for the ensuing month.

All raw materials procured are tested for quality. The test report is generated and recorded for any future reference. The raw material is released for further processing only if it passes our quality standards. We do not enter into long-term contracts with any of our suppliers in relation to raw materials required for our compounded cattle feed business so that we may be able to obtain raw materials from the open market on a spot basis at competitive rates.

The cost of the raw materials consumed in relation to our cattle feed business was ₹ 149.10 million, ₹ 129.81 million and ₹ 68.49 million in fiscal 2010, fiscal 2009 and fiscal 2008, respectively.

Manufacturing process

Given below is graphical representation of the manufacturing process followed



Grinding – Maize is ground into flour of specific size prior to its use as an ingredient.

Batching – The different ingredients are put into a weighing hopper, a measuring scale and separator, in a specific ratio. The weighing hopper is equipped with a strong magnet so that iron particles and other impurities that are harmful to cattle and have iron content, present in the ingredients may not enter the hopper. The material is then put in a batching hopper, a scale that is utilized to measure and collect materials from weighing hopper.

Hammer Milling – From the batching hopper, the batch material is transported by a conveyor to the hammer mill, so that the ingredients may be grinded into a powdered form of a specific size.

First Mixing – From the hammer mill, the powdered material is transferred to a mixer where cane molasses is mixed with the material. Cane molasses is considered to be a source of energy and enhances the taste of the feed.

Collection Hopper – The material is then transferred the second mixer to complete the mixing process and to ensure that, the material is transferred to a collection hopper.

Second Mixing – In the second mixer, the material is thoroughly mixed to ensure that all the ingredients have adequately blended.

Blending – From the collection hopper, the material is transferred to a blender where the material is mixed thoroughly.

Packaging – From the blender, the final product is directly filled into bags or it is first pelletized, as described below and then filled into bags of a specified quantity.

Pelletization – This is the process of compressing or moulding material into the shape of a pellet. The pellets are also filled into bags of a specified quantity.

Manufacturing Facilities

(a) Operational

- *Punjab Facility I*

Overview

We own and operate a 250 TPD installed capacity compounded cattle feed manufacturing plant at Jitwal Kalan in the state of Punjab on approximately 1.50 acres of land.

Installed Capacity and Capacity Utilization

The Punjab Facility I was set up with an installed capacity of 250 TPD and commenced operations in September 2005. The installed capacity and capacity utilization of the Punjab Facility I for the last three years are set forth below.

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Installed capacity (TPD)	250	250	250
Capacity utilization (%)	96.80	94.23	66.35

Power, fuel and water supply

The total power requirement at the Punjab Facility I is 345 KW of connected load with the peak load requirement at 345 KW, which is met through purchase of power from Punjab State Power Corporation Limited (erstwhile Punjab State Electricity Board). We have also received an approval dated February 1, 2007 for 'continuous process industry' status (category IV) by the Punjab State Electricity Board in relation to Punjab Facility I. For details, see "***Government and Other Approvals***" on page 188. Upon completion of the CPP, our power requirements for Punjab Facility I will be met from the CPP.

The water requirement is 7 TPD, including 2 TPD for industrial use and 5 TPD for non-industrial use such as drinking water. The water requirement is being met from two submersible pumps with an installed capacity of

15 horsepower ("**HP**") and 20 HP from the bore wells dug by us at Punjab Facility I. The arrangements for meeting the water requirements are shared between Punjab Facility I and Punjab Refinery I and upon commissioning will be shared with Punjab Facility II, Punjab Facility III, Punjab Refinery II and CPP.

We do not require fuel for Punjab Facility I and have therefore, not entered into arrangements.

Plant and machinery

The plant and machinery includes weighing hoppers, molasses mixers, pelletizing machine, mechanical conveyor, bucket elevators, grinders and mixers etc.

- *Uttarakhand Facility*

Overview

We own and operate a 250 TPD installed capacity compounded cattle feed manufacturing plant at Sitarganj, Uttarakhand on approximately 1.19 acres of land.

Installed Capacity and Capacity Utilization

The Uttarakhand Facility was set up with an installed capacity of 250 TPD and commenced operations in March 2007. The installed capacity and capacity utilization of the Uttarakhand Facility for the last three years are set forth below.

Particulars	**Fiscal 2010**	**Fiscal 2009**	**Fiscal 2008**
Installed capacity (TPD)	250	250	250
Capacity utilization (%)	96.54	90.26	67.03

Power, fuel and water supply

The total power requirement at the Uttarakhand Facility is 300 KW with the peak load requirement at 300 KW, which is met through permanent connection at the facility from the Uttarakhand Power Corporation Limited. We had initially received an approval dated April 24, 2007 for supply at a load factor of 500 kVa. Due to low consumption of power, we have received an approval dated February 4, 2009 for reduction of load from 500 kVa to 300 kVa at the facility by the Executive Engineer, Uttarakhand Power Corporation Limited. For details, see "***Government and Other Approvals***" on page 188.

The water requirement is 7 TPD, including 2 TPD for industrial use and 5 TPD for non-industrial use such as drinking water. The water requirement is being met from one submersible pumps with an installed capacity of 12.5 HP.

We expect to require 240 litres of high speed diesel ("**HSD**") per day for our generator set of 550 kVa capacity at the facility.

Plant and machinery

The plant and machineries include a weighing hoppers, pelletizing machine, molasses mixers, elevators, mechanical conveyor, bucket elevators, grinders and mixers etc.

(b) Under Various Stages of Implementation

- *Punjab Facility II*

Overview

We are in the process of setting up a 250 TPD installed capacity cattle feed manufacturing plant at Jitwal Kalan in the state of Punjab. We have received an Industrial Entrepreneur Memorandum acknowledgement ("**IEM**") dated September 15, 2010 under the Industrial (Development and Regulation) Act, 1951, as amended ("**IDR Act**") from the Ministry of Commerce and Industry, Secretariat for Industrial Assistance ("**SIA**") for manufacturing compounded cattle feed on the assumption that the facility is operational for 360 days in a year. The commercial production at Punjab Facility II is expected to commence by December 2010.

Land and construction

The Punjab Facility II is adjacent to the Punjab Facility I. The facility will be located on approximately 1.02 acres of land, which is shared with Punjab Facility I. In the Punjab Facility II, we are in the advanced stage of construction of the building for the facility.

Plant and machinery

We have placed orders for plants and machinery for the Punjab Facility II. The plant and machinery includes a 500 kVa generator, hopper with magnetic grill, reddler conveyor, auto feeder, hammer mill, batch mixer, service tank, rotary feeder, air compressor etc.

Proposed capacity

The proposed capacity of the Punjab Facility II is 250 TPD as set forth below:

Particulars	Fiscal 2011	Fiscal 2012	Fiscal 2013
Proposed installed capacity (TPD)	250	250	250

Power, fuel and water supply

The total power requirement at the Punjab Facility II is expected to be 345 KW of connected load with the peak load requirement at 345 KW. Upon completion of the civil work, we intend to apply to the Punjab State Power Corporation Limited for their sanction. We are yet to make any applications in this regard. Upon completion of the CPP, our power requirements for Punjab Facility II will be met from the CPP.

The water requirement for Punjab Facility II is expected to be 7 TPD, including 2 TPD for industrial use and 5 TPD for non-industrial use such as drinking water. The water requirement is being met from the existing 15 HP and 20 HP submersible pumps from the bore wells dug by us at Punjab Facility I. We do not require fuel for Punjab Facility II.

- *J & K Facility*

Overview

We are in the process of setting up a 250 TPD installed capacity cattle feed manufacturing plant at Jammu, Jammu & Kashmir. We have received an IEM dated September 15, 2010 under the IDR Act from SIA for manufacturing cattle feed, on the assumption that the facility is operational for 360 days in a year. The commercial production is expected to commence by November 2010.

Land and construction

We have entered into an agreement for purchase of an industrial unit situated on a land measuring 1.88 acres for setting up the proposed facility. We haven't commenced any construction activities yet.

Plant and machinery

We have placed orders for plant and machinery for the J&K Facility. The plant and machinery includes a 500 kVa generator, hopper with magnetic grill, reddler conveyor, auto feeder, hammer mill, batch mixer, service tank, rotary feeder, air compressor etc.

Proposed capacity

The proposed capacity of the J&K Facility is 250 TPD as set forth below:

Particulars	Fiscal 2011	Fiscal 2012	Fiscal 2013
Proposed installed capacity (TPD)	250	250	250

Power, fuel and water supply

The total power requirement at the J&K Facility is expected to be 345 KW of connected load with the peak load requirement at 345 KW. Upon completion of the civil work, we intend to apply to the Jammu & Kashmir Power Development Corporation for their sanction. We are yet to make any applications in this regard. We intend to install a 500 kVa generator set as a standby power arrangement if there is any interruption in the power supply from the Jammu & Kashmir Power Development Corporation and have not placed any orders for procuring the generator.

The water requirement for J&K Facility is expected to be 7 TPD, including 2 TPD for industrial use and 5 TPD for non-industrial use such as drinking water. The water requirement is intended to be met from installing a 10 HP submersible pump. We have not placed any orders for procuring the submersible pump.

We expect to require 240 litres per day of HSD to operate the 500 kVa generator set at the facility. No arrangements have been entered into by us in relation our fuel requirements for the facility and we intend to purchase HSD on a spot basis.

- *Haryana Facility*

Overview

We are in the process of setting up a 250 TPD installed capacity cattle feed manufacturing plant at Karnal, Haryana. We have received an IEM dated September 15, 2010 under the IDR Act from SIA for manufacturing cattle feed, on the assumption that the facility is operational for 360 days in a year. The commercial production is expected to commence by January 2011.

Land and construction

We are yet to acquire any land for this facility.

Plant and machinery

We have received quotations for plant and machinery for the Haryana Facility. The plant and machinery includes a 500 kVa generator, hopper with magnetic grill, reddler conveyor, auto feeder, hammer mill, batch mixer, service tank, rotary feeder, air compressor etc. We have not entered into any contracts or placed any orders for the plant and machinery in relation to the Haryana Facility.

Proposed capacity

The proposed capacity of the Haryana Facility is 250 TPD as set forth below:

Particulars	Fiscal 2011	Fiscal 2012	Fiscal 2013
Proposed installed capacity (TPD)	250	250	250

Power, fuel and water supply

The total power requirement at the Haryana Facility is expected to be 345 KW of connected load with the peak load requirement at 345 KW. Upon completion of the civil work, we intend to apply to the Uttar Haryana Bijli Vitran Nigam Limited for their sanction. We are yet to make any applications in this regard. We intend to install a 500 kVa generator set as a standby power arrangement if there is any interruption in the power supply from the Uttar Haryana Bijli Vitran Nigam Limited and have not yet placed any orders for procuring the generator.

The water requirement for Haryana Facility is expected to be 7 TPD, including 2 TPD for industrial use and 5 TPD for non-industrial use such as drinking water. The water requirement is intended to be met from installing a 10 HP submersible pump. We have not yet placed any orders for procuring the submersible pump.

We expect that we will require 240 litres per day of HSD to operate the 500 kVa generator set at the facility. No arrangements have been entered into by us in relation our fuel requirements for the facility and we intend to purchase HSD on a spot basis

(c) Under planning

- *Punjab Facility III*

Overview

We propose to set up a 400 TPD cattle feed manufacturing plant at Jitwal Kalan in the state of Punjab. We have received an IEM dated September 15, 2010 under the IDR Act from SIA for manufacturing cattle feed, on the assumption that the facility is operational for 360 days in a year. The commercial production is expected to commence by September 2011.

Land and construction

We do not intend to acquire any additional land as Punjab Facility III is proposed to be developed adjacent to Punjab Facility I, Punjab Facility II, Punjab Refinery I, Punjab Refinery II, Solvent Extraction Plant and the proposed CPP. Approximately 2.20 acres of land is required for this facility. In the Punjab Facility III, we are yet to commence any construction activity.

Plant and machinery

We have received pro-forma invoices/ quotations from various parties for the supply of plant and machinery, including fire fighting system, air compressor and laboratory equipment in relation to Punjab Facility III. Our Company has not entered into any contracts in relation to such machinery and equipment.

However, these plants and machineries include raw material receiving system, weighing and dosing system, grinding system, mixing system, pelletizing system, finished packing system, aspiration system and electric control system, hoppers, fat/ oil tank, molasses system, air compressor, boiler system and main cables.

Proposed capacity

The proposed capacity of the Punjab III Facility is 400 TPD as set forth below:

Particulars	Fiscal 2011	Fiscal 2012	Fiscal 2013
Proposed installed capacity (TPD)	400	400	400

Power, fuel and water supply

The total power requirement at the Punjab Facility III is expected to be 470 KW of connected load. Upon completion of the civil work and subject to obtaining necessary approvals, we will not be required to purchase power from the Punjab State Power Corporation Limited as we believe that our power requirement for this facility will be met from the CPP to be established at Jitwal Kalan. We have not made any applications in this regard yet.

The water requirement for Punjab Facility III is expected to be 25 TPD, including 20 TPD for industrial use that includes water required for fulfilling the steam requirement for the facility as the facility is intended to be fully automated. The remaining water requirement of 5 TPD is for non-industrial use such as drinking water. The water requirement is being met from the existing 15 HP and 20 HP submersible pumps from the bore wells dug by us at Punjab Facility I.

We do not require fuel at this facility and have therefore, not entered into any arrangements for fuel for the Punjab Facility III.

- *Bihar Facility*

Overview

We are in the process of setting up a 400 TPD cattle feed manufacturing plant at Patna, Bihar. We have received an IEM dated September 27, 2010 under the IDR Act from SIA for manufacturing cattle feed, on the assumption that the facility is operational for 360 days in a year. The commercial production is expected to commence by October 2011.

Land and construction

We are yet to acquire any land for this facility.

Plant and machinery

We have received pro-forma invoices/ quotations from various parties for the supply of plant and machinery, including fire fighting system, air compressor and laboratory equipment in relation to Bihar Facility. However, we have not placed any order for plants and machineries for the Bihar Facility.

Proposed capacity

The proposed capacity of the Bihar Facility is 400 TPD as set forth below:

Particulars	**Fiscal 2011**	**Fiscal 2012**	**Fiscal 2013**
Proposed installed capacity (TPD)	400	400	400

Power, fuel and water supply

The total power requirement at the Bihar Facility is expected to be 470 KW of connected load with the peak load requirement at 400 KW. Upon completion of the civil work, we intend to apply to the Bihar State Electricity Board for their sanction. We are yet to make any applications in this regard. We intend to install a 500 kVa generator set as a standby power arrangement if there is any interruption in the power supply from the Bihar State Electricity Board and have not placed any orders for procuring the generator.

The water requirement for Bihar Facility is expected to be 25 TPD, including 20 TPD for industrial use that includes water required for fulfilling the steam requirement for the facility as the facility will be fully automated. The water requirement is intended to be met from installing a 15 HP submersible pump. We have not placed any orders for procuring the submersible pump.

We expect that we will require 300 litres per day of HSD to operate the 500 kVa generator set at the facility. No arrangements have been entered into by us in relation our fuel requirements for the facility and we intend to purchase HSD on a spot basis.

B. Edible Oils

Products Portfolio

Our current product portfolio in edible oils covers premium and low cost edible oils. ‘Tara Gold’ and ‘Tara Lite’ are refined rice bran oils whereas ‘Tara Kotton’ is refined cottonseed oil. ‘O’Pure’ and ‘Tara Olive’ are produced by processing and refining imported olive oil. In our blended oils category, we have two brands by the name of ‘Zaitoon Tara’ and ‘Tara Unique’ that are blends of refined rice bran oil and refined olive oil. These blended oils are produced by using specialized machinery and are considered to be different from traditional cooking oils in terms of cholesterol and trans fat content. All the above mentioned products have antioxidants, vitamins and micronutrients, in varying degrees.

The following table sets forth a brief description of each product and the sales of our edible oil products in Fiscal 2010:

S.No.	Edible Oil	Description	Sale in fiscal 2010 (₹ in million)
1.	Tara Gold	Produced from edible grade rice bran oil. This edible oil containing vitamins, antioxidants and nutrients. Our R&D centre has determined that this product has negligible cholesterol.	14.54
2.	Tara Lite	Produced from semi-edible grade rice bran oil. Our R&D centre has determined that this product contains natural antioxidants, vitamin E and micro-nutrients.	42.33
3.	Tara Kotton	Made from refining cottonseed oil. It is light in color, clear, odourless and is utilized primarily in cooking. This product also has a long shelf life.	151.80
4.	Zaitoon Tara	Blend of refined rice bran oil and refined olive oil, which has negligible cholesterol and trans-fatty acids and is therefore, considered to be healthier to traditional cooking oils.	18.76
5.	Tara Unique	Blend of rice bran oil and olive oil, which contains vitamin E and antioxidants.	12.03
6.	Tara Olive	Light colored, odourless and rich in taste. This refined oil is rich in mono-unsaturated fatty acids and this product may be used in cooking, frying and salad preparations.	7.30
7.	O' Pure	Pale yellow colored and odourless. This product contains a high quantity of mono-unsaturated fatty acids and may be used in cooking and frying.	Not applicable*
8.	Sunfit	Refined sunflower oil is colorless, odourless oil that possess poly-unsaturated fatty acids and is another popular product with consumers.	Not applicable*

**Sales figures for fiscal 2010 are not available as 'Sunfit' was introduced in July 2010.*
**Sales figures for fiscal 2010 are not available as 'O'Pure' was introduced in June 2010.*

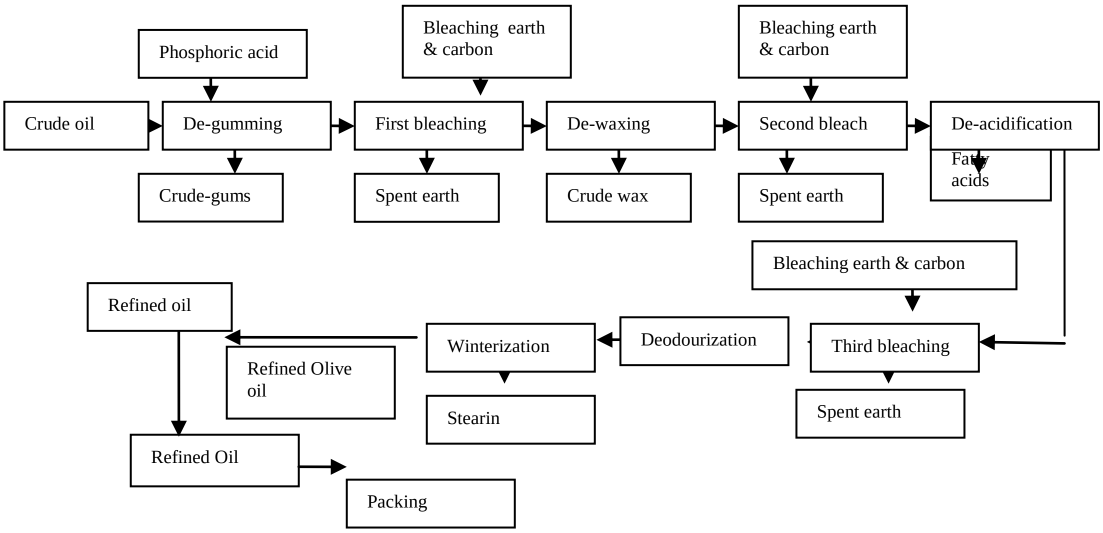
Raw materials and other purchases

We require rice bran, crude and refined olive oil, refined sunflower oil and crude cottonseed oil. We source such raw material from suppliers within India and abroad. We have imported crude and refined olive oil from Spain and Italy. The crude olive oil is refined and the refined olive oil is re-processed at our refinery located at Jitwal Kalan in the state of Punjab to produce 'O' Pure' and 'Tara Olive', our olive oil products and 'Zaitoon Tara' and 'Tara Unique', our blended oil products.

The cost of the raw materials consumed in relation to edible oil business was ₹ 147.78 million, ₹ 29.21 million and ₹ 15.56 million in fiscal 2010, fiscal 2009 and fiscal 2008, respectively.

Refining process

Below is a graphical representation of the manufacturing process of our edible oil products:



Refining employs a process of removing impurities present in edible oil. Impurities are primarily of two kinds, oil soluble impurities and oil insoluble impurities. Oil soluble impurities are gums (phosphotides) that have high melting points and saturated fats (stearin) whereas oil insoluble impurities are sand, dust, straw, seed fragments etc.

De-gumming - In this process, gums (phosphotides) are separated from crude oil by adding phosphoric acid and water at 65ºC-70ºC after which, the crude oil is processed through a high speed centrifugal machine resulting in a separation of gums (phosphotides) from the oil. Gums (phosphotides) are produced as a by-product.

First Bleaching - Bleaching is a process in which active bleaching earth and carbon is added to crude oil that has been heated and dried in a bleacher. The color pigments present in the degummed oil are soaked by the surface of the bleaching earth and carbon. The processed rice bran oil is filtered through pressure leaf filters of a continuous type. Therefore the processed oil assumes a light color and spent earth is the resultant by-product of this process.

De-waxing - In this process, the processed oil goes is subjected to controlled cooling in a crystallizer for a substantial period of time that results in the vegetable wax present in the oil being crystallized and separated. The filtered oil is produced as de-waxed oil and hard waxes are detained as vegetable waxes.

Second Bleaching - This process is identical to the process followed under the 'First Bleaching', mentioned above and results in further reduction in the color of the oil.

De-acidification - This process is also referred to as the 'physical' refining of oil. It involves heating the processed oil at 250ºC under high vacuum (1-2 Torr), which results in free fatty acids present in the oil being distilled. The free fatty acids are obtained as a by-product, leaving behind de-acidified oil.

Third Bleaching - Third bleaching is identical to 'First Bleaching' and 'Second Bleaching' and results in a further reduction in the color.

De-odorization - In this process, processed oil is heated up to 220ºC-230ºC under high vaccum (1-2 torr) in a specifically designed deodorizer. This process removes the peculiar odour associated with the oil, in addition to removing additional color bodies present in the processed oil. The result is odourless refined oil.

Winterization - The purpose of this process is to remove the high melting point saturated fats (stearin). The oil is subjected to controlled cooling and freezing temperatures in a specially designed crystallizer that is based on a patented design of a German company, which results in a drastic reduction of trans-fatty acid for a substantial period of time. The high melting point saturated fats (stearin) are crystallized at a specific temperature and are filtered away in the filter press. The resulting oil has a low cloud point i.e. the refined oil retains transparency even in cold weather conditions.

Refineries

(a) Operational

- *Punjab Refinery I*

Overview

We own and operate a 120 TPD installed capacity edible oil refinery at Jitwal Kalan in the state of Punjab on approximately 3.50 acres of land. Punjab Refinery I is adjacent to our existing and proposed compounded cattle feed manufacturing facilities and edible oil refinery. The Punjab Refinery I has two steam boilers of 6 TPH and 5 TPH, respectively. Additionally, it has one thermo-pack boiler of 15 lakh kilo calorie per hour.

We have received IEMs for manufacturing rice bran oil, de-oiled rice bran cake and blended edible oils.We have also received a license to use solvents for extraction of oils under the Solvent Raffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000 by SIA. We are authorized under the Vegetable Oil Products (Regulation) Order, 1998 by the Ministry of Consumer Affairs, Food and Public Distribution, Directorate of Vanaspati, Vegetable Oils and Fats ("**Ministry of Consumer Affairs**") to manufacture 23,040 metric tonnes of refined vegetable oil, annually and under the Edible Oils Packaging (Regulation) Order, 1998 by the Food and Supplies Officer, Sangrur to sell rice bran oil and olive oil manufactured at Punjab Refinery I. We have obtained a NoC for refining imported crude pomace olive oil and re-exporting 150 MT refined pomace olive oil by the Ministry of Consumer Affairs.

Further, we have made an application under the Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967 before the Ministry of Consumer Affairs, Department of Food and Public Distribution, Directorate of Vanaspati, Vegetable Oils and Fats. Mr. Balwant Singh, our Promoter and Managing Director, has applied for a patent for cooking oil blend and method of manufacture thereof on June 17, 2008 before the Patent Office.

Installed Capacity and Capacity Utilization

The Punjab Refinery I was set up with an installed capacity of 120 TPD and commenced operations in February 2008. The installed capacity and capacity utilization of the Punjab Refinery I for the last three years are set forth below.

Particulars	**Fiscal 2010**	**Fiscal 2009**	**Fiscal 2008**
Installed capacity (TPD)	120	120	120
Capacity utilization (%)	95.00	26.19	6.85

Power, fuel and water supply

The total power requirement at the Punjab Refinery I is 880 KW of connected load with the peak load requirement at 755 KW, which is met through purchase of power from the Punjab State Power Corporation Limited. We have also received an approval dated February 1, 2007 for 'continuous process industry' status (category IV) by the Punjab State Electricity Board in relation to Punjab Refinery I. For details, see "***Government and Other Approvals***" on page 188.

The water requirement for Punjab Refinery I is 175 TPD, including 70 TPD for industrial use that includes water required for the manufacturing process, 100 TPD for the boilers installed at Punjab Refinery I and the remaining 5 TPD for meeting non-industrial requirements, such as drinking water. The water requirement is intended to be met from the existing 15 HP and 20 HP submersible pumps at Punjab Facility I.

We expect to require 40 tonnes of rice husk per day for the steam boilers that are installed at Punjab Refinery I. No long-term arrangements have been entered into by us yet in relation to procuring rice husk and we purchase rice husk on a spot basis.

(b) Under Planning

- *Punjab Refinery II*

Overview

We propose to set up a 100 TPD installed capacity edible oil refinery at Jitwal Kalan in the state of Punjab. The commercial production of Punjab Refinery II is expected to commence by October 2011.

Land and construction

We do not intend to acquire any additional land as Punjab Refinery II is proposed to be developed adjacent to Punjab Facility I, Punjab Facility II, Punjab Facility III, Punjab Refinery I, Solvent Extraction Plant and the proposed CPP. Approximately 1.50 acres of land is required for this facility. In the Punjab Refinery II, we are yet to commence any construction activity.

Plant and machinery

We have received pro-forma invoices/ quotations from various parties for the supply of plant and machinery, including machinery required for de-gumming section, industrial lecithin plant, pre-bleaching, de-waxing, winterization (including star crystallizer), de-odorization in relation to Punjab Refinery II. Our Company has not entered into any contracts in relation to such machinery and equipment.

Proposed capacity

The proposed capacity of the Punjab Refinery II is 100 TPD as set forth below:

Particulars	**Fiscal 2012**	**Fiscal 2013**	**Fiscal 2014**
Proposed installed capacity (TPD)	100	100	100

Power, fuel and water supply

The total power requirement at the Punjab Refinery II is expected to be 880 KW of connected load. Upon completion of the civil work and subject to obtaining necessary approvals, we will not be required to purchase power from the Punjab State Power Corporation Limited as we believe that our power requirement for this facility will be met from the CPP to be established at Jitwal Kalan. We have not made any applications in this regard yet. We intend to install a 1,000 kVa generator set as a standby power arrangement have not placed any orders or entered into any contract for procuring the generator.

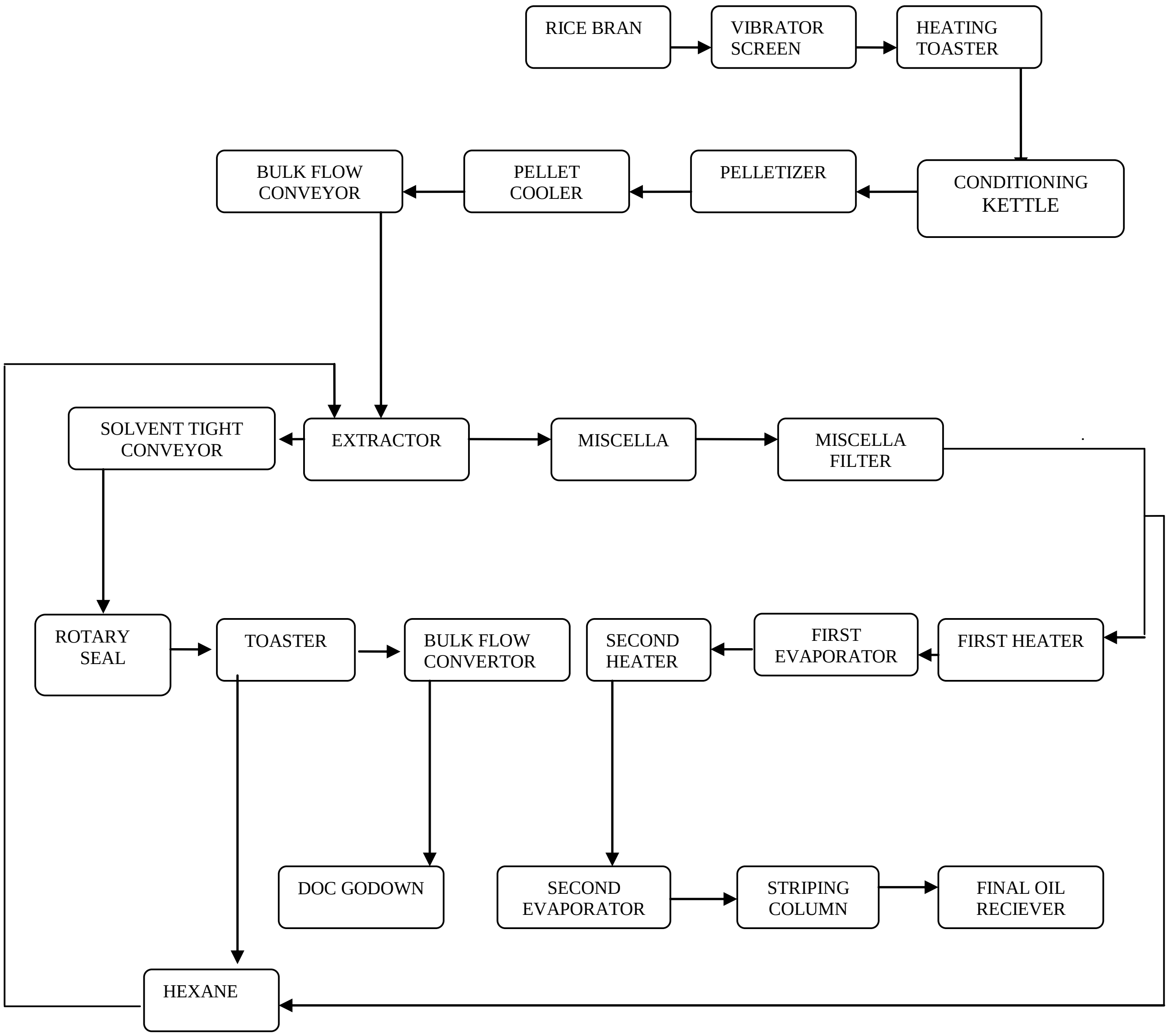
The water requirement for Punjab Refinery II is expected to be 75 TPD, including 70 TPD for industrial use that includes water required for the manufacturing process and the remaining 5 TPD for meeting non-industrial requirements, such as drinking water. The water requirement is intended to be met from a 50 HP submersible pump. We have not yet entered into any arrangements for procuring the submersible pump.

We expect to require 100 litres per day of HSD to operate the 1,000 kVa generator set at the facility. No arrangements have been entered into by us in relation our fuel requirements for the facility and we intend to purchase HSD on a spot basis.

C. Solvent Extraction Plant

Manufacturing Process

Below is a graphical representation of the manufacturing process followed in the Solvent Extraction Plant:



Preparatory Section **-** In the preparatory section of the solvent extraction plant, rice bran that is in a powder form is converted into pellet form. For this purpose, rice bran is passed over a vibration screen which removes impurities such as, stones, metal and thread from rice bran. The sieved material is then transferred to a heating toaster so that excess moisture is removed and rice bran is adequately conditioned. This material is transferred to conditioning kettles where open and closed steam is applied for conditioning the rice bran. This process is meant to enhance binding characteristics for pelletization. From conditioning kettle, rice bran is transferred to pelletization machines, where powdery form rice bran is converted into pellet form. The pellets are cooled in a pellet cooler and the material is transferred to main extractor by a mechanical conveyor.

Extraction Section - The pellets obtained from the preparatory section are subjected to extraction. In the main extractor continuous spray of n-hexane is done by a number of spray nozzles over a continuous bed of pellets in the extractor. The continuous spray of hexane solvent results in extracting oil from rice bran and oil-hexane mixture called ‘Miscella’ is obtained. Miscella is filtered to remove any rice bran.

Distillation Section - The miscella obtained after the extraction process is distilled in vacuum distillation process where miscella is heated internally in a heater of a specialized design and in distillers where steam is applied as a heating medium. In this process, hexane is converted into vapours and is condensed back to a liquid form by a number of condensers. This liquefied hexane is re-circulated in the extraction process. This process leaves behind hexane-free rice bran oil, which is transferred to a storage section.

De-Solventization Section - The residual material from the extraction process leaves behind de-oiled rice bran enriched with hexane solvent. This material is transferred to a de-solventization toaster (DT) on a closed conveyor. In the de-oiled toaster, heating is applied by steam to remove hexane from the de-oiled rice bran. Hexane is evaporated and condensed in a condenser in which cooling water is continuously circulated. The condensed hexane is re-circulated for the extraction process. Dried de-oiled rice bran is transferred to a cattle feed facility and excess material is stored in storage godown.

- *Solvent Extraction Plant*

Overview

We have a solvent extraction plant having an installed capacity of 250 TPD at Jitwal Kalan in the state of Punjab, where rice bran is processed and resultant DoC and crude oil, are utilized primarily to meet the requirement for DoC, an essential ingredient in our compounded cattle feed products, at Punjab Facility I. In relation to our edible oil business, the crude oil produced at our Solvent Extraction Plant fulfills a limited part of the total requirement of crude oil in Punjab Refinery I. The balance requirement of crude oil is met from making purchases of crude oil on a spot basis from the open market.

Initially, the crude oil produced at the Solvent Extraction Plant was sold by us in the open market but since February 2008, it has been utilized at Punjab Refinery I as it assists us in reducing the cost incurred for procuring raw materials partially. The Solvent Extraction Plant became operational in November 2006 and is situated on approximately 2 acres of land at Jitwal Kalan in the state of Punjab. The Solvent Extraction Plant operates for eight months in a year due to the seasonality of rice bran.

Land and construction

The Solvent Extraction Plant is situated on a land admeasuring 2 acres in Jitwal Kalan.

Plant and machinery

The plant and machinery at the Solvent Extraction Plant includes pelletizers, pumps, cooling towers, stater ducts, driers etc.

Proposed capacity and capacity utilization

The Solvent Extraction Plant was set up with an installed capacity of 250 TPD and commenced operations in November 2006. The installed capacity and capacity utilization of the Solvent Extraction Plant for the last three years are set forth below:

Particulars	**Fiscal 2010**	**Fiscal 2009**	**Fiscal 2008**
Installed capacity (TPD)	250	250	250
Capacity utilization (%)	32.14	31.96	39.35

Power, fuel and water supply

The total power requirement at the Solvent Extraction Plant is 495 KW of connected load, which is met through purchase of power from Punjab State Power Corporation Limited. Upon completion of the CPP, our power requirements for the Solvent Extraction Plant will be met from the CPP.

The water requirement for Solvent Extraction Plant is 82 TPD including 80 TPD for industrial use that includes water required for the manufacturing process and the remaining 2 TPD for meeting non-industrial requirements, such as drinking water. The water requirement is met from the existing 15 HP and 20 HP submersible pump at Punjab Facility I.

We expect to require 100 litres of HSD to operate the 1,000 kVa generator set at the facility. No arrangements have been entered into by us in relation our fuel requirements for the facility and we intend to purchase HSD on a spot basis.

D. Captive Power Plant

- *CPP*

Overview

We intend to establish a 3 MW captive power plant at Jitwal Kalan in the state of Punjab, for which we intend to raise proceeds from this Issue, that will supply power to our manufacturing facilities and refineries that are either operational, under various stages of development or proposed, including Punjab Facility I, Punjab Facility II, Punjab Facility III, Punjab Refinery I and Punjab Refinery II.

The CPP shall produce steam, which we intend to utilize in the heating operations required under various manufacturing processes in relation to our compounded cattle feed and edible oil products and power that is intended to be utilized by us for operating our compounded cattle feed manufacturing facilities and refineries. We expect the CPP to be operational by September 2011.

Land and construction

We intend to set-up the CPP on land measuring 4 acres in Jitwal Kalan.

Plant and machinery

We have received pro-forma invoices/ quotations from various parties for the supply of plant and machinery, including boilers, fire fighting system, reverse osmosis plant, air compressor and laboratory equipment in relation to the CPP. However, we have not placed any order for plants and machineries for the CPP.

Proposed capacity

The proposed capacity of the CPP is 3 MW as set forth below:

Particulars	Fiscal 2012	Fiscal 2013	Fiscal 2014
Proposed installed capacity (MW)	3	3	3

Power, fuel and water supply

The water requirement for the CPP is expected to be 840 tonnes per day, includes water required for the turbine. The water requirement is expected to be met from the installation of a 50 HP submersible pump. We have not yet entered into any arrangements for procuring the submersible pump.

We require 254 tonnes of rice husk per day for the steam boilers that are intended to be installed at the CPP. No long-term arrangements have been entered into by us in relation to procuring rice husk and we purchase rice husk on a spot basis.

Transport

We own a fleet of 30 trucks that is used by us for the delivery of our products to our customers, dealers and distributors at their doorstep or at a desired location. Given our extensive dealer network for our cattle feed products and growing dealer and distributor network for edible oil, some of whom are located in remote villages, we are able to efficiently and economically service our dealers and distributors through our own fleet of trucks.

In addition, we have an in-house maintenance workshop located at Jitwal Kalan in the state of Punjab wherein we carry out preventive maintenance work on our fleet of trucks. We have storage tanks and dispensing station within our premises at Jitwal Kalan, Punjab where we store the appropriate quantities of diesel required for operating our fleet of trucks pursuant to obtaining the necessary approvals from the Petroleum & Explosive

Safety Organization. Our Company has entered into consumer high speed diesel pump hire and supply agreement dated October 23, 2006 with the Indian Oil Corporation Limited ("**IOCL**"). In terms of the agreement, IOCL has let out to the Company bulk outfit consisting of a high speed diesel pump with underground tank and fittings to be installed by IOCL at the Company's premises, for meeting the Company's requirements of high speed diesel in bulk to be supplied by IOCL through the said bulk outfit for a consideration of monthly rental of Rupee one per item of tank or pump. Further, the Company is required to pay to IOCL ₹ 50 per pump per month towards maintenance of the outfit payable in advance on half yearly basis. The agreement is valid for a period of 15 years and will thereafter run indefinitely subject to termination at three months notice by either party.

Distribution, Sales and Marketing

We market and sell our compounded cattle feed products through a network of dealers in the states of Punjab, Haryana, Uttarakhand, Himachal Pradesh, Jammu & Kashmir, Uttar Pradesh, Rajasthan and Delhi NCR and our edible oil products through a network of distributors in the northern states of Punjab, Jammu & Kashmir, Haryana, Himachal Pradesh and Delhi NCR. Further, we have appointed a few sales officers in relation to our compounded cattle feed business and edible oil business, a few Clearing & Forwarding ("**C&F**") agents and consignee agents in relation to our edible oil business. Such agents are responsible for assessing and monitoring the demand for and sale of our compounded cattle feed and edible oil products by our dealers and distributors.

We have also entered into an agreement dated October 12, 2007 with Tata Chemicals Limited ("**TCL**") wherein they purchase wholesale quantities of cattle feed manufactured and supplied by us and sell such cattle feed under their trademark. The relationship between us and Tata Chemicals is on principal to principal basis. Both of us are at liberty to sell the cattle feed to customers without any territorial restrictions. The agreement entered into is valid for a period of three years from the date of signing and can be renewed for a further period by mutual consent. By a letter dated September 23, 2010, TCL has extended the term of agreement for a term of one year, with effect from October 12, 2010. In addition, we have had informal marketing arrangements with Tara Life Care Products Limited in relation to 'Tara Unique' and 'Tara Olive' and intend to continue with such informal marketing arrangements.

To cater to the less organized and unorganized retailers, we have appointed a few C&F agents and consignee agents in the states of Delhi, Himachal Pradesh, Haryana and in the union territory of Chandigarh.

Research and Development

Since inception, we have placed a strong emphasis on developing our in-house R&D abilities, which we believe, has been instrumental in our growth. In the cattle feed segment, we commenced commercial operations in 2005 with the introduction of 'Tara Feed', followed by 'Raath Gold'. In the cattle feed segment, we have added four products, premium and low-cost, including a feed supplement, since commencing commercial production in 2005. In the edible oil segment, we have developed seven products, including two blended oils and olive oil, since commencing commercial production in 2008 through our own development initiatives and efforts. We believe that our in-house R&D initiatives have resulted in the expansion of our product portfolio, maintaining the quality of our products and translating feedback received from customers, dealers and distributors into concrete results.

Our research and development activities emphasize designing and developing new products keeping in mind market standards, customer requirements, cost of production and compliance with applicable standardization norms. Our R&D centre is located near our manufacturing facilities and refinery at Jitwal Kalan in the state of Punjab. In fiscal 2010, the expenditure on our R&D centre was ₹ 0.60 million, representing 0.80% of our total expenses.

Human Resources

As on August 31, 2010, we had a total of 179 permanent employees consisting of 39 employees in the administrative, sales and maintenance team, 60 employees in the security and transport team and 59 employees in the production team. In addition to our permanent employees, we hire from time to time contract workers to assist us in various aspects of our business. As on August 31, 2010, we had a total of 31 contract workers employed through two independent contractors with whom we have entered into agreements for a period of one year for unloading raw materials, packaging, loading of finished products and shifting materials at the Punjab Refinery I. Such agreements are valid for a period of one year and the parties have a right to renew such agreements prior to their termination. The terms of engagement for our contract workers are different than that of our permanent employees.

Our permanent employees are not presently unionized. We believe our relations with our workforce are cordial and there have not yet been any major incidence of a strike or lock-out since inception.

Intellectual Property

We own the trademark on our logo 'Tara'. Our edible oil products are sold under the trademarks "Tara" for which we have 35 registered trademarks under various classes and further applications have been made by our Company in relation to registering trademarks for 'Zaitoon Tara', 'Tara Lite', 'Tara Gold', 'Tara Kotton' and 'Tara Unique' under various classes. In relation to our cattle feed products, applications with regard to trademarks for 'Tara Feed', 'Raath Panjeri', 'Raath Gold', 'Raath No. 1' (Punjabi), 'Tara Min' and 'Raath Feed' (Punjabi) have been made by our Company.

By an assignment deed dated July 30, 2009, Tara Gram Udyog Samiti, a registered society, assigned the 'Tara' trademark to our Company. In addition, the Tara Gram Udyog Samiti has, by an assignment deed dated July 30, 2009 assigned two copyrights, 'STAR DEVICE' and 'TARA DEVICE' to our Company.

In addition, there are two designs, 'Bottle' and 'Container' that are registered since December 2007 under the Designs Act, 2000, as amended ("**Designs Act**") in the name of Tara Feed Limited, the former name of our Company. Mr. Balwant Singh, one of our Promoters, has also filed an application dated June 17, 2008 for the registration of the patent in relation to the cooking oil blend and method of manufacture thereof.

For further details of the registered intellectual property rights, see "***Government and Other Approvals***" on page 188.

Insurance

Our operations are subject to risks inherent in the compounded cattle feed industry, including in the processes of solvent extraction, refining and blending, such as, accidents, fire, earthquake, floods and other *force majeure* events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and risk associated with adverse working environmental conditions. We generally maintain insurance covering our assets (immovable and moveable) and operations at levels that we believe to be appropriate and consistent with that typical for our businesses in India.

Our insurance policies generally consist of coverage for risks related to accident, physical loss or damages by way of all risk coverage for loss or damage to equipment/ material/ employees/ plant and machinery/ building/ stock by means of an all risk policy, standard fire, shock and allied perils, spontaneous combustion, leakage earthquake and vehicle cover. We also have group workers accident policy and mediclaim policy for our staff.

Health, safety and risk management

We recognize the safety of our workforce with paramount importance and we have a policy in place in relation to the safety and heath of our employees. The policy includes (a) compliance with applicable safety rules and regulations, (b) maintenance of a safe and healthy environment by constant monitoring, (c) providing employees with instructions and knowledge on safety procedures and precautions, (d) conduction classes on safety, first aid training, fire fighting, safety audit; and (e) regular assessment of the safety, health and environment at the workplace.

Competition

Our competition depends on the products being offered by various companies in the organized segment besides several other factors such as quality, price and capacity to deliver. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. In the compounded cattle feed business, we face competition from Markfed Vanaspati & Allied Industries Limited and Godrej Agrovet Limited. In relation to our edible oil business, we face competition from established regional and national players in the retail and bulk customers segments. In the retail segment, we face competition from national players such as, Adani Wilmer Limited, Ruchi Soya Inds Limited and Cargill India Limited and regional players, such as, A.P. Solvex Limited, Amrit Banaspati Limited and Bhatinda Chemicals Limited. In the bulk segment, we face competition from A.G. Fats Limited and K.C. Oils & Chemicals Limited.

Properties

Owned properties: Certain of our properties are owned by us. 27.50 acres at Jitwal Kalan is owned by us and Punjab Facility I and Punjab Refinery I are located and Punjab Facility II, Punjab Facility III, Punjab Refinery II and CPP will be located on it. For details of the area demarcated for each unit, see "- ***Cattle Feed – Manufacturing Facilities***" and "***-Edible Oil – Refineries***" of this section titled "***Our Business***" on page 75.

Further, we acquired 46.81 acres at Industrial Focal Point, Maler Kotla, Sangrur, Punjab, from Vinod Paper Mills Limited on July 7, 2009. On August 7, 2010, we entered into an agreement to sell with Synergy Telepower, for purchase of land aggregating to 1.88 acres at Bari Brahmara, Jammu in relation to J&K Facility.

Leased properties: Our Registered Office is located at 3rd Floor, Mall Plaza, Fountain Chowk, The Mall, Ludhiana 141 001, Punjab, India. In addition, we lease certain properties that we utilize as manufacturing facilities. The details of these properties are as follows:

S.No.	Lessor(s)	Property	Date of execution	Date of expiry
1.	State Industrial Development Corporation of Uttaranchal Limited and Eldeco Sidcul Industrial Park Limited	Plot no. A-2, Sector-Phase1, ESIP, Sitarganj, Uttaranchal. (Khasra no.171 at village Lalarpatti measuring 1.19 acres	December 5, 2006	90 years
2.	S. Hargurpal Singh & S. Jagjit Singh	3rd Floor, Mall Plaza, Fountain Chowk, The Mall, Ludhiana 141 001 measuring 0.30 acres	September 27, 2010	Approximately 3 years (expires on September 1, 2013)

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the GoI, Government of Punjab and other regulatory bodies that are applicable to our business in India. The information detailed below has been obtained from the various legislations, rules, regulations and orders that are available in the public domain, and are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are merely intended to provide general information to Bidders and are neither designed nor intended to substitute for professional legal advice.

Regulations related to establishment of undertaking

The Industries (Development and Regulation) Act, 1951

The Industries (Development and Regulation) Act, 1951, required obtaining of a license from the GoI, prior to establishment of any new industrial undertaking. Subsequently, upon introduction of the New Industrial Policy dated July 24, 1991, the GoI abolished industrial licensing, except for certain specified industries, and prescribed the requirement to file an information memorandum or Industrial Entrepreneurs Memorandum (the "**IEM**") for establishment of new projects and for substantial expansions. The requirement to file an IEM is applicable, amongst others, to the cattle feed and edible oil industry.

The Factories Act, 1948

The Factories Act, 1948 (the "**Factories Act**") applies to any premises in which (i) 10 or more workers are employed and are engaged in manufacturing process being carried out with the aid of power, or (ii) 20 or more workers are employed in manufacturing process being carried out without the aid of power. The State Governments prescribe rules with respect to prior submission of plans, approval of plans for the establishment of factories and the registration and licensing of factories.

The Factories Act requires ensuring the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks. The Factories Act also provide for the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. In case of contravention of any of the provisions of the Factories Act or the rules framed there under, the occupier and manager of the factory may be punished with imprisonment for a term up to two years or with a fine up or with both.

The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 (the "**CLRA**"), regulates the employment of contract labor in establishments, and prescribes ensuring welfare and health of contract laborers. The CLRA requires establishments that employ or employed on any day in the previous 12 months, 20 or more workmen as contract labor to be registered and prescribes certain obligations with respect to the welfare and health of contract labor. To ensure the welfare and health of the contract labor, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

The Punjab Shops and Commercial Establishment Act, 1958

The Punjab Shops and Commercial Establishment Act, 1958 provides for the regulation of conditions of work and employment in shops and commercial establishments in the state of Punjab. It provides for conditions of employment, wages and termination of employment.

Regulations related to quality of food and animal feed

The Prevention of Food Adulteration Act, 1954

The Prevention of Food Adulteration Act, 1954 (the "**PF Act**"), and the Prevention of Food Adulteration Rules, 1955 (the "**PF Rules**"), prescribes standards for articles of food and prohibit manufacture, storage, sale, distribution and import of any adulterated or misbranded food. Infringement of provisions of PF Act may lead to levy of penalty, imprisonment and fines. The PF Rules provide for, amongst other things, conditions for license and sale of articles of food and duties of food inspector.

The Food Safety and Standards Act, 2006

The Food Safety and Standards Act, 2006 (the "**FSSA**") provides for establishment of Food Safety and Standards Authority of India (the "**Food Authority**") for laying down science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import. The Food Authority is also required to provide scientific advice and technical support to the GoI and State Governments in framing the policy and rules relating to food safety and nutrition. The FSSA also provides for requirements of licensing and registration of food business, general principles for food safety, responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by Food Safety Appellate Tribunal.

In exercise of powers under the FSSA, the Food Authority has framed the Food Safety and Standards Regulations, 2010 (the "**FSSR**"). The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The GoI has also issued a draft of the Food Safety and Standard Rules in April 2010 setting out the enforcement structure of Commissioner of Food Safety, Food Safety Officer and Food Analyst and procedures of taking extracts, seizure, sampling and analysis.

The Bureau of Indian Standards (the "**BIS**") has published quality standards on animal feed and compounded feed for animals, mineral mixtures for supplementing animal feeds. Further, Ministry of Food and Agriculture has issued draft of standards on requirements of good agricultural practices in relation to livestock base, poultry base and cattle and sheep base. The proposals include, amongst others, procurement of animal feed from approved sources complying with the quality assurance standards, conditions for storage of animal feeds.

On April 27, 2010, the Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture, GoI, approved the implementation of Centrally Sponsored Fodder and Feed Development Scheme (the "**Feed Development Scheme**") for financial year 2010-11. The Feed Development Scheme is aimed at improvement and enhancement of production of protein rich feed and fodder for live stocks and to improved quality of feed and fodder for live stocks in the country. This is undertaken by, amongst other things, fodder cultivation by multiplication and distribution of high quality fodder seeds and assistance to fodder block making units.

Regulations related to edible oil

The Essential Commodities Act, 1955

The Essential Commodities Act, 1955 (the "**EC Act**") was enacted to control the production, supply and distribution of, and trade and commerce, in certain commodities. Definition of essential commodities under the EC Act includes cattle fodder, including oil cakes and other concentrates, foodstuffs, including edible oil-seeds and oils. Under the provisions of the EC Act, the GoI by an order may regulate or prohibit the production, supply and distribution and trade and commerce in essential commodities. An order issued by GoI may provide for, amongst other things, imposition of licenses, permits, controlling the price, prohibiting of sale of essential commodities. Any contravention of the provisions of the EC Act may lead to imprisonment or fine or both.

The National Oilseeds and Vegetable Oils Development Board Act, 1983

The National Oilseeds and Vegetable Oils Development Board Act, 1983 (the "**Oilseeds Act**") was enacted to develop the oilseeds and vegetable oils industry. The Oilseeds Act provides for establishment of the National Oilseeds and Vegetable Oils Development Board (the "**Oilseeds Board**"). The functions of the Oilseeds Board include recommending measures for improving the marketing of oilseeds, products of oilseeds and vegetable oils and for their quality control in India, imparting technical advice, recommending measures for regulating import, export and distribution of oilseeds or vegetable oils, recommending and setting up of adoption of grade standards for oilseeds and their products and vegetable oils. The GoI has framed the National Oilseeds and Vegetable Oils Development Board Rules, 1984 under the provisions of the Oilseeds Act, to regulate functions of the Oilseeds Board.

The Solvent-Extracted Oil, De-Oiled Meal and Edible Flour (Control) Order, 1967

The Solvent-Extracted Oil, De-Oiled Meal and Edible Flour (Control) Order, 1967 (the "**SE Oil Order**") was framed by the GoI under the provisions of the Essential Commodities Act, 1955 (the "**EC Act**"). In terms of SE Oil Order, no person can carry out business of producer of solvent-extracted oil, de-oiled meal or edible flour except under and accordance with the terms and conditions of license granted under the SE Oil Order.

The Edible Oils Packaging (Regulation) Order, 1998

The Edible Oils Packaging (Regulation) Order, 1998 (the "**EOP Order**") was framed by the GoI under the provisions of the EC Act. The EOP Order provides that no person can sell any edible oil which does not conforms to the standards of quality as provided under the PF Act and which is not packed in a container, marked and labelled in the manner as specified in the schedule of EOP Order. The EOP Order sets out, amongst other things, conditions of registration as packer and process of inspection by the Edible Oils Commissioner.

The Vegetable Oil Products (Regulation) Order, 1998

The Vegetable Oil Products (Regulation) Order, 1998 (the "**VOP Order**") was framed by the GoI under the provisions of the EC Act and in supersession of the Vegetable Oil Products (Control) Order, 1947 and the Vegetable Oil Products (Standards of Quality) Order, 1975. The VOP Order provides that no person can sell any vegetable oil which is not packed in a container marked and labelled in the manner specified in the schedule of the VOP Order. A producer of vegetable oil is required to be registered under the VOP Order.

The Solvent Raffinate and Slop (Acquisition, sale, Storage and Prevention of use in Automobiles) Order, 2000

The Solvent Raffinate and Slop (Acquisition, sale, Storage and Prevention of use in Automobiles) Order, 2000 (the "**SRS Order**"), was framed by the GoI under the provisions of EC Act. In terms of the SRS Order, no person can either acquire store or sell solvents, raffinates, slops or their equivalent and other product without a license issued by the appropriate authorities. Further, a person dealing in solvents is required to file end-use certificates to the relevant authorities. The SRS Order also provides for powers of search and seizure and sampling to the regulatory authorities.

The Food Authority has issued draft guidelines on regulation of trans fatty acids in partially hydrogenated vegetable oils in 2010 setting out, amongst other things, the level of trans fatty acids in vanaspati/ partially hydrogenated vegetable oils and mandatory labelling of trans fatty acids.

Regulations related to agricultural produce

The Agricultural Produce (Grading and Marking) Act, 1937

The Agricultural Produce (Grading and Marking) Act, 1937 (the "**APGM Act**") was enacted to provide for the grading and marking of agricultural and other produce. The APGM Act gives powers to the GoI to frame rules for fixing quality of agricultural produce. It provides powers of entry, inspection and search and seizure to the inspecting authorities and penalties for violating the provisions of the AGPM Act.

The Punjab Agriculture Produce Markets Act, 1961

The Punjab Agriculture Produce Markets Act, 1961 (the "**Punjab APM Act**"), was enacted for better regulation of the purchase, sale, storage and processing of agricultural produce and the establishment of markets for agricultural produce in the State of Punjab. The Punjab APM Act provides for establishment of State Agricultural Marketing Board and provides power to the Government of Punjab to exercise control over purchase, sale, and storage and processing of agricultural produce. Further, a license is required to engage in business in any area notified as a 'notified market area' under the provisions of the Punjab APM Act.

Other regulations

The Petroleum Act, 1934

The Petroleum Act, 1934 (the "**Petroleum Act**"), was enacted to consolidate the law relating the import, transport, storage, production, refining and blending of petroleum. Under the provisions of the Petroleum Act, license is required for import, storage and transport of petroleum. Any contravention of the provisions of the Petroleum Act may lead to levy of penalty. The Ministry of Petroleum, GoI, has issued Petroleum Rules, 2002, under the provisions of the Petroleum Act, to administer the provisions of the Petroleum Act.

The Electricity Act, 2003

The Electricity Act, 2003 (the "**Electricity Act**"), regulates the generation, transmission, distribution, trading and use of electricity. The Electricity Act provides for, amongst other things, standards and conditions required to be complied for generation of electricity, including for captive generation.

The Indian Boilers Act, 1923

Under the provisions of the Indian Boilers Act, 1923 (the "**Boilers Act**"), an owner of boiler is required to get the boiler registered and certified for its use. The Boilers Act also provide for penalties for illegal use of boiler.

The Motor Vehicles Act, 1988

The Motor Vehicles Act, 1988 (the "**MV Act**") not only regulates matters such as compulsory driving license, standards for anti pollution controls but also provides for issuing fitness certificates for vehicles by the authorized testing stations and liberalized schemes for grant of stage carriage permits on non-nationalized routes, all-India tourist permits and also national permits for goods carriage. The MV Act also provides for enhanced compensation in cases of "no fault liability" and in hit and run motor accidents and for payment of compensation by the insurer to the extent of actual liability to the victims of motor accidents irrespective of the class of vehicles.

Consumer Protection Act, 1986

The Consumer Protection Act, 1986 ("**COPRA**") aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non compliance of the orders of these authorities attracts criminal penalties.

Labor related regulations

The Minimum Wages Act, 1948 and the Payment of Wages Act, 1936

The wages to be paid to persons employed in factories and establishments are governed by the provisions of the Minimum Wages Act, 1948 (the "**MW Act**") and the Payment of Wages Act, 1936 (the "**PW Act**"). The MW Act gives powers to the appropriate government (Central or State) to fix minimum wages to be paid to the persons employed in scheduled or non scheduled employment and the concerned employer is required to pay the minimum wages, fixed by the appropriate government. The PW Act applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than ₹ 6,500.

The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 (the "**Gratuity Act**") is applicable to all the establishments in which 10 or more employees were employed on any day of the preceding 12 months, who is in continuous service for a period of five years is eligible for gratuity upon his retirement, superannuation, death or disablement. It provides for the scheme for payment of gratuity to employees engaged in factories, mines, oilfields, plantations, ports, railway companies, shops or other establishments and for matters connected therewith or incidental thereto. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under the Gratuity Act, with Life Insurance Corporation or any other approved insurance fund.

The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 (the "**Bonus Act**") is applicable on every establishment employing 20 or more employees. The Bonus Act provides for payment of bonus irrespective of profit and makes payment of minimum bonus compulsory to those employees who draw a salary or wage up to ₹ 10,000 per month and have worked for a minimum period of 30 days in a year. It further requires for the maintenance of certain books and registers and submission of annual return within 30 days of payment of the bonus to the Inspector. Contravention of the Bonus Act by a company is punishable with imprisonment up to six months or a fine up to ₹ 1,000 or both against those individuals in charge at the time of contravention.

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the "**EPF Act**") was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It empowers the GoI to frame the 'Employee's Provident Fund Scheme', 'Employee's Deposit linked Insurance Scheme' and the 'Employees' Family Pension Scheme' for the establishment of provident funds for the employees. It also prescribes that contributions to the provident fund are to be made by the employer and the employee.

The Workmen Compensation Act, 1923

The Workmen Compensation Act, 1923 (the "**WCA**") was enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 (the "**ID Act**") is applicable to establishments and undertakings wherein any systematic activity is carried out by co-operation between an employer and his workmen for the production, supply or distribution of goods or services. The Act requires for the maintenance peace and harmony for better working conditions.

The Employees' State Insurance Act, 1948

The Employees' State Insurance Act, 1948 (the "**ESI Act**") provides for certain benefits to employees in case of sickness, maternity and employment injury. Every employee, whether employed directly or through s contractor, who receives wages up to ₹ 10,000 per month is entitled to be insured under the ESI Act, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the establishment is also required to register itself under the ESI Act and maintain prescribed records and registers.

Workmen's Compensation Act, 1923

The Workmen's Compensation Act, 1923 provides that if personal injury is caused to a workman by accident during his employment, his employer would be liable to pay him compensation. However, no compensation is required to be paid (i) if the injury does not disable the workman for more than three days, (ii) where the workman, at the time of injury, not resulting in death or permanent total disablement was under the influence of drugs or alcohol, or (iii) where the workman wilfully disobeyed safety rules or wilfully removed or disregarded any safety guard.

Environment related regulations

Our business is subject to environment laws and regulations. Compliance with relevant environmental laws is the responsibility of the occupier or operator of the facilities. Our operations require various environmental and other permits covering, among other things, water use and discharges, waste disposal and air and other emissions. Major environmental laws applicable to our operations are set out below.

The Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986, (the "**EPA**") is an umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the GoI with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for amongst others, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹ 100,000 or imprisonment of up to five years, or both.

The Environment Impact Assessment Notification, 2006 (the "**EIA Notification**"), provides that the prior approval of the Ministry of Environment and Forests, GoI, or State Environment Impact Assessment Authority, as the case may be, is required for the establishment of any new project and for the expansion or modernization of existing projects specified in the EIA Notification. The EIA Notification states that obtaining of prior environmental clearance includes a maximum of four stages, i.e., screening, scoping, public consultation and appraisal. An application for environmental clearance is made after the identification of prospective site(s) for the project and/or activities to which the application relates but before commencing any construction activity, or preparation of land, at the site by the applicant.

The Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 (the "**Air Act**") requires any person, establishing or operating any industrial plant within an air pollution control area, to obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. Under the Air Act, the Central Pollution Control Board has powers, amongst others, to specify standards for quality of air, while the State Pollution Control Boards have powers, amongst others, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry. The penalties for the failure to comply with the provisions of the Air Act include imprisonment or payment of a fine or both.

The Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 (the "**Water Act**") aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with.

The Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008

The Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008 (the "**Hazardous Wastes Rules**") regulate the proper collection, reception, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the Pollution Control Board. The occupier, the transporter and the operator are liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the respective State Pollution Control Boards. Penalty for the contravention of the provisions of the Hazardous Waste Rules includes imprisonment up to five years and imposition of fines as may be specified in the EPA or both.

Regulations related to Intellectual Property Rights

The Design Act, 2000

The Design Act, 2000 (the "**Designs Act**") was enacted to consolidate and amend the law relating to protection of design and to comply with the articles 25 and 26 of TRIPS agreement. The said Act defines "design" to mean the features of shape, configuration, pattern, ornament, or composition of lines or colors applied to any article, whether in two or three dimensional, or in both forms, by any industrial process but does not include any mode or principle of construction. An application for registering a design must be filed in the patent office. A design may be registered in not more than one class. In order for a design to be registered it must be new, original, significantly distinguishable from known designs, should not comprise of obscene matter and must not be disclosed to the public. The proprietor of the design shall have copyright in the design for 10 years from the date of registration and can be further extended for five years.

The Trademarks Act, 1999

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor or user to use the mark. A 'mark' may consist of a word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The Trademarks Act, 1999 (the "**Trademarks Act**") governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. The registration of a trademark is valid for a period of 10 years but can be renewed in accordance with the specified procedure. the Trademarks Act was amended pursuant to the Trademarks (Amendment) Bill 2009 to empower the Registrar of Trademarks to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time for filing notice of opposition of published applications and provide for a uniform time limit of four months in all cases.

The Copyright Act, 1957

A copyright is an exclusive right to do or authorisation to do certain acts in relation to literary, dramatic, musical and artistic works, cinematographic films and sound recordings. The Copyright Act, 1957 (the "**Copyright Act**") provides for registration of copyrights, transfer of ownership and licencing of copyrights, and infringement of copyrights and remedies available in that respect. Depending on the subject, copyright is granted for a certain period of time, usually for a period of 60 years, subsequent to which the work falls in the public domain and any act of reproduction of the work by any person other than the author would not amount to infringement.

The Patents Act, 1970

The Patents Act, 1970 (the "**Patents Act**") explains that a patent is a grant made by the government to an inventor, conveying and securing to him the exclusive right to make, use and sell his invention. The fundamental principle of patent law is that a patent is granted only for an invention which must be new and useful. An application for getting a patent registered is to be filed before the controller of the patent office. The application and the specification relating thereto is referred to an examiner and the registration is granted/refused based on the examination report. At any time within four months from the date of advertisement of the acceptance of a complete specification any person interested may give a notice of opposition to the grant of the patent. The term of a patent granted under the Patents Act in respect of an invention claiming the method or process of manufacture of a substance, where the substance is intended for use, or is capable of being used, as food or as a medicine or drug, is five years from the date of sealing of the patent, or seven years from the date of the patent whichever period is shorter; and in respect of any other invention, is 14 years from the date of the patent

Regulations related to Foreign Investment

In terms of Circular 1 of 2010 issued by the Department of Industrial Policy and Promotion (the "**FDI Circular**"), 100% foreign direct investment is allowed under automatic route in floriculture, horticulture, development of seeds, animal husbandry, pisciculture, aquaculture and cultivation of vegetables & mushrooms under controlled conditions and services related to agro and allied sectors. Further, foreign direct investment is not allowed in any other agricultural sector/activity. The FDI Circular further provides that in sectors/activities not listed in the FDI Circular, FDI is permitted up to 100% on the automatic route subject to applicable laws/ sectoral rules/ regulations.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Angora Wool Combers Private Limited, a private company limited by shares, on February 28, 1977, under the provisions of the Companies Act. The name of our Company was changed to Ram Sahai Wool Combers Private Limited and a fresh certificate of incorporation pursuant to change of name was issued to our Company on December 2, 1986 by the by the Registrar of Companies.

The Promoters purchased entire equity shareholding of the Company from its erstwhile promoters Mr. Dharm Pal, Mr. Ashok Kumar, Mr. Nagesh Kumar, Mr. Narinder Kumar, Mr. Rajiv Mehra and Ms. Vidya Prakash in 2004.

Consequently, our Company's name was changed to Tara Feeds Private Limited and a fresh certificate of incorporation pursuant to change of name was issued to our Company on September 2, 2004, by the Registrar of Companies. Pursuant to a resolution passed by our shareholders dated September 30, 2005, our Company was converted into a public limited company and our Company's name was changed to Tara Feed Limited. A fresh certificate of incorporation consequent to change of status into public limited company was issued to our Company on October 5, 2005. Subsequently, our name was changed to Tara Olive India Limited and a fresh certificate of incorporation pursuant to change of name was issued to our Company on June 11, 2008. Our name was further changed to Tara Health Foods Limited and a fresh certificate of incorporation pursuant to change of name was issued to our Company by the Registrar of Companies on November 24, 2008.

The name of Company was changed to reflect the business activities presently carried on, and intended to be carried on in future, by the Company.

For details in relation to our activities, services, products, market of each segment, our growth, technology, market, managerial competence and capacity built-up, our standing with reference to our prominent competitors, see "***Our Business***" and "***Industry Overview***" on pages 75 and 48, respectively.

Our Company has 13 equity shareholders as on the date of filing of this Draft Red Herring Prospectus. For further information, see "***Capital Structure***" on page 19.

Business Transfer Agreement

Our Company has entered into a business transfer agreement dated September 25, 2010 ("**BTA**") with Mr. Kulwant Singh, Mr. Jaswant Singh and Mr. Balwant Singh (the "**Partners**"), pursuant to which the Partners have agreed to transfer all assets and liabilities of Tara Feed Factory (the "**TFF**") in its entirety as per the audited books of account of TFF as on September 30, 2010. The said transfer would be effective from October 1, 2010. The credit balances appearing against the names of Partners as per the audited books of TFF as on September 30, 2010, will be fully discharged by the Company in cash.

Changes in Registered Office:

The table below encapsulates changes in registered office of our Company.

Date of change	Change in the address of our Registered Office
April 16, 2007	Change in registered office from Akashpuri, Civil Lines, Ludhiana, Punjab, to 3rd Floor, First Mall, The Mall, Ludhiana, Punjab.
November 1, 2007	Change in registered office from 3rd Floor, First Mall, The Mall, Ludhiana 141 001 to 3rd Floor, Mall Plaza, Fountain Chowk, Ludhiana 141 001, Punjab.

The changes were carried out to enable administrative convenience and greater operational efficiencies.

Major Events:

Year	Event
2004	Purchase of equity shares of Ram Sahai Wool Combers Private Limited by the Promoters
2005	Commencement of production of cattle feed at the facility established at Jitwal Kalan, with an installed capacity of 250 TPD.
2006	• Installation and operationalization of solvent extraction plant having installed capacity of 250 TPD.

Year	Event
	• Commenced manufacturing and distribution of different variants of cattle feed.
2007	• Set up of cattle feed manufacturing unit at Sitarganj, Uttaranchal. • Commenced production of blended oil.
2008	Set up of a refinery unit at Jitwal Kalan, with an installed refining capacity of 120 TPD for refining of edible oil.
2009	Commencement of production and selling of olive oil, variants of rice bran oil, refined cotton seed oil and refined blended oil products.

Certifications

We have received the following certification in various aspects of our business:

Year	Certification
October 2008	Certification for Quality Management System under ISO 9001: 2000 by the Direct Assessment Services Certification for manufacture of blended edible oil and cattle feed.
October 2008	Certification for Quality Management System under the Codex based HACCP by the Direct Assessment Services Certification in relation to blended edible oil.
August 2010	Registration certificate certifying the management systems of the Company comply with quality management standard ISO 9001:2008

Our Main Objects

The main objects of our Company as contained in our Memorandum of Association are as follows:

Clause	Particulars
A.1.	To manufacture, process, import, export, distribute or otherwise deal in all kinds and descriptions of poultry, cattle and animal feeds.
A.2.	To carry on in India or abroad the business as manufacturers, buyers, sellers, traders, dealers, importers, exporters and distributors of all kinds and description of health foods, health supplements, oils, food grains and food products.
A.3.	To carry on in India and abroad the business of generation, transmission, distribution, sale or otherwise dealing in all aspects of electricity including thermal (based on coal/gas), solar, hydro, wind, tidal, geo-thermal, husk, biological and any other forms of energy through conventional or non- conventional renewable energy sources and to install, operate and manage all necessary plants thereof.
A.4.	To manufacture, buy, sell, trade, produce, crush, extract, refine, develop, process or otherwise deal in all kinds, descriptions and varieties of edible and non-edible oil, oil cakes, deoiled cakes, soaps, detergents, fatty acids, glycerine by setting up of solvent extraction plants, expellers, oil hydrogenating and oxygenating plants, oil splitting plants, oil refineries or otherwise.

Changes in Memorandum of Association

Since our incorporation, the following changes have been made to the Memorandum of Association:

Date of Amendment / Shareholders Resolution	Amendment
December 2, 1986	The name of our Company was changed from Angora Wool Combers Private Limited to Ram Sahai Wool Combers Private Limited.
August 30, 2004	The name of our Company was changed to Tara Feeds Private Limited.
	Existing Clause III (A) be substituted by the following: "*To manufacture, process, import, export, trade, distribute or otherwise deal in all kinds and descriptions of poultry, cattle and animal feeds and their supplements.*"
September 30, 2005	The name of our Company was changed to Tara Feeds Limited consequent to its conversion into a public limited company.
March 23, 2006	Existing Clause (V) substituted with the following: "*The authorized share capital of the Company is ₹ 15,000,000 divided into 150,000 equity shares of ₹ 100 each.*"
May 25, 2006	Existing Clause (V) substituted with the following:

Date of Amendment / Shareholders Resolution	**Amendment**
	"*The authorized share capital of the Company is ₹ 24,000,000 divided into 240,000 equity shares of ₹100 each.*"
	Insertion of Clause 5 in the other objects, as the following: *"To manufacture, buy, sell, trade, produce, crush, extract, refine, develop, process or otherwise deal in all kinds, descriptions and varieties of edible oil and non-edible oils, oil cakes, de-oiled cakes, soaps, detergents, fatty acids, glycerine by setting up of solvent extraction plants, expellers, oil hydrogenating and oxygenating plants, oil splitting plants, oil refineries or otherwise.*"
March 31, 2007	Existing Clause (V) substituted with the following: "*The authorized share capital of the Company is ₹ 65,000,000 divided into 650,000 equity shares of ₹ 100 each.*"
October 22, 2007	Existing Clause (V) substituted with the following: "*The authorized share capital of the Company is ₹ 85,000,000 divided into 850,000 equity shares of ₹ 100 each.*"
May 24, 2008	The name of our Company was changed from Tara Feed Limited to Tara Olive India Limited.
October 14, 2008	Split of 850,000 equity shares of ₹`100 each to 8,500,000 Equity Shares of `10 each, and consequent amendment in Clause (VI).
	Existing Clause (V) substituted with the following: "*The authorized share capital of the Company is ₹ 95,000,000 divided into 9,500,000 equity shares of ₹ 10 each.*"
November 3, 2008	The name of our Company was changed from Tara Olive India Limited to Tara Health Foods Limited.
August 6, 2009	Existing Clause (V) substituted with the following: "*The authorized share capital of the Company is ₹ 350,000,000 divided into 35,000,000 equity shares of ₹ 10 each.*"
September 25, 2010	Existing Clause (V) substituted with the following: "*The authorized share capital of the Company is ₹ 350,000,000 divided into 35,000,000 equity shares of ₹ 10 each.*"
	Insertion of Clause III.A(3) in the Main Objects Clause of the Memorandum of Association: "*To carry on in India and abroad the business of generation, transmission, distribution, sale or otherwise dealing in all aspects of electricity including thermal (based on coal/gas), solar, hydro, wind, tidal, geo-thermal, husk, biological and any other forms of energy through conventional or non-conventional renewable energy sources and to install, operate and manage all necessary plants thereof.*"
	Insertion of Clause III.A(4) in the Main Objects Clause of the Memorandum of Association: "*To manufacture, buy, sell, trade, produce, crush, extract, refine, develop, process or otherwise deal in all kinds, descriptions and varieties of edible and non-edible oil, oil cakes, deoiled cakes, soaps, detergents, fatty acids, glycerine by setting up of solvent extraction plants, expellers, oil hydrogenating and oxygenating plants, oil splitting plants, oil refineries or otherwise.*"

Holding and Subsidiary Companies

As of the date of the Draft Red Herring Prospectus, the Company does not have any holding company or subsidiaries.

Material Agreements other than in ordinary course of business

As of the date of the Draft Red Herring Prospectus, none of the material agreements to which the Company is party is other than in ordinary course of business.

Strategic and Financial Partners

As of the date of the Draft Red Herring Prospectus, our Company does not have any strategic or financial partners.

OUR MANAGEMENT

Under our Articles of Association we are required to have not less than three Directors and not more than 12 Directors. We currently have six Directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name, Father's Name, Designation, Occupation and Nationality	Age (years)	Address	DIN	Other Directorships
Mr. Jaswant Singh S/o Mr. Gurmukh Singh **Designation:** Chairman **Occupation:** Business **Nationality:** Indian **Term:** Five years w.e.f. December 1, 2008	48	Gajjan Majra Malerkotla Sangrur 148 023 Punjab, India	01673767	1. Tara Heart Care Products Limited; 2. Tara Infratech Limited; 3. Tara Energy Limited; 4. Pioneer Public School Managing Committee (Regd.); 5. Tara Gram Udyog Samiti (Regd.); 6. Jaswant Singh and Sons (HUF); 7. Punjab Dairy House; and 8. Tara Feed Factory
Mr. Balwant Singh S/o Mr. Gurmukh Singh **Designation**: Managing Director **Occupation**: Business **Nationality**: Indian **Term**: Five years w.e.f. December 1, 2008	44	Gajjan Majra Malerkotla Sangrur 148 023 Punjab, India	01254159	1. Tara Heart Care Products Limited; 2. Tara Infratech Limited; 3. Tara Energy Limited; 4. Mehndi Macs Trade Private Limited; 5. Pioneer Public School Managing Committee (Regd.); 6. Tara Gram Udyog Samiti (Regd.); 7. Balwant Singh and Sons (HUF); 8. Punjab Dairy House; and 9. Tara Feed Factory
Mr. Tejinder Singh S/o Mr. Kulwant Singh **Designation**: Whole Time Director **Occupation**: Business **Nationality**: Indian **Term**: Five years w.e.f. December 1, 2008	30	Gajjan Majra Malerkotla Sangrur 148 023 Punjab, India	01673762	1. Tara Energy Limited; 2. Tara Heart Care Products Limited; 3. Tara Infratech Limited; 4. Mehndi Macs Trade Private Limited; and 5. Tara Gram Udyog Samiti (Regd.)
Dr. Jaspinder Singh Kolar S/o (Late) Mr. Chanan Singh Kolar **Designation:** Independent Director **Occupation:** Retired from government service **Nationality:** Indian	66	35 DV, Kichlu Nagar, Block DB, Ludhiana 141 004 Punjab, India	02772855	Nil

Name, Father's Name, Designation, Occupation and Nationality	Age (years)	Address	DIN	Other Directorships
Term: Liable to retire by rotation				
Mr. Parshotam Bansal S/o. Mr. Hans Raj Bansal **Designation**: Independent Director **Occupation**: Professional **Nationality**: Indian **Term**: Liable to retire by rotation	55	10-B, Udham Singh Nagar Ludhiana 141001 Punjab, India	02781346	Parshotam & Associates
Mr. Madan Lal Arora S/o. Mr. Devi Dayal Arora **Designation**: Independent Director **Occupation**: Professional **Nationality**: Indian **Term**: Liable to retire by rotation	72	43, Model Gram, Ludhiana 141 002 Punjab, India	01607490	1.Chunneja Management Consultants Private Limited 2.Jindal Cotex Limited 3.Jindal Speciality Textiles Limited

Mr. Jaswant Singh and Mr. Balwant Singh are also the Promoters of our Company. Except as disclosed below, none of our Directors are related to one another:

Mr. Jaswant Singh and Mr. Balwant Singh are brothers and Mr. Tejinder Singh is their nephew.

Details of Directors

Mr. Jaswant Singh, 48 years, is the Chairman of our Company. He completed a bachelors' degree and a masters' degree in history in 1989 and 1991, respectively from Punjabi University, Patiala. Mr. Singh started Pioneer Public Senior Secondary School in 1999. He has also started Tara Vivek College in 2007 which offers various graduate and professional degree courses. He has been on our Board since August 2004 and was appointed as the Chairman for a period of five years with effect from December 1, 2008.

Mr. Balwant Singh, 44 years is the Managing Director of our Company. He completed a bachelors' degree in arts from Punjabi University, Patialia in 1989. He was in Government employment since 1986 until 1997. He along with the other Promoters set up a dairy farm in the year 1997 in Gajjan Majra, and pursued that business until the year 1999. Subsequently, he set up Tara Gram Udyog Samiti (Regd.) to manufacture cattle feed in 1998. In the year 2001, he along with the other Promoters started Tara Feed Factory, a partnership firm, at Gajjan Majra, Malerkotla to manufacture cattle feed. He has approximately 11 years of experience in the cattle feed business. He has been on our Board since August 2004 and was appointed as the Managing Director for a period of five years with effect from December 1, 2008.

Mr. Tejinder Singh, 30 years, is the Whole Time Director of our Company. He completed his secondary school education in the year 1999 and joined our Company in August 2004. He has six years of experience in the business. He looks after general administration and the infrastructure and logistics division of our Company. He has been on the Board since August 2004 and was appointed as the Whole time Director for a period of five years with effect from December 1, 2008.

Dr. Jaspinder Singh Kolar, 66 years, is an Independent Director of our Company. He completed a bachelors' degree in science (agriculture & animal husbandry) from the College of Agriculture, Ludhiana and a masters' degree in science from Punjab Agricultural University in 1966 and 1968 respectively. He completed doctorate in philosophy from Punjab Agricultural University in 1973. He has also undertaken a course on agriculture research and project management from National Academy of Agricultural Research and Management, Hyderabad in 1992. He has earlier served in division of agronomy, Punjab Agricultural University. He was been admitted as a life member of the Indian Society of Agronomy, Indian Agriculture Research Institute in 1998. He has received an appreciation certificate from the Punjab State Council for Science and Technology in 1994 for his contribution in the field of crop production in the years 1990-93. He was awarded Punjab Sarkar Parman Patra in 1991 and Indian Society of Weed Science Medal for 2000-2001 for his contribution in the field of weed science. He has work experience of approximately 35 years. He was appointed as an Independent Director on September 25, 2010.

Mr. Parshotam Bansal, 55 years, is an Independent Director of our Company. He is a Chartered Accountant and member of Institute of Chartered Accountants of India. He completed a bachelors' degree in commerce from Punjabi University, Patialia in 1975. He is a senior partner in Parshotam & Associates, Chartered Accountants since 1980. He has over 30 years of experience in business strategy and tax planning. He was appointed as an Independent Director on September 25, 2010.

Mr. Madan Lal Arora, 72 years is an Independent Director of our Company. He completed a bachelors' degree in law from Guru Nanak Dev University, Amritsar in 1983. He became a member of the Institute of Company Secretaries of India, in 1974. In 1975, he took up the job as Company Secretary with Sutlej Cotton Mills Limited, a Birla Group Company, where he served up to 1980. In 1984, he joined as company secretary in Rockman Cycle Industries Limited, a Hero Cycles Group Company, at Ludhiana where he served till 1994. Thereafter he joined the Cremica Agro Foods Limited as the company secretary until 1997. In 1997, he started his own practice. He has overall 33 years of experience. He was appointed as an Independent Director on September 25, 2010.

Borrowing powers of the Board/Committee

Our Articles of Association, subject to the provisions of the Companies Act, authorize the Board to raise or borrow or secure the payment of certain sums of money for the purposes of our Company. Our shareholders, by a resolution passed at the annual general meeting dated August 6, 2009, authorized our Board/Committee of Directors to borrow monies together with monies already borrowed by us, in excess of the aggregate of the paid up capital of our Company and its free reserves, not exceeding ₹ 2,000 million at any time.

Terms and conditions of appointment of our executive Directors

Mr. Balwant Singh was appointed as Managing Director for a period of five years effective December 1, 2008 at the meeting of our board of directors held on December 1, 2008 and approved by the shareholders at the extra ordinary general meeting of our Company held on January 2, 2009. He is entitled to a gross remuneration of ₹ 0.20 million per month inclusive of perquisites.

Mr. Tejinder Singh was appointed as Whole Time Director for a period of five years effective December 1, 2008 at the meeting of our board of directors held on December 1, 2008 and approved by the shareholders at the extra ordinary general meeting of our Company held on January 2, 2009. He is entitled to a gross remuneration of ₹ 0.20 million per month inclusive of perquisites.

Pursuant to a resolution of Board dated July 1, 2009, our Company decided not to pay sitting fees to any of the Directors for attending Board meetings until the Company comes out with the initial public offering.

Other than as described above, our Company does not pay any remuneration to any of our Directors.

Corporate governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will apply to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We have complied with the applicable provisions of the corporate governance code in accordance with clause 49 of the Listing Agreement.

Currently, our Board has six Directors and the Chairman of the Board is a non-executive and non-independent director. Further, three of our six Directors are independent Directors. We are currently in compliance with the requirements of corporate governance as set forth in terms of clause 49 of the Listing Agreement, particularly those relating to the composition of the board of directors, constitution of committees including the audit committee, remuneration committee and shareholders'investor grievance committee.

Our Company undertakes to take all further steps necessary to comply with all the requirements of clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

(a) Audit Committee

Our Audit Committee was re-constituted by a Board resolution dated September 1, 2010. Currently our Audit Committee comprises of the following members:

1. Mr. Parshotam Bansal (Chairman);
2. Dr. Jaspinder Singh Kolar;
3. Mr. Madan Lal Arora; and
4. Mr. Balwant Singh.

The terms of reference of the Audit Committee are in accordance with the Companies Act and the Listing Agreement as amended from time to time and include the following:

(a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
(b) Recommending to the Board regarding the appointment, re-appointment of the statutory auditor and fixation of the audit fee;
(c) Approving of payment of statutory auditors for any other services rendered by them;
(d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

    (i) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act;
    (ii) Changes, if any, in accounting policies and practices and reasons for the same;
    (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
    (iv) Significant adjustments made in the financial statements arising out of audit findings;
    (v) Compliance with listing and other legal requirements relating to financial statements;
    (vi) Disclosure of any related party transactions; and
    (vii) Qualifications in the draft auditor's report.

(e) Reviewing with the management the half yearly and annual financial statements before submission to the Board;
(f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
(g) Monitoring the use of the proceeds of the proposed initial public offering of the Company;
(h) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
(i) Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems;
(j) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
(k) Discussing with internal auditors regarding any significant findings and follow up thereon;
(l) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
(m) Discussing with statutory auditors before the audit commences, nature and scope of the audit, as well as have post audit discussion to ascertain any area of concern;
(n) Looking into the reason for substantial defaults in payments to depositors, debenture holders, shareholders and creditors;
(o) Reviewing the functioning of the whistle blowing mechanism, in case the same is formulated;

(p) Approval of appointment of CFO (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
(q) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
(r) Reviewing the financial statements, in particular, the investments made by the unlisted subsidiary companies of the Company.

The Audit Committee met seven times during fiscal 2010.

(b) Shareholders' & Investor Grievance Committee

Our Shareholders' & Investor Grievance Committee was re-constituted by a Board resolution dated September 1, 2010. Currently, the Shareholders' and Investor Grievance Committee comprises of the following members:

1. Mr. Jaswant Singh (Chairman);
2. Mr. Balwant Singh; and
3. Mr. Madan Lal Arora.

The terms of reference of the Shareholders' & Grievance Committee are in accordance with the Companies Act and the Listing Agreement as amended from time to time and include the following:

a) Redressal of investors' complaints;
b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
c) Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
d) Review of cases for refusal of transfer/transmission of shares and debentures;
e) Reference to statutory and regulatory authorities regarding investor grievances; and
f) Carrying out any other function contained in the Listing Agreement as and when amended from time to time.

The Shareholders' & Investor Grievance Committee met two times during fiscal 2010.

(c) Remuneration Committee

Our Remuneration Committee was re-constituted by a Board resolution dated September 1, 2010. Currently, the Remuneration Committee comprises the following members:

1. Dr. Jaspinder Singh Kolar (Chairman);
2. Mr. Parshotam Bansal; and
3. Mr. Madan Lal Arora

The terms of reference of the Remuneration Committee are in accordance with the Companies Act and the Listing Agreement as amended from time to time and include the following:

a) Reviewing, assessing and recommending the appointment of executive/non-executive directors and senior employees;
b) Reviewing the remuneration packages of executive directors;
c) Recommending payment of compensation to non-executive directors in accordance with the provisions of the Companies Act;
d) Considering and recommending grant of employees stock option scheme, and administration and superintendence of the same; and
e) Carrying out any other function contained in the Listing Agreement as and when amended from time to time.

The Remuneration Committee met two times during fiscal 2010.

Shareholding of our Directors in our Company

S. No.	Name of Director	Nominal value per shares (in ₹)	No. of Equity Shares	Percentage of shareholding (%)
1.	Mr. Balwant Singh	10	7,867,860	28.04

S. No.	Name of Director	Nominal value per shares (in ₹)	No. of Equity Shares	Percentage of shareholding (%)
2.	Mr. Jaswant Singh	10	7,593,740	27.06
3.	Mr. Tejinder Singh	10	261,800	0.93
	TOTAL		**15,723,400**	**56.03**

Interest of our Directors

All of our Directors may be deemed to be interested to the extent of remuneration and fees payable to them for services rendered as Directors of our Company such as attending meetings of the Board or a committee thereof and to the extent of other reimbursement of expenses payable to them under our Articles.

Our Directors may also be regarded as interested in the Equity Shares that may be subscribed by or Allotted to them or the companies, firms, trusts and HUFs in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. Pursuant to a resolution of Board dated July 1, 2009, our Company decided not to pay sitting fees to any of the Directors for attending Board meetings until the Company comes out with the initial public offering.

Our Directors have no interest in any property acquired by our Company within two years of the date of filing of the Draft Red Herring Prospectus with SEBI.

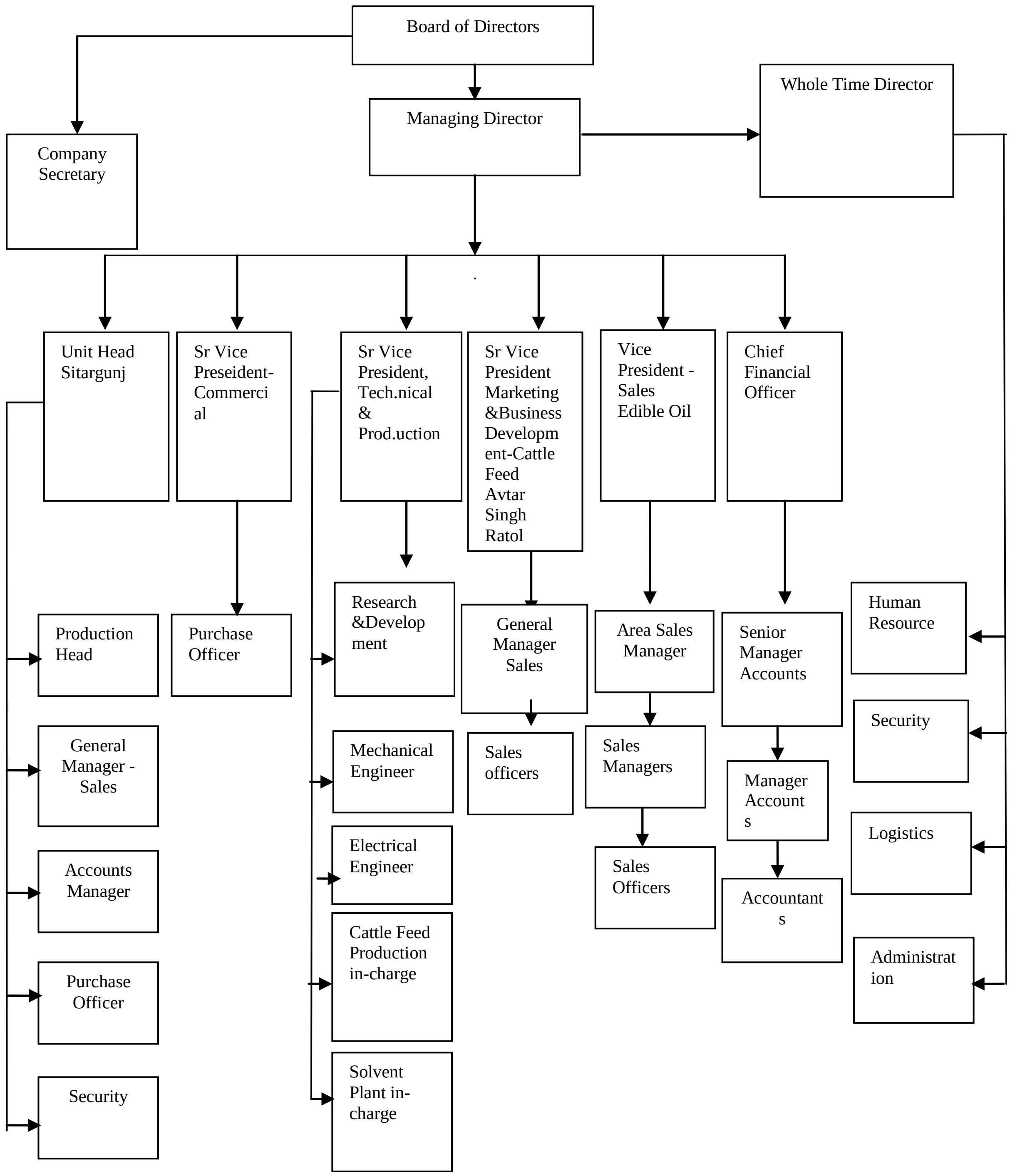
None of our Directors have been appointed on the Board pursuant to any arrangement with major shareholders, customers, suppliers or others.

Except as stated in this Draft Red Herring Prospectus and in "***Related Party Transactions***" under ***Financial Statements - Annexure XIII***" on page 150 our Directors do not have any other interest in our business.

Changes in the Board of Directors during the last three years

Name	Date	Reason
Mr. Parshotam Bansal	September 25, 2010	Appointment
Dr. Jaspinder Singh Kolar	September 25, 2010	Appointment
Mr. Madan Lal Arora	September 25, 2010	Appointment
Mr. Rajneesh Kumar	August 6, 2009	Appointment
Mr. Rajneesh Kumar	September 1, 2010	Resignation
Mr. Kirpal Singh Aulakh	August 6, 2009	Appointment
Mr. Kirpal Singh Aulakh	September 10, 2009	Resignation
Mr. Kulwant Singh	December 1, 2008	Resignation

MANAGEMENT ORGANISATION STRUCTURE



Key Management Personnel

All of our key management personnel are our permanent employees. The details of our key management personnel, other than the Executive Directors mentioned above, are provided below.

Mr. Raj Kumar Jindal, 45 years, is the Chief Financial Officer of our Company. He completed a bachelors' degree in science from Government College, Malerkotla, in 1984. He was admitted as associate member to the Institute of Chartered Accountants of India in 1989 and as fellow member to the Institute of Chartered Accountants of India in 1994. He has been practicing as a partner in the chartered accountancy firm Raj Kumar

Jindal & Co. since 1989. He joined the Company as the Chief Financial Officer in September 2010. He has not received remuneration till date.

Mr. Manmohan Singh, 56 years, is the Senior Vice President (Technical and Production) of our Company. He completed a bachelors' degree in science and a post graduate diploma in oils, soaps and detergents from Guru Nanak Dev University, Amritsar in 1975 and 1976 respectively. He has work experience of 32 years. He worked with Punjab Markfed from year 1976 to year 1978. He was the quality control executive at Anand Oils Limited in 1978 after which in 1982 he was appointed as an expert for extraction and refining of olive oil under Ministry of Industries, Government of Libya. He was also the production executive in Organic Chem Oils Limited in 1986; the general manager and unit head at Punjab Agro Rice Bran Extraction Limited from 1988 to 1991; senior executive at Chemical Solvent Technology Private Limited, Singapore from 1991 to 1992; senior manager at Agrotech India Limited from 1992 to 1995 and works manager from 1998 to 2000; general manger – technical at Laxmi Overseas Industries from 1995 to 1998; general manager – technical at A.P. Solvex Limited from 2000 to 2002 and the general manager at Raj Agro Mills Limited from 2002 until 2007. He joined our Company in August 2007. The remuneration paid to him for fiscal 2010 was ₹ 0.96 million.

Mr. Kamaljit Paul Gaur, 45 years is the Senior Vice President (Commercial) in-charge of purchases and procurement for cattle feed, refinery unit and solvent extraction plant. He completed a bachelors' degree from Punjab University and a masters' degree in commerce from Himachal Pradesh University in 1985 and 1987 respectively. He has a total work experience of 28 years. He started his career with the accounts department of Oswal Spinning & Weaving Mills Limited in 1981 and in 1987 joined as liasion officer at B. P. Alloys Limited. In 1998, he joined Royal Solvex Private Limited went on to be a senior manager. In 2005, he ventured on his own as an agent and consultant for cattle feed and solvent products. He joined our Company in July 2007 and the remuneration paid to him for fiscal 2010 was ₹ 0.40 million.

Mr. Avtar Singh Ratol, 47 years, is the Senior Vice President (Marketing and Business Development – Cattle Feed) of our Company. He has undertaken courses related to agriculture and commercial dairy farming at Punjab Agriculture University in 1999. He completed a diploma course in electrohomeopathic system of medicine, from Chandigarh University in 2004. He was awarded the Sardar Dalip Singh Dhaliwal Memorial Award for Innovative Farming by Punjab Agriculture University in 2003; Best Dairy Farm Management Award by Deputy Commissioner, Sangrur in 2008. He served as an executive member during 1998-99 and as president of Punjab Kisan Club, Punjab Agricultural University, Ludhiana from April 2001 to March 2002. He is a member of the Scientific Advisory Committee, Krishi Vigyan Kendra, Sangrur since 2007. He has a work experience of 12 years. He joined Tara Feed Factory in 2001 and joined our Company in October 2005 and the remuneration paid to him for fiscal 2010 was ₹ 0.36 million.

Mr. Siddhartha Balyan, 27 years, is our Vice President (Sales and Marketing) responsible for the retail distribution and marketing of edible oil manufactured by our Company. He completed a bachelors' degree in commerce from Chaudhary Charan Singh University, Meerut and a masters' degree specializing in international business from Amity University, Delhi in 2005 and 2007 respectively. He joined TNT Express as territory manager in year 2007 and then joined Cargill India Private Limited as area sales executive in year 2008. He joined our Company in August 2009 and the remuneration paid to him for fiscal 2010 was ₹ 0.32 million.

Ms. Tanu Sharma, 24 years, is our Company Secretary and looks after the secretarial and legal matters of the Company. She completed a bachelors' degree and a masters' degree in commerce from Arya College for Women, Ludhiana in 2007 and 2009. She was admitted as an associate member of the Institute of Company Secretaries of India in September 2010. She worked with Harsh Goyal & Associates from 2008 to 2010. She joined our Company in September 2010 as Company Secretary and Compliance Officer. She has received no remuneration till date.

Ms. Asha Pasricha, 28 years is our Accounts Senior Manager. She completed a bachelors' degree of commerce from Khalsa College for Women, Ludhiana in 2002. She was admitted as an associate member of the Institute of Chartered Accountants of India in February 2005. She has worked with R.S. Khera & Associates as a senior auditor from February 2005 to December 2005. In December 2005, she joined Pawan Puri & Associates as a senior auditor. In June 2006, she incorporated a sole proprietor firm by the name of Asha Gulati & Associates. Thereafter, in January 2008, she joined Raju Dinesh & Co. as a partner. She joined our Company in September 2010 as an Accounts Senior Manager. She has received no remuneration till date.

Ms. Suchint Sohal, 27 years is our Accounts Manager. She completed a bachelors' degree in of commerce from Khalsa College for Women, Ludhiana in 2004. She was admitted as an associate member of the Institute of

Chartered Accountants of India in October 2008. She worked as a senior auditor in Bakhoo & Associates from June 2007 to November 2008. Thereafter, she worked with Mehra Arun & Associates in the capacity of senior auditor from December 2008 to November 2009. In December 2009, she joined G D Singla & Co. as a partner. She joined our Company in September 2010 as anAccounts Manager. She has received no remuneration till date.

Changes in the key management personnel

The changes in our key management personnel in the last three years are provided below:

Name	Date	Reason for change
Mr. Lakhvinder Singh	November 1, 2008	Appointment
Mr. V. M. Kaul	April 1, 2009	Appointment
Mr. Jarnail Singh	June 1, 2009	Appointment
Mr. V. M. Kaul	June 30, 2009	Resignation
Mr. Siddhartha Balyan	August 1, 2009	Appointment
Mr. Rajiv Khanna	September 10, 2009	Appointment
Mr. Rajiv Khanna	September 30, 2009	Resignation
Mr. Mohit Jindal	October 4, 2009	Appointment
Mr. Shankar Jadhav	October 30, 2009	Appointment
Mr. Lakhvinder Singh	May 1, 2010	Resignation
Mr. Shankar Jadhav	May 10, 2010	Resignation
Mr. Mohit Jindal	May 31, 2010	Resignation
Mr. Jarnail Singh	July 31, 2010	Resignation
Mr. Raj Kumar Jindal	September 1, 2010	Appointment
Ms. Tanu Sharma	September 1, 2010	Appointment
Ms. Suchint Sohal	September 1, 2010	Appointment
Ms. Asha Pasricha	September 1, 2010	Appointment

None of our key management personnel have been selected pursuant to any arrangement or understanding with any major shareholders, customers or suppliers of our Company, or others.

Shareholding of the key management personnel

None of our key management personnel hold any equity shares, warrants or other convertible instruments in our Company as on the date of filing of this Draft Red Herring Prospectus.

Bonus or profit sharing plans

There is no bonus or profit sharing plan for our key management personnel. There is no employee stock option scheme or employee stock purchase scheme for any of our Directors or employees.

Interest of key management personnel

As on the date of this Draft Red Herring Prospectus, our key management personnel do not hold any Equity Shares. However, they may be deemed to be interested to the extent of Equity Shares allotted to them out of the present Issue and any dividends or other distributions payable on the same.

Our key management personnel do not have any other interest in our Company other than to the extent of the remuneration, benefits or reimbursements to which they are entitled as per their terms of appointment.

Further, none of our key management personnel are related to each other or to any Director of our Company.

Payment or benefit to employees of our Company

Except for remuneration and other benefits as per the terms of appointment, there are no specific additional payments or benefits offered to the employees of our Company.

OUR PROMOTERS AND GROUP ENTITIES

Our Promoters

Our Promoters are Mr. Kulwant Singh, Mr. Jaswant Singh and Mr. Balwant Singh.

Our Promoters, Mr. Kulwant Singh, Mr. Jaswant Singh and Mr. Balwant Singh, currently hold 6,691,300; 7,593,740 and 7,867,860 Equity Shares of our Company, respectively, and will continue to hold the majority of our post-Issue paid-up share capital, collectively.

Details of our Promoters

Mr. Kulwant Singh

Mr. Kulwant Singh, aged 52 years, is involved in social work. He was sarpanch of Gajjan Majra, Malerkotla from 1997 until 2002. Presently, he is a member of the District Advisory Committee - Energy, Sangrur and chairman of the National Technology – Agriculture, Malerkotla.

His voter's identification number is PB/07/080/042366.

Driving license number – Not Applicable.

Mr. Jaswant Singh

Mr. Jaswant Singh, aged 48 years, is our Chairman. He completed bachelors' degree and masters' degree in history in 1989 and 1991, respectively, from the Punjabi University, Patiala. Mr. Singh started the Pioneer Public Senior Secondary School in 1999 at Malerkotla, Punjab. He also started Tara Vivek College in 2007 at Malerkotla, Punjab, which offers various graduate and professional degree courses. He has been on the Board since August 2004 and was appointed as the Chairman of the Company for a period of five years with effect from December 1, 2008.

His voter's identification number is PB/07/080/042365.

Driving license number – Not Applicable

Mr. Balwant Singh

Mr. Balwant Singh, aged 44 years, is our Managing Director. He completed a bachelors' degree in arts from the Punjabi University, Patialia in 1989. He served in the police force of the state of Punjab from 1986 until 1997. In 1997, Mr. Balwant Singh, along with our other Promoters, established a dairy farm at Gajjan Majra, Punjab and was engaged in running it until 1999. Subsequently, he set up Tara Gram Udyog Samiti (Regd.) to manufacture cattle feed in 1998. In the year 2001, he along with the other Promoters started Tara Feed Factory, a partnership firm, at Gajjan Majra, Malerkotla to manufacture cattle feed. He has approximately 11 years of experience in the cattle feed business. He has been on the Board since August 2004 and was appointed as the Managing Director for a period of five years with effect from December 1, 2008.

His voter's identification number is PB/07/080/042364.

Driving license number – Not Applicable

We confirm that the PAN, bank account numbers and passport numbers of Mr. Kulwant Singh, Mr. Jaswant Singh and Mr. Balwant Singh, will be submitted to the Stock Exchanges, at the time of filing this Draft Red Herring Prospectus with them.

Other understanding and confirmations

Our Promoters have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other authorities. None of our Promoters was or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Neither our Company, nor our Promoters or their relatives as defined in the Companies Act, have been detained as willful defaulters by the RBI or any other government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Interests of our Promoters

Our Promoters are interested in our Company to the extent of their shareholding in our Company. Mr. Jaswant Singh and Mr. Balwant Singh are also interested to the extent of their being Directors of our Company as well as any remuneration or reimbursement of expenses payable to them. For further details, see "***Financial Statements - Annexure XIII***" on page 150 and "***Financial Indebtedness***" on page 178.

Our Promoters confirm that they have no interest in any property acquired by our Company during the last two years from the date of filing of this Draft Red Herring Prospectus.

Payment of benefits to the Promoters during the last two years

Except as stated in "***Financial Statements***" on page 127 and "***Interest of our Promoters***" on page 119, there has been no payment of benefits to our Promoters during the two years preceding the date of filing of the Draft Red Herring Prospectus with SEBI.

Our Group Entities

Unless otherwise specifically stated, no equity shares of any of our Group Entities are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years. In addition, unless noted otherwise, the fiscal year of our Group Entities commences on April 1 and ends on March 31. Additionally, none of our Group Entities has become a sick company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, and none of them are in the process of being wound-up. None of our Group Entities have become defunct in the five years preceding the date of filing of this Draft Red Herring Prospectus and no application has been made, in respect of any of the Group Entities, to the relevant registrar of companies for striking off their names.

The relevant details of the Group Entities of the Company are as follows:

1. Tara Infratech Limited

Tara Infratech Limited (**"TIL"**) was incorporated as a public company limited by shares on April 8, 2009, under the name of Tara Townships Private Limited. The name of the company was changed to its present name and a fresh certificate of incorporation was issued on December 31, 2009. TIL is engaged in the business of real estates and properties including purchase, sale and development of land, commercial complexes, townships, apartments, group housing complexes, multiplexes, malls, industrial complexes and all types of building and plots.

In terms of a guarantee agreement dated July 28, 2010, the Company has given a guarantee in favor of TIL in relation to a term loan availed by TIL from Punjab National Bank for an amount aggregating to ₹ 200 million.

Shareholding Pattern

The shareholding pattern of TIL as on August 31, 2010 is set forth below.

S. No.	Name of Shareholder	No. of shares held	Percentage of shareholding
1.	Mr. Balwant Singh	3,500	7.00
2.	Mr. Jaswant Singh	10,800	21.60
3.	Mr. Kulwant Singh	7,300	14.60
4.	Mr. Tejinder Singh	10,400	20.80
5.	Ms. Rajvir Kaur	6,000	12.00
6.	Ms. Parminder Kaur	6,000	12.00
7.	Ms. Ranjit Kaur	6,000	12.00
	Total	**50,000**	**100.00**

Financial Performance

As TIL was incorporated on April 8, 2009, the audited financial results of TIL for fiscal 2010 are set forth below.

(₹ in million)

Particulars	Fiscal 2010
Total income/ sales	Nil
Profit after tax/ (loss)	Nil
Equity capital	0.50
Reserves	Nil
Net worth	0.50
Earning per share	Nil
Number of equity shares outstanding	50,000

2. Tara Energy Limited

Tara Energy Limited ("**TEL**") was incorporated as a public company limited by shares under the provisions of the Companies Act on December 17, 2009. TEL is engaged in the business of generation and distribution of power using conventional and non-conventional energy sources including thermal, solar, nuclear, wind and hydro power.

Shareholding Pattern

The shareholding pattern of TEL as on August 31, 2009 is set forth below.

Sr.No.	Name of Shareholder	No. of shares held	Percentage of shareholding
1.	Mr. Balwant Singh	10,000	20.00
2.	Mr. Jaswant Singh	10,000	20.00
3.	Mr. Kulwant Singh	10,000	20.00
4.	Mr. Tejinder Singh	5,000	10.00
5.	Ms. Ranjit Kaur	5,000	10.00
6.	Ms. Parminder Kaur	5,000	10.00
7.	Ms. Rajvir Kaur	5,000	10.00
	Total	**50,000**	**100.00**

Financial Performance

The audited financial results of TEL for fiscal 2010 are set forth below.

(₹ in million)

	Fiscal 2010
Equity capital (face value per shares)	0.50
Reserves and surplus	NA
Sales/Turnover	Nil
Profit (Loss) after tax	Nil
Earnings per share	Nil
Net worth	0.47
Number. of equity shares outstanding	NA

3. Mehndi Macs Trade Private Limited

Mehndi Macs Trade Private Limited ("**MMTPL**") was incorporated as a private company limited by shares on March 25, 2004. MMTPL is engaged in the business of trading in plant and machinery, complete units, tools, implements, parts, accessories, scraps, stocks, grants, licences, privileges, claims, options, land and buildings and assets.

Shareholding Pattern

The shareholding pattern of MMTPL as on August 31, 2010 is set forth below.

Sr.No.	Name of Shareholder	No. of shares held	Percentage of shareholding
1.	Mr. Balwant Singh	235,500	39.25
2.	Mr. Jaswant Singh	177,500	29.58
3.	Mr. Tejinder Singh	110,000	18.33
4.	Mr. Kulwant Singh	87,000	14.50
	Total	**600,000**	**100.00**

Financial Performance

The audited financial results for MMTPL for fiscal 2010, 2009 and 2008 are set forth below.

(₹ in million)

Particular	Fiscal 2010	Fiscal 2009	Fiscal 2008
Total income/ sales	1.23	1.14	59.32
Profit after tax/ (loss)	0.06	0.02	0.35
Equity capital	6.00	4.37	4.37
Reserves	5.47	5.41	5.38
Net worth	11.47	11.37	11.34
Earning per share	0.10	0.05	0.80
Number of equity shares outstanding	600,000	437,000	437,000

4. Tara Feed Factory

Tara Feed Factory (**"TFF"**) was registered as a partnership firm under the provisions of the Indian Partnership Act, 1932, on January 1, 2002. TFF is engaged in the business of manufacturing cattle feed.

Our Company has entered into a business transfer agreement with TFF on September 25, 2010 ("**BTA**") with effect from October 1, 2010. For further details, see '***History and Corporate Matters***' on page 105.

Interests of our Promoters

The interests of Promoters in TFF as on August 31, 2010 is set forth below.

Promoter	Percentage of holding
Jaswant Singh	33.33%
Balwant Singh	33.33%
Kulwant Singh	33.33%

Financial Performance

The audited financial results of TFF for fiscal 2010, 2009 and 2008 are provided below:

(₹ in million)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Total income/ sales	182.27	145.51	110.48
Profit after tax/ (loss)	16.23	14.79	11.93

Partners capital	8.32	9.49	10.75
Reserves	N.A.	N.A.	N.A.
Net worth	8.32	9.49	10.75
Earnings per share	N.A.	N.A.	N.A.
Number of equity shares outstanding	N.A.	N.A.	N.A.

5. Kulwant Singh and Sons HUF

Kulwant Singh and Sons HUF is a hindu undivided family represented by Mr. Kulwant Singh as the Karta. It was formed on January 13, 1980 and is engaged in the business of dairy farming.

Financial Performance

The audited financial results of Kulwant Singh & Sons HUF for fiscal 2010, 2009 and 2008 are set forth below.

(₹ in million)

	Fiscal 2010	Fiscal 2009	Fiscal 2008
Capital	2.11	1.82	1.53
Reserves	Nil	Nil	Nil
Net worth	2.11	1.82	1.53

6. Jaswant Singh and Sons HUF

Jaswant Singh and Sons HUF is a hindu undivided family represented by Mr. Jaswant Singh as the Karta. It was formed on December 12, 1989 and is engaged in the business of dairy farming.

Financial Performance

The audited financial results of Jaswant Singh and Sons HUF for fiscal 2010, 2009 and 2008 are set forth below.

(₹ in million)

	Fiscal 2010	Fiscal 2009	Fiscal 2008
Capital	2.09	1.78	1.49
Reserves	Nil	Nil	Nil
Net Worth	2.09	1.78	1.49

7. Balwant Singh and Sons HUF

Balwant Singh and Sons HUF is a hindu undivided family represented by Mr. Balwant Singh as the Karta. It was formed on May 4, 1999 and is engaged in the business of dairy farming.

Financial Performance

The audited financial results of Balwant Singh and Sons HUF for fiscal 2010, 2009 and 2008 are set forth below.

(₹ in million)

	Fiscal 2010	Fiscal 2009	Fiscal 2008
Capital	2.13	1.82	1.55
Reserves	Nil	Nil	Nil
Net Worth	2.13	1.82	1.55

8. Pioneer Public School Managing Committee (Regd.)

Pioneer Public School Managing Committee (Regd.) (the "**School Managing Commitee**") was registered as a society under the Societies and Registration Act, 1860, on September 23, 1998.

The main objects of the School Managing Committee are to impart education to students as per the Punjab School Education Board Syllabus, to provide for their overall development and to review the progress of the execution of the projects under taken in the school to ensure benefit of the students.

Financial Performance

The audited financial results of the School Managing Committee for fiscal 2010, 2009 and 2008 are set forth below:

(₹ in million)

Particular	Fiscal 2010	Fiscal 2009	Fiscal 2008
Total income/ sales	27.62	27.07	17.90
Profit after tax/ (loss)	6.37	2.37	2.65
Equity capital	4.49	4.49	4.49
Reserves	20.66	12.24	9.88
Net worth	25.15	16.73	14.37
Earning per share	N.A.	N.A.	N.A.
Number of equity shares outstanding	N.A.	N.A.	N.A.

9. Niranjan Educational Trust (Regd.)

Niranjan Education Trust (Regd.) ("**NET**") is registered under the Societies Registration Act, 1860, as amended by the Punjab Amendment Act, 1957, on October 10, 1995. NET is not engaged in any activity and does not prepare financial statements.

Loss making Group Entities

Except as disclosed below none of our Group Entities have incurred any loss during the three years immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI. See "***Risk Factors***" on page xii.

1. Tara Gram Udyog Samiti (Regd.)

Tara Gram Udyog Samiti (**"TGUS"**) was registered under the Societies Registration Act, 1860, as amended by the Punjab Amendment Act, 1957, on February 5, 1998. Its main objects include developing the village industries in villages and in towns under the guidance of the Khadi and Village Industries Commission. It is engaged in establishment of social benefit centres to help the harijans and other depressed classes. It also organizes relief in emergencies occurring due to natural disasters.

Financial Performance

The audited financial results of TGUS for fiscal 2010, 2009 and 2008 are set forth below.

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Total income/ sales	Nil	Nil	Nil
Profit after tax/ (loss)	(0.07)	(0.08)	(0.09)
Equity capital	0.92	0.92	0.92
Reserves	(0.33)	(0.26)	(0.18)
Net worth	0.59	0.65	0.73
Earnings per share	N.A.	N.A.	N.A.
Number of equity shares outstanding	N.A.	N.A.	N.A.

2. Punjab Dairy House

Punjab Dairy House ("**PDH**") was constituted as a partnership firm on January 3, 1997 under the provisions of the Indian Partnership Act, by our Promoters. PDH is engaged in the business of setting up and running a dairy farm.

Interest of the Promoters

The interests of our Promoters in PDH as on August 31, 2010 is set forth below.

Promoter	Percentage of holding
Jaswant Singh	33.33%
Balwant Singh	33.33%
Kulwant Singh	33.33%

Financial Performance

The audited financial results of PDH for fiscal 2010, 2009 and 2008 are provided below:

(₹ in million)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Total Income/ sales	Nil	Nil	Nil
Profit after tax/ (loss)	(0.11)	(0.13)	(0.14)
Partners capital	1.55	1.67	1.79
Reserves	Nil	Nil	Nil
Net worth	1.55	1.67	1.79
Earning per share	N.A.	N.A.	N.A.
Number of equity shares outstanding	N.A.	N.A.	N.A.

3. Tara Heart Care Products Limited

Tara Heart Care Products Limited (**"THCPL"**) was incorporated as a public company limited by shares on August 27, 2007 under the provisions of the Companies Act. THCPL is engaged in the business of buying, selling, importing, exporting, manufacturing or otherwise dealing in all kinds of edible and non-edible oil, rice bran oil and other oils having nutritional values and their products.

Shareholding Pattern

The shareholding pattern of THCPL as on August 31, 2010 is set forth below.

S. No.	Name of Shareholder	No. of shares held	Percentage of shareholding
1.	Mr. Balwant Singh	5,000	2.00
2.	Mr. Jaswant Singh	5,000	2.00
3.	Mr. Kulwant Singh	5,000	2.00
4.	Mr. Tejinder Singh	5,000	2.00
5.	Ms. Rajvir Kaur	5,000	2.00
6.	Ms. Parminder Kaur	5,000	2.00
7.	Ms. Ranjit Kaur	5,000	2.00
8.	Mr. Gurmukh Singh	67,500	27.00
9.	Mr. Gurmukh Singh – HUF	67,500	27.00
10.	Ms. Rajinder Kaur	80,000	32.00
	Total	**250,000**	**100.00**

Financial Performance

The audited financial results of THCPL for fiscal 2010, 2009 and 2008 are set forth below.

(₹ in million,)

	Fiscal 2010	Fiscal 2009	Fiscal 2008
Total income/ sales	10.45	178.66	43.00
Profit after tax/ (loss)	(0.17)	Nil	0.31
Equity capital	2.50	2.50	2.50
Reserves	0.21	0.32	0.31
Net worth	2.59	2.82	2.81

	Fiscal 2010	Fiscal 2009	Fiscal 2008
Earnings per share	0.24	0.02	1.25
Number of equity shares outstanding	250,000	250,000	250,000

Group Entities with Negative Net Worth

None of our Group Entities have negative net worth.

Common Pursuits

Two of our Group Entities viz, TFF and THCP, have objects similar to our Company. TFF has entered into a non-compete agreement with Company dated September 15, 2009, pursuant to which TFF will operate in the areas of Patiala and Fathegarh and the Company will continue its existing and future businesses as permitted by the objects clause of its Memorandum of Association, and TFF will not in future enter into in business in which the Company operates, without the prior written consent of the Company. Further, THCP has entered into a non-compete agreement dated September 15, 2009 in favor of the Company whereby THCP has agreed that it shall not, without obtaining a prior no-objection from the Company, undertake any manufacturing activity in which our Company is engaged and will not market the products manufactured by any entity other than us.

Interests of our Group Entities

Except as disclosed in "***Financial Statements***" on page 127 and as provided below, our Group Entities have no interest in any property acquired by our Company during the two years preceding the date of filing of the Draft Red Herring Prospectus with SEBI, or proposed to be acquired by our Company nor in any transaction in acquisition of land, construction of building and supply of machinery.

Pursuant to the BTA, we propose to enter into a lease agreement with PDH, in relation to the property on which operations of TFF are being carried out.

For details of the Group entities having other financial interest in the Company, see "***Financial Statements - Annexure XIII***" on page 150 and "***Financial Indebtedness***" on page 178.

Disassociation by the Promoters in the last three years

Mr. Balwant Singh, one of our Promoters, has disassociated himself from Tara Life Care Products Limited ("**Tara Life**") w.e.f. August 31, 2009 by way of sale of his shareholding of 5,000 equity shares in Tara Life to Mr. Balwinder Singh, promoter and director of Tara Life for an aggregate consideration of ₹ 50,000.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by the Board and approved by the shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of the Company. The Company has no formal dividend policy. The Board may also from time to time pay interim dividends. In addition, our ability to pay dividends may be impacted by a number of other factors, including, restrictive covenants under the loan or financing documents we may enter into from time to time.

No dividend has been declared on the Equity Shares by the Company during the last five fiscal years.

The amounts paid or to be paid as dividends are not necessarily indicative of the Company's dividend policy or dividend amounts, if any, in the future.

SECTION V – FINANCIAL INFORMATION
FINANCIAL STATEMENTS

To

The Board of Directors
Tara Health Foods Limited
3rd Floor, Mall Plaza,
The Mall, Ludhiana -141001

Ref: Summary Statement of Assets and Liabilities and Summary Statement of Profits and Losses, as restated and Cash Flows, as restated as at and for the years ended 31st March 2006, 2007 2008, 2009 and 2010.

Dear Sirs,

We have examined the financial information of Tara Health Foods Limited ('the Company') as at March 31, 2010, March 31, 2009; March 31, 2008; March 31, 2007; March 31 2006 annexed to this report and prepared by the Company and approved by the Board of Directors, in accordance with the requirements of:

(a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('the Regulations') as amended to date

(c) The guidance Notes on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and

(d) The terms of our engagement agreed upon with you in accordance with our engagement letter dated August 20, 2010 in connection with the offer document being issued by the Company for its proposed Initial Public Offer ('IPO').

This report is being issued for incorporating the same in the offer document, to be issued by Tara Health Foods Limited in connection with the proposed Initial Public Offer of Equity Shares

A. Financial information per Audited Restated Financial Statements of Tara Health Foods Limited.

In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

The Summary statement of Assets and Liabilities, as restated, Summary Statement of Profits and Losses, as restated and Summary Statement of Cash Flows, as restated ("Restated Financial Statements") of the Company for the year ended March 31st, 2010; March 31st, 2009; March 31st, 2008; March 31st, 2007; and March 31st, 2006 examined by us, as set out in Annexure I, II and III to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies and Significant Notes on Accounts for Restated Financial Statements (Refer Annexure IV and V respectively).

There are no extraordinary items which need to be disclosed separately in the restated financial statements.

B. Other Financial Information:

We have examined the following information in respect of year ended March 31st, 2010; March 31st, 2009; March 31st, 2008; March 31st, 2007; and March 31st, 2006 of the Company, to be included in the offer documents, as approved by the Board of Directors and annexed to this report;

1. Statement of Investment (Annexure –VI)
2. Statement of Sundry Debtors (Annexure –VII)

3. Statement of Loans and Advances (Annexure –VIII)
4. Statement of Secured Loans (Annexure –IX)
5. Statement of Unsecured Loans (Annexure - X)
6. Statement of Other Income (Annexure –XI)
7. Statement of Dividend Paid (Annexure –XII)
8. Statement of Related Party Disclosure (Annexure –XIII)
9. Summary of Accounting Ratios (Annexure –XIV)
10. Statement of Capitalization (Annexure –XV)
11. Statement of Tax Shelter (Annexure –XVI)
12. Statement of Segment Reporting (Annexure –XVII)
13. Statement of Restated Expenses (Annexure –XVIII)

In our opinion, the financial information as disclosed in the Annexure(s) to this report, read with the notes on adjustments, significant accounting policies and significant notes disclosed in the Annexure(s) IV and V respectively, and after making adjustments and regroupings as considered appropriate and disclosed in Annexure IV, has been prepared in accordance with Part II of the Act and the Guidelines.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

This report should not, in any way, be construed as a re-issuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

We hereby grant our consent for inclusion of the Financial Statements in the Red Herring Prospectus / Prospectus to be filed with SEBI/ROC.

This report is intended solely for use of management and for inclusion in the Offer Document in connection with the proposed Initial Public Offer of the Company’s shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Sukhminder Singh & Co.
Chartered Accountants
Firm Registration No: 016737N

Harsh Dhawan
Partner
Membership No. 513454
Place: Malerkotla
Date: 27.09.2010

Annexure I

Summary Statement of Assets & Liabilities, as restated

	Particulars	Year Ended 3/31/2006	Year Ended 3/31/2007	Year Ended 3/31/2008	Year Ended 3/31/2009	Year Ended 3/31/2010
(A)	**Fixed assets**					
(i)	Gross block	22.83	100.43	367.80	453.42	623.38
	Less : Accumulated depreciation	1.05	4.24	13.30	40.40	68.31
	Net block	21.78	96.19	354.50	413.02	555.07
(ii)	Capital work in progress	0.00	0.00	0.00	0.00	0.15
	Net block after adjustment	**21.78**	**96.19**	**354.50**	**413.02**	**555.22**
(B)	**Investments**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
(C)	**Current assets, loans and advances**					
(i)	Inventories	31.03	100.63	261.51	910.76	1406.43
(ii)	Accounts Receivable	14.21	60.83	210.06	223.78	836.91
(iii)	Cash and bank balances	3.24	2.16	10.28	39.70	76.80
(iv)	Loans and advances/Advances	5.90	7.23	56.43	24.50	130.87
	Total Current Assets	**54.38**	**170.85**	**538.28**	**1,198.74**	**2,451.01**
(D)	**Less : Liabilities and provisions**					
	Secured loans	39.65	147.90	482.25	945.79	1730.39
	Unsecured loans	0.00	0.06	0.06	0.06	0.00
	Net deferred tax liabilities	0.65	2.22	11.82	20.55	29.45
	Current liabilities	5.56	26.83	43.71	75.98	112.89
	Provisions	1.10	7.65	22.22	33.73	111.51
	Total Current Liabilities	**46.96**	**184.66**	**560.06**	**1,076.11**	**1,984.24**
(E)	**Share Application Money**	**8.50**	**0.00**	**0.00**	**0.00**	**0.00**
(F)	**Net worth**					
	Represented by					
(i)	Share capital	15.00	65.00	85.00	90.20	200.44
(ii)	Reserve and surplus	5.70	17.38	247.72	445.45	821.55
	Less: Revaluation reserve		0.00	0.00	0.00	
	Net Reserves and surplus	5.70	17.38	247.72	445.45	821.55
	Less:					
(iii)	IPO Expenditure (To the extent not written-off or adjusted)	0.00	0.00	0.00	0.00	0.00
	Net Worth ((i)+(ii)-(iii))	**20.70**	**82.38**	**332.72**	**535.65**	**1,021.99**

Annexure II

Summary Statement of Profits and Losses, as restated

(Rs. in Million)

PARTICULARS	As at 31st March				
	2006	2007	2008	2009	2010
Income					
Sales – Manufactured	69.92	314.00	1012.17	1951.75	3411.00
Traded	0.00	0.00	0.00	0.00	0.00
Total Sales (Net of Returns)	**69.92**	**314.00**	**1,012.17**	**1,951.75**	**3,411.00**
Other income	0.00	0.00	0.44	0.46	9.91
Increase/ (decrease) in stock	1.29	24.47	48.47	30.20	424.61
Total Income	**71.21**	**338.47**	**1,061.08**	**1,982.41**	**3,845.52**
Expenditure					
Raw materials consumed	57.18	277.11	838.86	1589.71	2968.88
Staff costs	0.67	2.83	5.10	8.94	20.13
Manufacturing expenses	3.43	14.93	31.48	41.59	72.60
Administration expenses	1.16	4.01	8.59	12.01	27.76
Selling and distribution expenses	2.87	13.54	25.00	25.63	39.68
Total Expenses	65.31	312.42	909.03	1,677.88	3,129.05
Profit before Interest Tax & Depreciation	5.90	26.05	152.05	304.53	716.47
Interest & Financial Expenses	1.93	8.10	27.63	76.37	148.21
Total Expenditure	**67.24**	**320.52**	**936.66**	**1,754.25**	**3,277.26**
Less : Cost capitalized	0.00	0.00	0.00	0.00	0.00
Total operating expenses	**67.24**	**320.52**	**936.66**	**1,754.25**	**3,277.26**
Profit before depreciation & Tax	**3.97**	**17.95**	**124.42**	**228.16**	**568.26**
Depreciation	3.01	3.10	9.06	27.10	31.56
Net adjusted profit/ (loss) before extraordinary items	**0.96**	**14.85**	**115.36**	**201.06**	**536.70**
Net profit/(loss) after extraordinary items	**0.96**	**14.85**	**115.36**	**201.06**	**536.70**
Less: Provision for current tax	0.33	0.67	14.09	22.42	86.95
Less: Provision for deferred tax (net)	0.00	0.00	11.13	8.67	9.60
Effect of adjustments on tax	0.00	0.00	0.00	0.00	0.00
- Current tax	0.00	0.00	0.00	0.00	0.00
- Deferred tax	0.00	0.00	0.00	0.00	0.00
Net profit/(loss) after taxation and adjustments	**0.63**	**14.18**	**90.14**	**169.97**	**440.15**
Adjustment on account of Prior Period items					
Gratuity already provided in accounts	0.00	0.00	0.21	0.13	0.25
Leave with Wages provided in accounts	0.00	0.00	0.12	0.14	0.39
Gratuity as per Actuarial certificate	(0.01)	(0.04)	(0.08)	(0.12)	(0.25)
Leave with Wages as per certificate	(0.01)	(0.04)	(0.09)	(0.14)	(0.63)
Diff. in Valuation of Inventory	0.00	0.00	(0.87)	(0.38)	1.25
Income Tax					
Adjustment for earlier years	0.00	0.02	0.80	1.42	4.45
Adjustment for this year years	(0.02)	(0.80)	(1.42)	(4.45)	0.00
Adjustment in deferred Tax this year	(0.69)	(1.57)	1.53	(0.05)	0.94
Adjustment in deferred Tax earlier yr.	0.00	0.00	0.00	0.00	0.00
Depreciation	2.07	(0.09)	0.00	0.00	0.03
Total	1.34	-2.52	0.20	-3.45	6.43
Profit after Tax as Restated	**1.97**	**11.66**	**90.34**	**166.52**	**446.58**

Annexure III

Summary Statement of Cash Flow, as restated

(Rs. in Million)

PARTICULARS	As at 31st March				
	2006	2007	2008	2009	2010
A. CASH FLOW FROM OPERATION ACTIVITIES					
Net Profit before Tax and Extraordinary items	3.01	14.68	114.65	200.69	537.74
Adjustments for:					
Depreciation	0.94	3.19	9.06	27.10	31.53
Financial Charges	1.93	8.10	27.63	76.37	148.21
Operating profit before Working Capital Changes	5.88	25.97	151.34	304.16	717.48
(Increase)/Decrease in Receivable	(14.21)	(46.62)	(149.23)	(13.72)	(613.13)
(Increase)/Decrease in Loans and Advances	2.50	(1.33)	(49.20)	31.93	(106.37)
(Increase)/Decrease in Inventories	(30.66)	(69.60)	(160.88)	(649.25)	(495.67)
Increase/(Decrease) in Current Liabilities	3.66	27.82	31.45	43.78	114.69
Cash Generated from Operations	(32.83)	(63.76)	(176.52)	(283.10)	(383.00)
Direct Taxes Paid	(0.35)	(1.45)	(14.71)	(25.45)	(82.50)
Net Cash from/ used in operating Activities	(33.18)	(65.21)	(191.23)	(308.55)	(465.50)
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets	(15.82)	(77.60)	(267.37)	(85.62)	(173.72)
Increase in WIP	0.00	0.00	0.00	0.00	0.00
Investments (Write Off)	0.00	0.00	0.00	0.00	0.00
Interest/Dividend received	0.00	0.00	0.00	0.00	0.00
Net Cash from/ used in Investing Activities	(15.82)	(77.60)	(267.37)	(85.62)	(173.72)
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of shares/debentures	19.06	41.50	160.00	36.40	40.00
Proceeds from Borrowings	34.98	108.31	334.35	463.54	784.54
Financial Charges	(1.93)	(8.10)	(27.63)	(76.37)	(148.21)
Net Cash from Financing Activities	52.11	141.71	466.72	423.57	676.33
Net Increase/ Decrease in Cash & Cash Equivalents (A+B+C)	3.11	(1.08)	8.12	29.42	37.10
Opening Cash & Cash Equivalents	0.13	3.24	2.16	10.28	39.70
Closing Cash & Cash Equivalents	3.24	2.16	10.28	39.70	76.80

Annexure IV

Statement of Significant Accounting Policies for Restated Accounts

(1) <u>(a) Basis of preparation</u>

a) The Restated Consolidated Financial Information for the period ended 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 has been extracted by the management of the Company from the audited consolidated financial statements of the Group for the year ended 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010.

The consolidated financial statements for the year ended 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 have been prepared by the management and approved by the Board of Directors of the Company.

The Restated Consolidated Financial Information are after making adjustments/ restatements and regrouping as necessary in accordance with paragraph B(1) of Part II of Schedule II of The Companies Act, 1956 and ICDR Regulations.

(b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the company.

<u>(c) Use of Estimates</u>

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to an accounting estimate is recognized in accordance with the requirements of the respective Accounting Standard.

(2) <u>Fixed Assets and Depreciation</u>

Fixed Assets are capitalized at cost inclusive of expenses incidental thereto. Depreciation on fixed assets has been provided on Straight Line Method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

Pre-operative Expenses pertaining to the installation of Fixed Assets were capitalized to the respective assets on the proportionate basis of at the time of asset being put to use.

(3) <u>Inventories</u>

Raw Material, Packing Material and Consumables are valued at Lower of cost and net realizable value. Work in Process and Finished Goods are valued at Lower of cost and net realizable value. Cost is ascertained on specific identification method and includes appropriate production overheads in case of Work in process and Finished Goods.

(4) <u>Revenue recognition</u>

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

(5) <u>Borrowing cost</u>

Borrowing costs, which have a direct nexus and are directly attributable to assets, are charged to assets and other borrowing costs are expensed out as period cost as specified in Accounting Standard (AS 16) on “Borrowing Costs”.

(6) <u>Employees Retirement Benefits</u>

Defined contribution plans

The Company contributes on a defined contribution basis to Employee‟ s Provident Fund, towards post employment benefits, which is administered by the respective Government authorities, and has no further obligation beyond making its contribution, which is expensed in the year to which it pertains. ii.

Defined benefit plans
The Company has a Defined Benefit Plan namely Gratuity for all its employees. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses are recognized immediately in the profit and loss account. The fair value of the plan assets is reduced from the gross obligation under the defined plan, to recognise the obligation on net basis.

Employee leave entitlement
The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the year end and charged to the Profit and Loss Account.

(7) Income taxes

Income tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS-22) on "Accounting for Taxes on Income". The Deferred tax assets and liabilities for the year, arising out of timing difference, are reflected in the profit and loss account. The cumulative effect thereof is shown in the Balance sheet. *The deferred tax assets are recognized only if there is a reasonable certainty that the assets will be realized in future*.

Provision for earlier year taxes
The Company recorded tax of earlier years, which primarily resulted on completion of assessments made by the Income tax authorities and the difference was recorded as credit/ charge in the financial statements. Accordingly, the effect of these items has been adjusted in the period to which the tax related to with a corresponding charge/ credit to the recorded period in the 'Summary Statement of Profits and Losses, as Restated.'

Tax impact of adjustments
The 'Summary Statement of Profits and Losses, as Restated' has been adjusted for respective years in respect of short/excess provision for income tax as compared to the tax payable as per the income tax assessments/ returns filed by the Company for the respective years.

(8) Foreign currency translation

The company has provided for effect of change in foreign exchange transactions as required by the Accounting Standard-11 (AS-11) issued by the Institute of Chartered Accountants of India (ICAI). Consequently, for the purposes of this statement the effect of changes in foreign exchange is accounted as per Accounting Statndars-11 (AS-11)

(i) Initial Recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii)Exchange Differences
Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Statement of Notes to Accounts to Restated Accounts

(1) Regrouping

Figures in the restated summary statements have been appropriately regrouped to confirm with the reclassification made in the subsequent years.

(2) The reconciliation of Profit after Tax as per Audited Results and the Profit after Tax as per the Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit and loss:

PARTICULARS	As at 31st March				
	2006	2007	2008	2009	2010
Profit After Tax(PAT) As Per Audited Financials	0.63	14.18	90.14	169.97	440.15
Adjustments for restatement:					
Gratuity Payable	(0.01)	(0.04)	0.13	0.01	0.00
Leave with wages	(0.01)	(0.04)	0.03	0.00	(0.24)
Earlier Year Taxes	0.00	0.02	0.80	1.42	4.45
This Year Taxes	(0.02)	(0.80)	(1.42)	(4.45)	0.00
Deferred Tax	(0.69)	(1.57)	1.53	(0.05)	0.94
Depreciation	2.07	(0.09)	0.00	0.00	0.03
Diff in Valuation of Inventory	0.00	0.00	(0.87)	(0.38)	1.25
Profit After Tax (PAT) As Per Financial Statements, As Restated	1.97	11.66	90.34	166.52	446.58

(3) Prior period items

Prior period items recorded by the Company in respect of periods restated herein have been charged to the respective periods of origination with a corresponding credit to the 'Summary Statement of Profits and Losses', as Restated. The impact of taxation on such items has also been effected to the periods of origination.

(4) Earnings per share

Basic earnings per share are calculated by dividing the net profit/loss for the period attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding during the period. For the purpose of calculating adjusted earnings per share, the net profit/loss for the period attributable to equity shareholders and the average number of shares outstanding during the period are adjusted for the effects of bonus issue.

(5) Contingent liabilities

For statutory dues disputed and contested by the Company, a liability is provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter.

(Rs. in Millions)

PARTICULARS	As at 31st March				
	2006	2007	2008	2009	2010
Bank Guarantees	-	-	-	0.09	0.09
Letter of Credit	-	-	-	45.80	50.00
Claims Preferred against the co.	-	-	0.50	4.32	4.32

(6) Amount owed to Small Scale Industrial Undertaking

As on March 31, 2010, Company owes Rs.0.05 million which have remained outstanding for more than 30 days. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been dertermined to the extent such parties have been identified on the basis of information available with Company.

(7) Impairment of Assets

The Company assesses at each balance sheet date whether there is any identification that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(8) Segment Information's for the Year 2006-07, 2007-08, 2008-09 & 31.03.2010

(a) Information's about Primary Business Segment

Segment wise Revenue Recognition

(Rs. in Million)

	Cattle/Poultry Feed				Edible Oil				Total			
	2009-10	2008-09	2007-08	2006-07	2009-10	2008-09	2007-08	2006-07	2009-10	2008-09	2007-08	2006-07
Revenue:												
External	1949.45	1559.01	842.21	253.63	1471.49	393.20	169.95	60.37	3420.94	1952.21	1012.61	314.00
Inter Segment	-37.54	-48.84	0.00	0.00	37.54	48.84	0.00	0.00	0.00	0.00	0.00	0.00
Total	1911.95	1510.17	842.21	253.63	1508.99	442.04	169.95	60.37	3420.94	1952.21	1012.61	314.00
Results												
Segment Results	390.98	163.85	83.32	13.01	149.92	38.70	32.76	2.22	540.90	202.55	116.08	15.23
Unallocated												
Expenditure									4.20	1.48	0.72	0.38
Profit Before Tax									536.70	201.07	115.36	14.85
Provision For Tax									96.55	20.10	13.29	0.50
Profit After Tax									440.15	180.97	102.07	14.35

Segment wise Assets and Liabilities

(Rs. in Million)

	Cattle/Poultry Feed				Edible Oil				Total			
	2009-10	2008-09	2007-08	2006-07	2009-10	2008-09	2007-08	2006-07	2009-10	2008-09	2007-08	2006-07
Segment assets	1267.02	534.32	422.52	209.53	1737.31	1119.08	484.42	61.74	3004.33	1653.40	906.94	271.27
Segment Liabilities	379.46	613.09	307.55	152.44	1604.57	438.03	239.26	29.04	1984.03	1051.12	546.81	181.48
Capital Expenditure	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00	0.00	0.00	0.00
Depreciation	6.53	6.26	5.17	2.29	25.03	20.84	3.89	0.81	31.56	27.10	9.06	3.10

(b) Information about secondary geographical Segment

Revenue by geographical Area

(Rs. in Million)

Particulars	Jitwal Kalan, Malerkotla				Sitarganj, Uttaranchal				Total			
	2009-10	2008-09	2007-08	2006-07	2009-10	2008-09	2007-08	2006-07	2009-10	2008-09	2007-08	2006-07
Revenue:												
External	2502.28	1409.03	759.44	287.68	918.67	543.18	252.72	26.32	3420.95	1952.21	1012.16	314.00
Inter Segment												
Total	2502.28	1409.03	759.44	287.68	918.67	543.18	252.72	26.32	3420.95	1952.21	1012.16	314.00

(c) Notes:

1. Management has identified Two Business segments namely:
   - Feed: Production of Cattle & Poultry Feed.
   - Edible Oil: Production of Rice Bran Oil & Refined Oil.

2. The segment in the geographical segments considered for the disclosure is as follow:

- Jitwal Kalan: Comprising of sale of Cattle Feed, Rice Bran Oil and Refined Oil made from Jitwal Kalan Malerkotla Punjab
- Sitarganj: Comprising of sale of Cattle Feed, Poultry Feed etc made from Sitarganj Unit

3. Segment Revenue, Results, Assets and Liabilities includes the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis.

(9) Earnings per share

	2010	**2009**
a. Restated Earnings attributable to Equity (In Million)	446.58	166.52
b. Weighted average number of Ordinary shares outstanding	16177501	8739342
c. Earnings per share on profit after taxation		
Face value	Rs10/-	Rs 10/-
Basic EPS	27.61	19.05
Diluted EPS	27.61	8.66

(10) Directors' Remuneration

(Rs. in Million)

PARTICULARS		For the year ended March 31				
	2010	2009	2008	2007	2006	2005
Salaries	4.20	1.48	0.72	0.38	0.12	-

(11) In the opinion of the Board, current assets, loans and advances have a value on realization in the ordinary course of business, at least equal to the amount at which these are stated in the Balance Sheet.

(12) <u>Adjustment resulting from change in accounting policies</u>

a) During the year ended March 31, 2008, the Company adopted the provisions of Accounting Standard 15 on "Employee Benefits, Issued by the ICAI. However, the Company adopted the standard with effect from April 1, 2007. The cumulative effect of this change was recorded in the year ended March 31, 2008 in the Financial Statements. However the year wise effect has been taken in restated accounts.

b) Depreciation was provided on written down value method in the year 2005-06. However it was changed to Straight line Method as provided in Schedule XIV of Companies Act, 1956 from 1.04.2006 onwards. The effect of the change in accounting policy has been restated for the FY 2005-06 also.

c) There is change in method of valuation of Raw Material and Work in progress from Cost Price Method plus attributable direct expenses to Cost or Net Realizable Value w.e.i. lower. The diff. in the change of method has been duly accounted for in restated financial statements.

(13) <u>Adjustments relating to previous years</u>

a) Prior Period Items:

Certain items, identified and disclosed as prior period items in the audited financial statements of each of the year presented, have, for the purpose of this statement, been restated to the extent identified, in respective years in which such adjustments arose.

b) Tax for earlier years

The Company recorded tax earlier years which primarily resulted on completion of assessments made by the Income tax authorities and any difference was recorded as debit/credit charge in the financial statements. Accordingly, the effect of these items has been adjusted in the period to which the tax related to with a corresponding charge debit/credit to the recorded period in the "Summary Statement of Profit and Losses, as Restated".

(14) <u>Tax Impact of adjustments</u>

The ‘Summary Statement of Profit and Losses, as Restated” has been adjusted for respective years in respect of short/excess provision for income tax as compared to the tax payable as per the income tax assessments/returns filed by the Company for the respective years.

(15) Sundry Creditors, Sundry Debtors and Loans and Advances include certain items for which confirmations are yet to be received and are considered payable/realizable as the case may be. The balances under above heads are as per the books of accounts and are subject to reconciliation and adjustment if any.

(16) **Reclassification**

During restatement of accounts certain expenditure heads have been regrouped and reclassified according to the nature of the expenditure.

(17) Disclosures pursuant to Accounting Standard-15 “Employee Benefits

Details of Defined Benefit Plan

	31.03.2010
1 Components of Employer Expense	**Gratuity**
(a) Current Service Cost	221489
(b) Interest Cost	21329
(c) Expected Return on Plan Assets	-
(d) Actuarial (Gain)/Loss	8601
(e) Total expense/(gain) recognised in the Profit & Loss Account	251419
2 Net Asset/(Liability) recognised in Balance Sheet as at 31st March, 2010	
(a) Present Value of Obligation as at 31st March,2010	502349
(b) Fair Value of Plan Assets as at 31st March, 2010	-
(c) (Asset)/Liability recognised in the Balance Sheet	502349
3 Change in Defined Benefit Obligation (DBO) during the year ended as on 31st March, 2010	
(a) Present Value of Obligation as at 1st April, 2009	250930
(b) Current Service Cost	221489
(c) Interest Cost	21329
(d) Actuarial (Gain)/Loss	8601
(e) Benefits Paid	-
(f) Present Value of Obligation as at 31st March, 2010	502349
4 Changes in the Fair Value of Plan Assets	
(a) Present Value of Plan Assets as at 31st March, 2009	N.A
(b) Expected Return on Plan Assets	
(c) Actuarial Gain/(Loss)	
(d) Actual Company Contribution	
(e) Benefits Paid	
(f) Fair Value of Plan Assets as at 31st March, 2010	
5 Actuarial Assumptions	
(a) Imputed rate of Interest(per annum)	8.50%
(b) Mortality	LIC (1994-1996) Ultimate
(c) Salary Escalation Rate (per annum)	5%

(18) Related party disclosures:

Related party disclosure is shown separately in Annexure „XIII‟

OTHER NOTES: -

(1) **Change in the name of the company:**

The company has changed its name as from Angoora Wool Combers Pvt Ltd to Ram Sahay Wool Combers Pvt. Ltd. on 02.12.1986, then to Tara Feed Pvt Ltd on 02.09.2004, then to Tara Feed Limited on 05.102005, then to Tara Olive India Limited on 11.06.2008 and then to Tara Health Foods Limited 24.11.2008.

(2) Changes in the Paid up Capital

Further Issue of Shares:

The Board of Directors at their meetings held, as given below, approved further issuance of equity shares at premium specified below.

FY ended	Date of Board meeting	Equity shares allotted	Face Value of share	Premium (per share)
31/03/2005	-	-		-
31/03/2006	25/03/2006	1,32,050	100	-
31/03/2007	25/03/2007	3,75,000	100	-
31/03/2007	31/03/2007	1,25,000	100	
31/03/2008	05/10/2007	70,100	100	700
31/03/2008	12/10/2007	32,175	100	700
31/03/2008	19/10/2007	6,625	100	700
31/03/2008	15/02/2008	91,100	100	700
31/03/2009	15/10/2008	5,20,000	10	60*
31/03/2010	07/08/2009	10824000*	10	-
31/03/2010	08/08/2009	200000	10	190

* Bonus shares in the ratio of 12 Equity shares for every 10 Equity shares held.

** The face value of the share were split from Rs. 100/- per share to Rs. 10/- per share on October 14, 2008.

(3) Material Development subsequent to last financial statement dated 31.03.2010

No circumstances have arisen since the date of the last financial statement until the date of filing of this Red Herring Prospectus with SEBI, which materially and adversely affect or is likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months excepting as detailed below:

(a) Bonus issue

The Board of Directors at their meeting held on 25th September 2010, approved the issuance of 8017600 equity shares of Rs. 10/- each as Bonus shares in the ratio of Two shares for every Five shares held as on 25th September 2010. The Bonus shares were issued by capitalizing the free reserves of the company.

(b) Purchase of Industrial Land

The company has purchased 15 Kanals of land located at Sidco Industrial Complex, Beri Brahmara, Jammu for its expansion plans in the foreseeable future.

(c) Non-subscription of the Initial Public Offer.

Our Company had filed a red herring prospectus on April 19, 2010 with the RoC in relation to a proposed initial public offering. The issue opened for subscription on 28th April 2010. The Company did not proceed with the initial public offering due to the minimum subscription requirements not being met.

Annexure VI

Statement of Investments, as restated

(Rs. in Million)

PARTICULARS	As at 31st March					As at
	2005	2006	2007	2008	2009	31.12.09
Investments	-	-	-	-	-	-
					-	
Total	**-**	**-**	**-**	**-**	**-**	**-**

Annexure VII

Statement of Sundry Debtors, as restated

(Rs. In Million)

PARTICULARS	As at 31st March				
	2006	**2007**	**2008**	**2009**	**2010**
(Un secured, considered good)					
For a period exceeding six months	0.00	0.00	4.29	4.12	7.83
For a period less than six months	14.21	60.83	205.77	219.66	829.08
Less : Provision for Doubtful debts	0.00	0.00	0.00	0.00	0.00
Total	**14.21**	**60.83**	**210.06**	**223.78**	**836.91**

Annexure VIII

Statement of Loans and Advances, as restated

(Rs. In Million)

PARTICULARS	As at 31st March				
	2006	**2007**	**2008**	**2009**	**2010**
(Unsecured, considered good)					
Advances recoverable in cash for the which					
value to be received					
– To Promo/ters/Directors	0.00	0.00	0.00	0.00	0.00
- To Group Companies	0.60	0.00	0.00	0.00	63.00
- To Key Managerial Personnel	0.00	0.00	0.18	0.05	0.00
Capital Advances	1.70	0.83	0.00	3.47	2.95
Advances to suppliers	3.14	2.98	51.29	15.95	29.19
Others	0.04	0.44	1.26	1.02	1.34
Deposits					
- Security Deposits	0.41	2.88	3.64	3.89	4.33
Taxes Paid	0.00	0.10	0.07	0.12	30.07
Total	**5.89**	**7.23**	**56.44**	**24.50**	**130.88**

Annexure IX

Statement of Secured Loans, as restated

(Rs. in Million)

PARTICULARS	As at 31st March				
	2006	**2007**	**2008**	**2009**	**2010**
Term Loans	6.69	50.03	238.94	213.61	307.40
Cash Credits	28.61	86.33	219.80	721.44	1420.09
Vehicles Loans	4.35	11.54	23.51	10.74	2.91
Total	**39.65**	**147.90**	**482.25**	**945.79**	**1,730.40**

Key terms of the secured loan(s) are as follows:

Working Capital Loans

S. No.	Lender	Facility	Interest	Security	Significant Covenants	Amount Outstanding as of August 31, 2010 (` in million)[1]	Term	Repayment Schedule
1.	*Working capital consortium agreement dated September 14, 2009 (the "**Consortium Agreement**")*							
a.	State Bank of India	Pursuant to a sanction letter dated August 19, 2009, the following facilities have been granted: • Renewal of fund based working capital limits with enhancement from ` 330 million to ` 380 million. • Non fund based working capital limits of ` 50 million.	11.00% p.a.	See Note 1	See Note 2	369.40	One year, subject to renewal	Repayable on demand
b.	Punjab National Bank	Pursuant to sanction letter dated September 11, 2009, the following facilities have been granted: • Sanction of fund based working capital limits of ` 150 million (by way of enhanceme	11.00% p.a.	See Note 1	See Note 2	147.42	One year, subject to renewal	Repayable on demand

S. No.	Lender	Facility	Interest	Security	Significant Covenants	Amount Outstanding as of August 31, 2010 (` in million)[1]	Term	Repayment Schedule
		nt from existing ` 100 million). • Sanction of letter of credit of ` 50 million						
c.	State Bank of Patiala, Malerkotla	Sanction of loan of ` 70 mn	11.00% p.a.	See Note 1	See Note 2	69.97	One year, subject to renewal	Repayable on demand
d.	Allahabad Bank	Sanction of cash credit of ` 150.00 million	11.00% p.a.	See Note 1	See Note 2	150.00	One year, subject to renewal	Repayable on demand
e.	Canara Bank	Sanction of loan of ` 150 mn	11.00% p.a.	See Note 1	See Note 2	150.00	One year, subject to renewal	Repayable on demand
f.	Punjab and Sind Bank	Sanction of cash credit facilities of ` 50 million	11.00% p.a.	See Note 1	See Note 2	50.00	One year, subject to renewal	Repayable on demand
2.	Canara Bank	Additional working capital limit of ` 70 million, in terms of sanction letter dated March 30, 2010.	13.00% p.a.	First charge of present and future stocks of raw materials, goods-in process of manufacture and all finished and manufactured goods and articles together with all sores, components and spares.	See Note 2	70.00	One year, subject to renewal	Repayable on demand
3.	Allahabad Bank	Sanction of short term working capital loan of ` 140 million in terms of sanction letter dated January 7, 2010	11.50% p.a.	First pari passu charge on the current assets of the Company	-	140.00	One year, subject to renewal	Bullet repayment at the end of 12 months
4.	State Bank of Patiala	Sanction of short term working capital loan of ` 80 million in terms of sanction letter dated March 26, 2010.	11.25% p.a.	• First pari passu charge on the current assets of the Company. • Guarantee of Mr. Jaswant Singh, Mr. Balwant Singh and Mr. Tejinder Singh. • Third party	See Note 2	80.00	Six months	Repayable on demand

S. No.	Lender	Facility	Interest	Security	Significant Covenants	Amount Outstanding as of August 31, 2010 (` in million)[1]	Term	Repayment Schedule
				guarantee of Mr. Kulwant Singh, Ms. Ranjit Kaur, Ms. Parminder Kaur and Ms. Rajvir Kaur.				
5.	State Bank of Patiala, Kup Kalan	Sanction of cash credit limit of Rs. 125 million in terms of sanction letter dated October 22, 2009	10% p.a.	Pledge of warehouse receipts under tie-up arrangement with National Bulk Handling Corporation.	-	80.60	One year, subject to renewal	Repayable on demand
6.	State Bank of Patiala, Malerkotla	Sanction of cash credit limit of Rs. 125 million in terms of sanction letter dated October 22, 2009	10% p.a.	Pledge of warehouse receipts under tie-up arrangement with National Bulk Handling Corporation.	-	-[2]	One year, subject to renewal	Repayable on demand
7.	IDBI Bank Limited	Sanction of loan of Rs. 400 million in terms of sanction letters dated September 19, 2009 and September 26, 2009	9.00% p.a.	• Pledge of agricultural produce • Unconditional and irrevocable personal guarantee(s) of Mr. Balwant Singh, Mr. Jaswant Singh, Mr. Kulwant Singh, Mr. Tejinder Singh • Demand promissory note.	-	10.80	One year, subject to renewal	Repayable on demand

[1]Excluding interest amount.
[2]The sanctioned amount was not availed as of August 31, 2010.

Note 1

Under the Consortium Agreement, the Company has provided following security to the lenders:

- First pari passu charge on entire current assets, present and future, of the Company;
- Equitable mortgage on land measuring 27.50 acres and buildings constructed thereon at Jitwal Kalan, Malerkotla, Sangrur, Punjab, standing in the name of Company;
- Equitable mortgage of lease hold rights on land measuring 4,802 sq. mtrs and buildings constructed thereon at plot in Sitarganj, Uttaranchal standing in the name of Company; and
- Personal guarantees of Mr. Balwant Singh, Mr. Jaswant Singh and Mr. Tejinder Singh.

Note 2

In terms of working capital facilities the Company has undertaken not to undertake certain activities without prior permission of the lenders, including the following:

- Effect any change in the Company's capital structure;
- Formulate any scheme of amalgamation or reconstruction;
- Implement any scheme of expansion/diversification/modernization other than incurring routing capital expenditure;
- Not dealing with any other bank or institution;
- Not making any loan or giving any loan or give any financial guarantee/ other guarantees or provide any security of the assets of the Company to any other company/ies or any other person/s; and
- Enlarge the scope of other manufacturing/trading activities.

Term Loans

S. No.	Lender	Facility	Interest	Security	Significant Covenants	Amount Outstanding as of August 31, 2010 (` in million)	Repayment Schedule
1.	State Bank of India	Sanction of term loan of Rs. 168.0 million in terms of loan agreement dated July 28, 2007	13.75% p.a.	• First charge on entire fixed assets of the Company alongwith equitable mortgage of land and building, present and future • Personal guarantees of Mr. Jaswant Singh, Mr. Balwant Singh and Mr. Tejinder Singh.	See Note 3	96.8	73 equal monthly instalments starting from January 2008
		Sanction of a term loan of Rs. 26 million in terms of the sanction letter dated July 28, 2006	14.25% p.a.			7.22	65 equal monthly instalments starting from January 2007
		Sanction of a term loan of Rs. 13.5 million in terms of the sanction letter dated July 28, 2006	14.25% p.a.			4.44	68 equal monthly instalments starting from January 2007
		Sanction of a open term loan of Rs. 7.00 million in terms of the sanction letter dated March 17, 2005	13.00% p.a.			1.53	78 monthly instalments starting from December 2005
		Sanction of a loan of Rs. 25.80	14.25% p.a.			12.30	70 monthly instalments starting from April

S. No.	Lender	Facility	Interest	Security	Significant Covenants	Amount Outstanding as of August 31, 2010 (` in million)	Repayment Schedule
		million in terms of the loan agreement dated March 4, 2008					2008
		Sanction of a loan of Rs. 4.00 million in terms of the sanction letter dated July 28, 2006	14.25% p.a.			1.16	60 equal monthly instalments starting from January 2007
2	Punjab and Sind Bank	Term loan of ` 30 million, in terms of sanction letter dated November 18, 2008	13.50% p.a.	• Hypothecation of machinery/equipment/storage tanks. • Personal guarantee of Mr. Jaswant Singh, Mr. Balwant Singh, Mr. Kulwant Singh and Mr. Tejinder Singh	See Note 3	23.95	72 equal monthly instalments with a moratorium period of six months.
3	Bank of India	Sanction of ` 150 million, in terms of corporate loan agreement dated October 23, 2009	12.00% p.a.	• Equitable mortgage of property situated at Adambal Road, Malerkotla.	See Note 3	121.75	48 monthly instalments

Note 3

In terms of certain term loan facilities availed by the Company, our Company is required to obtain prior permission of the lenders in writing, for undertaking certain actions such as:

- Effect any adverse change in its capital structure;
- Embarking on expansion/ diversification/large capital expenditure without raising commensurate long term funds;
- Formulate scheme of merger, amalgamation, reconstruction, take over;
- Give guarantee to any other bank/financial institution;
- Withdrawal of unsecured loans/ deposits, if any, during currency of bank finance;
- Implement any scheme of expansion or diversification or capital expenditure except normal replacements;
- Enter into any borrowing or non- borrowing arrangements either secured or unsecured with any other bank, financial institution, company, firm or otherwise; and
- Approach capital markets for mobilizing additional resources either in form of debts or equity.

Further, ICICI Bank Limited, HDFC Bank and Family Credit Limited, have granted vehicle loans to our Company for an amount aggregating to Rs. 1.5 million, at varying rates of interest. The security for the loans is hypothecation of the vehicle. The amount outstanding as on August 31, 2010 is Rs. 1.09 million.

Annexure X

Statement of Unsecured Loans, as restated

(Rs. in Million)

PARTICULARS	As at 31st March				
	2006	**2007**	**2008**	**2009**	**2010**
LONG TERM LOANS					
Promoters & Promoter Group Cos.	0.00	0.06	0.06	0.06	0.00
Others	0.00	0.00	0.00	0.00	0.00
SHORT TERM LOANS					
Promoters & Promoter Group Cos.	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00
Grand Total	**0.00**	**0.06**	**0.06**	**0.06**	**0.00**

Annexure XI

Statement of Other Income, as restated

(Rs. in Million)

PARTICULARS	As at 31st March				
	2006	**2007**	**2008**	**2009**	**2010**
Interest received	0.00	0.00	0.32	0.18	0.49
Insurance Claim Recd	0.00	0.00	0.12	0.14	0.54
Misc. Income	0.00	0.00	0.00	0.15	8.90*
Excess Provision written back	0.00	0.00	0.00	0.00	0.02
Profit/Loss on sale of Assets	0.00	0.00	0.00	0.00	(0.04)
Total	0.00	0.00	0.44	0.47	9.91

Annexure XII

Statement of Dividend, as restated

(Rs. in Million)

PARTICULARS	As at 31st March				
	2006	2007	2008	2009	2010
Equity shares					
Number of shares	150,000	650,000	850,000	9,020,000	20,044,000
Face value (Rs.)	100.00	100.00	100.00	10.00	10.00
Paid-up value (Rs.)	100.00	100.00	100.00	10.00	10.00
Rate of dividend	NIL	NIL	NIL	NIL	NIL
Total dividend (Rs)	NIL	NIL	NIL	NIL	NIL
Corporate dividend tax on above (Rs)	NIL	NIL	NIL	NIL	NIL

Annexure XIII

Statement of Related Party Transaction, as restated

Description	**Name**
Subsidiaries	Company has no Subsidiaries
Group / Associate Company	Tara Heart Care Products Limited
	Mehndi Macs Trade Private Limited
	Tara Feed Factory
	Tara Gram Udyog Samiti (Regd)
	Tara Energy Ltd
	Tara Infratech Ltd
	Pioneer Public School Managing Committee
	Punjab Dairy House
Directors	Balwant Singh
	Jaswant Singh
	Kulwant Singh *
	Tejinder Singh
	Kirpal Singh Aulakh **
	Dr Jaspinder Singh Kolar
	Parshotam Bansal
	Rajneesh Kumar***
	Madan Lal Arora****
Relatives of Directors	Ranjit Kaur
	Parminder Kaur
	Rajvir Kaur
Key Management Personnel	Shankar Jadhav[a]
	Raj Kumar Jindal[b]
	Manmohan Singh
	Kamaljit Paul Gaur
	Avtar Singh Ratol
	Siddhartha Balyan
	Pargat Singh[c]
	Lakhvinder Singh[d]
	Jarnail Singh[e]
	Mohit Jindal[f]
	Tanu Sharma[g]
	Suchint Sohal[h]
	Asha Pasricha[i]

PARTICULARS	**As at 31st March**				
	2006	**2007**	**2008**	**2009**	**2010**
Salary to Directors					
Balwant Singh	0.03	0.10	0.18	0.71	2.40
Jaswant Singh	0.03	0.10	0.18	0.56	0.00
Kulwant Singh	0.03	0.10	0.18	0.11	0.00
Tejinder Singh	0.03	0.10	0.18	0.11	1.80
Salary to KMP's					
Shankar Jadhav	0.00	0.00	0.00	0.00	0.00
Manmohan Singh	0.00	0.00	0.72	0.96	0.96
Kamaljit Paul Gaur	0.00	0.00	0.14	0.40	0.40
Avtar Singh Ratol	0.08	0.24	0.28	0.30	0.36
Pargat Singh	0.03	0.06	0.06	0.06	0.18
Lakhvinder Singh	0.00	0.00	0.00	0.25	0.60
Jarnail Singh	0.00	0.00	0.00	0.00	0.29
Mohit Jindal	0.00	0.00	0.00	0.00	0.11
V M Kaul	0.00	0.00	0.00	0.00	0.30

PARTICULARS	As at 31st March				
	2006	2007	2008	2009	2010
Relatives of Directors					
Loan/Advances	0.00	0.00	0.00	0.00	0.00
Amount Receviable	0.00	0.00	0.00	0.00	0.00
Amount Receviable(Payable) Closing Balance	0.00	0.00	0.00	0.00	0.00
Payments to KMP's					
Reimbursement of Expenses					
Shankar Jadhav	0.00	0.00	0.00	0.00	0.00
Manmohan Singh	0.00	0.00	0.16	0.14	0.12
Kamaljit Paul Gaur	0.00	0.00	0.21	0.40	0.35
Avtar Singh Ratol	0.07	0.28	0.35	0.36	0.27
Pargat Singh	0.00	0.02	0.02	0.03	0.00
Lakhvinder Singh	0.00	0.00	0.00	0.08	0.00
Jarnail Singh	0.00	0.00	0.00	0.00	0.00
Mohit Jindal	0.00	0.00	0.00	0.00	0.00
Loan/Advances	-	-	-	-	-
Kamaljit Paul Gaur	0.00	0.18	0.00	0.00	0.00
Lakhvinder Singh	0.00	0.00	0.00	0.05	0.00
Tara Feed Factory					
Purchases of Goods	142.34	65.68	9.51	0.00	0.12
Sales of Goods	8.40	0.33	1.78	1.97	12.48
Loan/Advances Received	0.00	0.00	0.00	0.00	0.00
Payments	12.87	65.96	30.42	0.00	0.00
Amount Received	0.00	(18.07)	0.00	0.00	0.00
Closing Balance (Receiveable)	0.00	18.07	0.00	0.00	0.00
Tara Heart Care Products Limited					
Purchases of Goods	0.00	0.00	0.00	130.20	0.00
Sales of Goods	0.00	0.00	38.51	10.08	5.12
Loan/Advances Received	0.00	0.00	0.00	0.00	0.00
Payments	0.00	0.00	0.00	0.00	0.00
Amount Received	0.00	0.00	0.00	0.00	0.00
Tara Life Care Products Limited					
Purchases of Goods	0.00	0.00	0.00	0.00	0.00
Sales of Goods	0.00	0.00	0.00	0.00	8.34
Loan/Advances Received	0.00	0.00	0.00	0.00	0.00
Payments	0.00	0.00	0.00	0.00	0.00
Amount Received	0.00	0.00	0.00	0.00	0.00
Closing Balance (Receiveable)	0.00	0.00	0.00	0.00	8.34
Tara Gram Udyog Samiti (Regd)					
Loan/Advances Received	0.00	0.63	0.00	0.00	0.00
Amount Received	0.00	0.00	0.00	0.00	0.00
Purchases of Goods	0.00	0.00	0.00	0.00	0.00
Sales of Goods	0.00	0.00	0.00	0.00	0.00
Amount Receviable(Payable) Closing Balance	0.60	0.00	0.00	0.00	0.00

PARTICULARS	As at 31st March				
	2006	2007	2008	2009	2010
Tara Energy Ltd					
Loan/Advances	0.00	0.00	0.00	0.00	0.50
Amount Received	0.00	0.00	0.00	0.00	0.00
Purchases of Goods	0.00	0.00	0.00	0.00	0.00
Sales of Goods	0.00	0.00	0.00	0.00	0.00
Amount Receviable(Payable) Closing Balance	0.00	0.00	0.00	0.00	0.50
Tara Infratech Ltd					
Loan/Advances	0.00	0.00	0.00	0.00	113.50
Amount Received	0.00	0.00	0.00	0.00	5.10
Purchases of Goods	0.00	0.00	0.00	0.00	0.00
Sales of Goods	0.00	0.00	0.00	0.00	0.00
Amount Receviable(Payable) Closing Balance	0.00	0.00	0.00	0.00	62.50
Pioneer Public School					
Loan/Advances	0.00	0.02	0.00	10.12	24.88
Amount Received	0.00	0.00	0.02	10.12	24.88
Purchases of Goods	0.00	0.00	0.00	0.00	0.00
Sales of Goods	0.00	0.00	0.00	0.00	0.00
Amount Receviable(Payable) Closing Balance	0.00	(0.02)	0.00	0.00	0.00

Annexure XIV

Statement of Accounting ratios, as restated

(Rs in Mn.)

Particulars	Year Ended 3/31/2006	Year Ended 3/31/2007	Year Ended 3/31/2008	Year Ended 3/31/2009	Year Ended 3/31/2010
Net Worth (Rs.)	20.70	82.38	332.72	535.65	1,021.99
Restated Earnings attributable to Equity	1.97	11.66	90.34	166.52	446.58
Shares holders (Rs.)					
No. of Equity shares outstanding at the end of period	150,000	650,000	850,000	9,020,000	20,044,000
No. of Equity shares outstanding at the end of period After adjusting Bonus and Split Shares	4,620,000	20,020,000	26,180,000	27,781,600	28,061,600
Weighted Average No. of Equity shares outstanding during the year	630,846	4,852,140	21,986,296	26,917,175	22,648,502
Weighted Average No. of Diluted Equity shares outstanding during the year	630,846	4,852,140	21,986,296	26,917,175	22,648,502
Earnings Per Share (EPS)					
Basic Earnings per share (Rs.)	3.12	2.40	4.11	6.19	19.72
Diluted Earnings Per share (Rs)	3.12	2.40	4.11	6.19	19.72
Net Asset Value per share (Rs)	138.00	126.74	391.44	59.38	50.99
Net Asset Value per share After adjusting Bonus and Split Shares (Rs)	4.48	4.11	12.71	19.28	36.42
Return on Net worth	9.52%	14.15%	27.15%	31.09%	43.70%
Percentage Number of Equity shares	100%	100%	100%	100%	100%

Note 1: The face value of equity shares as on March 31 2006, March 31 2007, March 31 2008 was Rs.100. For March 31, 2009 and March 31, 2010 the face value of equity shares is Rs.10
Note 2: Bonus shares issued in the ratio of 12 for every 10 equity shares held on 07.08.2009
Note 3: Bonus shares issued in the ratio of 2 for every 5 equity shares held on 25.09.2010
Note 4: EPS shown above includes the impact of stock split and bonus shares issued (as per Note 1, Note 2 & Note 3)

Basic Earnings Per Equity Share	(Restated Earnings attributable to Equity Shares holders) / (Weighted Average No. of Equity shares outstanding during the year)
Diluted Earnings Per Equity Share	(Restated Earnings attributable to Equity Shares holders) / (Weighted Average No. of diluted Equity shares outstanding during the year)
Net Asset Value	(Net Worth)/ (No. of Equity shares outstanding at the end of period)
Net Asset Value per share After adjusting Bonus and Split Shares	(Net Worth)/ (Weighted Average No. of Equity shares outstanding during the year)

Return on Net Worth	(Restated Earnings attributable to Equity Shares holders)/ ((Net Worth)

Annexure XV

Statement of Capitalisation, as restated

(Rs. in Million)

Particulars	**Pre Issue as at March 31, 2010**	**Post Issue ***
Borrowings		
Short term Debts	1,420.09	
Long term Debts	310.31	
Total debts	1,730.40	
Shareholder's Funds :		
Share Capital	200.44	
Reserves (net of Revaluation reserve)	821.55	
Pre-Op. Expenses Expenditure (to the extent not written-off or adjusted)	0.00	
Total Shareholder's Funds	1,021.99	
Long term Debt/Equity Ratio	0.30	

Annexure XVI

STATEMENT OF TAX SHELTERS

	3/31/2006	**3/31/2007**	**3/31/2008**	**3/31/2009**	**3/31/2010**
Net Profit or Loss before Current and Deferred Taxes, as restated	3.01	14.68	114.65	200.69	537.74
Income Tax Rates applicable	0.34	0.34	0.34	0.34	0.34
Tax at Applicable Rate (A)	1.01	4.94	38.97	68.21	182.78
Adjustments					
Deduction under section 80IC	0.00	7.87	57.41	115.40	280.62
Deduction for export incentive	0.00	0.00	0.00	0.00	0.00
Total (B)	0.00	7.87	57.41	115.40	280.62
Timing Differences					
Difference between Tax Deprectaion and Book depreciation (Including loss on sale of depreciable asset)	1.96	6.66	34.95	60.71	87.24
Short term loss on sale of investments	0.00	0.00	0.00	0.00	0.00
Provision for Gratuity	(0.01)	(0.04)	(0.08)	(0.12)	(0.25)
Carry forward of losses	0.00	0.00	0.00	0.00	0.00
Setoff of unabsorbed depreciation	0.00	0.00	0.00	0.00	0.00
Total (C)	1.95	6.62	34.87	60.59	86.99
Net Adjustments (B+C)	1.95	14.49	92.28	175.99	367.61
Tax Savings thereon (E)	0.66	4.88	31.37	59.82	124.95
Total Taxation Charge/(Saving)-Current (a-E)	0.36	0.06	7.60	8.40	57.83
Incremental Taxes due to MAT/(Setoff of MAT credit)	0.03	0.72	7.88	24.85	82.92
Total Current taxes	0.33	(0.65)	(0.28)	(16.45)	(25.09)
Tax savings on differential Depreciation	0.66	2.24	11.88	20.64	29.65
Less: Adjustment difference in tax rates	0.00	0.00	0.00	0.00	0.00
Deferred Tax Expense/(Credit)	0.66	2.24	11.88	20.64	29.65
Total Taxation (E+F)	1.01	4.94	38.97	68.21	182.78

SEGMENT REPORTING

		Mar-10			Mar-09			Mar-08			Mar-07			Mar-06		
		Cattle Feed	Edible Oil	**Total**	Cattle Feed	Edible Oil	**Total**	Cattle Feed	Edible Oil	**Total**	Cattle Feed	Edible Oil	**Total**	Cattle Feed	Edible Oil	**Total**
a.	Revenue from external customers	1949.45	1471.49	3420.94	1559.01	393.2	1952.21	842.21	169.95	1012.16	253.63	60.37	314.00	69.92		69.92
	Inter Segment	-37.54	37.54	0	-48.84	48.84	0	0	0	0	0	0	0	0		0
	Total	1911.91	1509.03	3420.94	1510.17	442.04	1952.21	842.21	169.95	1012.16	253.63	60.37	314.00	69.92		69.92
b.	Segment results	390.98	149.92	540.90	163.85	38.7	202.55	83.32	32.76	116.08	13.01	2.22	15.23	0.99		0.99
	Less : Unallocable expenses net of unallocable income			4.20			1.49			0.72			0.38	0.03		0.03
	Profit before tax			536.70			201.06			115.36			14.85	0.96		0.96
	Provision for taxation (current, deferred and FBT)			96.55			31.09			25.22			0.67	0.33		0.33
	Profit after tax			440.15			169.97			90.14			14.18	0.63		0.63
c.	Carrying amount of Segment Assets	1267.02	1737.31	3004.33	534.32	1119.08	1653.4	422.52	484.42	906.94	209.53	61.74	271.27	54.38		54.38
	Unallocated Assets															
	Total Assets	1267.02	1737.31	3004.33	534.32	1119.08	1653.4	422.52	484.42	906.94	209.53	61.74	271.27	54.38		54.38

		Mar-10			Mar-09			Mar-08			Mar-07			Mar-06		
		Cattle Feed	Edible Oil	**Total**	Cattle Feed	Edible Oil	**Total**	Cattle Feed	Edible Oil	**Total**	Cattle Feed	Edible Oil	**Total**	Cattle Feed	Edible Oil	**Total**
d.	Carrying amount of Segment Liabilities	379.46	1604.57	1984.03	613.09	438.03	1051.12	307.55	239.26	546.81	152.44	29.04	181.48	46.96		46.96
	Unallocated Liabilities															
	Total Liabilities	379.46	1604.57	1984.03	613.09	438.03	1051.12	307.55	239.26	546.81	152.44	29.04	181.48	46.96		46.96
e.	Cost incurred to acquire Segment fixed assets during the year	0	0	0	0	0	0	0	0	0	0	0	0	0		0
	Unallocated acquisitions															
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0		0
f.	Depreciation / Amortisation	6.53	25.03	31.56	6.26	20.84	27.10	5.17	3.89	9.06	2.29	0.81	3.10	3.01		3.01

Annexure-XVIII

STANDALONE RESTATED STATEMENT OF EXPENSES

(In Rs. Million)

Particulars	For the year ended March 31,				
	2010	2009	2008	2007	2006
PERSONNEL					
Salaries and allowances	13.49	5.47	3.07	1.96	0.40
Contribution to provident and other funds	1.10	0.61	0.37	0.27	0.08
Staff welfare expenses	0.09	0.09	0.07	0.20	0.05
Gratuity	0.25	0.13	0.21	0.00	0.00
Bonus	0.65	0.39	0.00	0.00	0.00
Leave with Wages	0.39	0.14	0.12	0.00	0.00
Other Benefits	0.77	0.62	0.54	0.01	0.07
Managerial Remuneration	4.20	1.48	0.72	0.38	0.12
	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00
COST OF RAW MATERIAL CONSUMED	2968.88	1589.71	838.86	277.11	57.18
Manufacturing Expenses	0.00	0.00	0.00	0.00	0.00
Electricity	20.97	15.17	12.02	5.07	1.01
Wages	9.15	6.80	4.46	1.53	0.46
Packing	33.65	10.60	10.79	6.47	1.86
Others	2.65	5.82	1.87	1.32	0.04
Repairs and maintenance	0.00	0.00	0.00	0.00	0.00
Buildings	0.65	0.06	0.12	0.00	0.00
Plant and machinery	6.18	3.19	2.34	0.54	0.06

Particulars	For the year ended March 31,				
	2010	2009	2008	2007	2006
Others	1.37	0.93	1.49	0.76	0.25
Fees and taxes	4.64	0.84	0.50	0.11	0.17
Insurance	2.11	1.88	1.33	0.28	0.04
Communication expenses	1.28	1.48	1.05	0.66	0.15
Rent	0.22	0.17	0.58	0.71	0.00
Legal and professional charges	0.87	2.35	0.59	0.03	0.02
Travelling and conveyance	4.08	1.46	0.57	0.39	0.25
General and administrative expenses	11.72	2.83	2.36	1.08	0.24
	0.00	0.00	0.00	0.00	0.00
(Increase)/Decrease in Fnished Goods & WIP	-424.61	-30.20	-48.47	-24.47	-1.29
Opening Finished goods & work-in-progress	104.43	74.23	25.76	1.29	0.00
Less: Closing Finished Goods & work-in-progress	-529.04	-104.43	-74.23	-25.76	-1.29
	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00
INTEREST AND FINANCE CHARGES	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00
Bank Commission	12.92	6.25	1.91	0.26	0.24
Bank Interest (Term Loan)	22.78	30.93	12.69	2.63	0.34
Bank Interest (Cash Credit)	109.57	36.59	11.31	4.54	1.19
Interest Vehicles	0.69	1.97	1.70	0.60	0.17

Particulars	For the year ended March 31,				
	2010	2009	2008	2007	2006
Interest Others	2.26	0.63	0.01	0.06	0.00
	0.00	0.00	0.00	0.00	0.00
Selling Expenses	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00
Commission Paid	7.88	4.00	3.46	2.59	0.87
Freight Outward	5.41	1.10	1.98	0.10	0.00
Vehicles Expenses	19.40	14.85	15.11	8.17	1.87
Advertisement	4.46	2.56	0.63	0.60	0.10
Others	2.53	3.12	3.82	2.08	0.03

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

*You should read the following discussion of our financial condition and results of operations together with the Financial Statements, the notes and significant accounting policies thereto and the reports thereon, in the section titled **"Financial Statements"** on page 127. The Financial Statements are based on Indian GAAP, which differ in certain significant respects from U.S. GAAP and IFRS.*

Unless otherwise stated, the financial information used in this section is derived from our restated financial statements for fiscal 2010, fiscal 2009 and fiscal 2008. Our financial year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in **"Risk Factors"** on page xii.*

Overview

We are engaged in the production and supply of compounded cattle feed and refining and processing edible oil, including olive oil and blended oil, primarily in northern India. Compounded cattle feed refers to formulated feed with specific ingredients, such as rice bran, maize, soyabean extracts and molasses, so as to deliver a balanced and nutritious diet to cattle. We have established a distribution network in relation to our compounded cattle feed business mostly in rural and certain urban areas of Punjab, Haryana, Uttarakhand, Himachal Pradesh, Jammu & Kashmir, Uttar Pradesh, Rajasthan and Delhi NCR. Employing the cross-sectional utility of rice bran, a by-product of milling of paddy, we started commercial production of edible oil in 2008 primarily to cater to the health-conscious consumer base, with a distributor network in the northern states of Punjab, Jammu & Kashmir, Haryana, Himachal Pradesh and Delhi NCR. We market our compounded cattle feed and edible oil products primarily under the brand names 'Tara' and 'Raath'.

Our Company was incorporated in 1977 and was acquired in 2004 by our Promoters, including Mr. Balwant Singh, our Managing Director, who is a first-generation entrepreneur with approximately nine years of experience in the compounded cattle feed industry. For details of the acquisition and changes in the name of the Company, including the reasons thereof, see "***History and Other Corporate Matters***" on page 105.

With respect to our compounded cattle feed business, our Company has two operational manufacturing facilities, Punjab Facility I and Uttarakhand Facility, located in the states of Punjab and Uttarakhand with an aggregate installed capacity of 500 TPD and three manufacturing facilities, Punjab Facility II, J&K Facility and Haryana Facility, that are under various stages of implementation in the states of Jammu & Kashmir, Haryana and Punjab with an aggregate installed capacity of 750 TPD. In addition, we propose to develop two manufacturing facilities, Punjab Facility III and Bihar Facility, in the states of Punjab and Bihar with an aggregate installed capacity of 800 TPD, for which we intend to raise funds through this Issue. Upon completion of the development of all the manufacturing facilities, our Company plans to have a total installed capacity of 2,050 TPD for our compounded cattle feed business. The compounded cattle feed manufacturing facilities that are either proposed or under various stages of implementation are being undertaken to effectively cater to the demand for compounded cattle feed in the northern states of Bihar, Haryana, Jammu & Kashmir and Uttarakhand. In addition, we intend to acquire a manufacturing facility with an installed capacity of 50 TPD located in the state of Punjab upon completion of the acquisition of Tara Feed Factory, a Group Entity. For further details of the acquisition of Tara Feed Factory, including the effective date of such acquisition, see "***History and Other Corporate Matters***" on page 105 and for further details of Tara Feed Factory, see "***Promoters and Group Entities***" on page 118.

In relation to the commercial production of edible oil, we have an operational refinery, Punjab Refinery I, with an installed capacity of 120 TPD in the state of Punjab and intend to raise funds through this Issue for establishing another refinery, Punjab Refinery II, with an installed capacity of 100 TPD in the state of Punjab. Both the operational and proposed refineries will be adjacent to our operational compounded cattle feed manufacturing facility. Upon completion of the second refinery in the state of Punjab, our Company will have a total installed capacity of 220 TPD for our edible oil business.

We also propose to establish a husk-based captive power plant with an installed capacity of 3 MW at Jitwal Kalan in the state of Punjab ("**CPP**"), for which we intend to raise funds through this Issue that will supply power to our manufacturing facilities and refineries at Jitwal Kalan in the state of Punjab.

Our Company has an operational Solvent Extraction Plant with an installed capacity of 250 TPD at Jitwal Kalan in the state of Punjab, where rice bran is processed and the resulting products i.e. DoC and crude oil. The DoC is utilized as an essential ingredient in producing our compound cattle feed products at Punjab Facility I. The crude oil is utilized in the Punjab Refinery I, partially and the excess requirement of crude oil for the refinery is met by purchasing crude oil from the market, on a spot basis. Our intention behind establishing the Solvent Extraction Plant was to ensure continuity in the supply of DoC for Punjab Facility I and Punjab Refinery I along with a reduction in transportation and freight charges associated with procuring DoC and crude oil from the open market.

We sell compounded cattle feed through an established dealer network to retail customers and bulk customers. Our compounded cattle feed marketing operations were spread across northern India through a wide network of dealers. In relation to our edible oil business, our marketing operations are spread across the states of Punjab, Jammu & Kashmir, Haryana, Himachal Pradesh and Delhi NCR through a network of distributors. Our distributors supply our edible oil products to retail customers and a few bulk customers. We are currently focusing on building the brand recognition of 'Zaitoon Tara' and are engaged in establishing an enterprising dealer and distributor network.

We have also established a R&D centre in 2005 at Jitwal Kalan in the state of Punjab, adjacent to the Punjab Facility I and Punjab Refinery I, to test and verify the quality of raw materials being procured by our Company and the finished product. Additionally, the R&D centre develops cost-reduction measures of production techniques to enhance the quality of our existing compounded cattle feed and edible oil products and undertakes research for developing new products. Over the years, we have leveraged our R&D abilities to expand our range of products and manufacture quality compounded cattle feed and edible oil. We along with our senior management have established and intend to continue to establish quality testing laboratories at our manufacturing facilities at other locations, that are either proposed or under various stages of implementation.

We have been granted ISO 9001:2000 certification for the quality management systems of our Company in relation to the manufacture of blended edible oil and cattle feed at the Punjab Facility I and Punjab Refinery I by DAS, which is valid until December 31, 2010. Our Uttarakhand Facility has been granted the ISO 9001:2000 certification for the quality management systems of our Company in relation to the manufacture of blended edible oil and cattle feed by the Corporate Office, International Certifications Limited, Auckland, New Zealand, which is valid until August 3, 2013. In addition, DAS has certified our operational refinery as meeting the requirements of the Codex based HACCP, a food safety management system, and this certification is valid until October 21, 2011. By a letter dated July 13, 2010, the Registration Authority cum Director, Dairy Development Department, Punjab has certified that a sample of compounded cattle feed collected by it from the open market, on a random basis, is in compliance with BIS standards. Our Company has filed an application dated September 2, 2010 before the BIS, Chandigarh for grant of license in accordance with IS 2052:1979, which we believe will enable us to participate in government or armed forced tenders.

Note regarding presentation

Our financial statements have been prepared in accordance with Indian GAAP and in compliance with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and restated in accordance with ICDR Regulations. The discussion below covers the results of our Company for fiscal 2010, fiscal 2009 and fiscal 2008. We have included discussions comparing the restated results of our Company for fiscal 2010 with fiscal 2009, and fiscal 2009 with fiscal 2008.

Factors affecting our results of operations

Raw materials and other input costs

The primary raw materials used for production of compounded cattle feed consist of primarily rice bran, DOC, maize, mustard oil cake, molasses and others. Cost of raw materials consumed constitutes the most significant portion of our expenditure. Rice bran and DOC account for approximately 40% of our raw material requirements for compounded cattle feed and maize, mustard oil cake and molasses account for 18-20%, 12-15% and 7-10% of our raw material requirements for compounded cattle feed production, respectively. Further, the primary raw material for production of edible oil is rice bran oil and olive crude oil which accounts for 80-95% of our raw material requirements for edible oil production. The costs for these raw materials are subject to fluctuation based on availability from suppliers and prices. In the normal course of business, we purchase these raw materials on a purchase order basis. The range of prices of rice bran for fiscal 2010 was between ₹ 990 to ₹ 1,070 per quintal, of DOC was between ₹ 510 to ₹ 590 per quintal, of maize was between ₹ 906 to ₹ 1,107 per quintal, of mustard oil cake was between ₹ 1,012 to ₹ 1,176 per quintal, and of molasses was between ₹ 592 to 840 per quintal. The range of prices of rice bran oil and olive oil in fiscal 2010 were ₹ 990 to ₹ 1,070, and ₹ 100 to ₹ 110, per quintal, respectively. Our ability to pass on such increases in overall operational costs may also be limited.

We do not enter into fixed price or forward contracts in relation to procurement of raw materials. For our edible oil production, we source olive crude oil for overseas which is subject to foreign currency fluctuation and import costs. Additionally, considering the seasonal nature of most of our raw materials, we are required to procure and warehouse such raw materials for our production activities throughout the year. These raw materials are required to be stored in a certain manner in order to maintain the quality of these raw materials. However, if such warehoused raw materials get spoilt or are not stored in the specified manner, it may affect the quality of our products consequently impacting our results of operations and financial conditions. We procure raw materials for our compounded cattle feed and edible oil production during the peak months of October to March. The amounts of raw materials procured during this period of October to March are based on internal management estimates for our annual production targets. However, in case, our production varies from our raw material procurement estimates, this will impact our results of operations as any excess raw materials not utilised may perish and any shortage of raw material would lead to purchase of additional raw materials at a comparatively higher prices considering the seasonality of such raw materials.

Expansion into new geographies

We strive to increase our business operations across new geographies in India. We have established a distribution network in rural parts of Punjab, Haryana, Himachal Pradesh, Bihar, Rajasthan, Jammu & Kashmir and Uttarakhand, as well as in Delhi NCR. Additionally, we are in the process of setting up compounded cattle feed manufacturing plants in Haryana, Jammu & Kashmir and Bihar. Additionally, we are in the process of setting up compounded cattle feed manufacturing plants in Haryana, Jammu & Kashmir and Bihar. As a part of our expansion strategy, we generally start with supplying small quantities in new territories and once we are able to estimate the demand of such new territory, we set up our manufacturing plants in order to engage in large scale production of compounded cattle feed and edible oils. As we propose to expand our geographic reach, we may incur additional operational expenditure including transport cost for supply and distribution until we set up any manufacturing facility in such new geographic territories. Additionally, we will be subject to significant capital expenditure in relation to setting up of compounded cattle feed and edible oil manufacturing plants. Monetization of our investments in new markets depends on our ability to establish our brand in these regions, consolidate our presence and gain market share.

Dependence on our distribution network

We sell our products through a distribution network of various dealers and distributors. We have a wide and established network of dealers for distribution of our compounded cattle feed products and our edible oil products. Further, these dealers and distributors engaged by us are responsible for assessing the demand for our products in the market through interaction with retailers, consumers and subsequently for placing orders with us. In the event our dealers and distributors are unable to accurately predict the demand for our products or if they are delayed in placing orders with us or if they do not effectively market our products or market the products of our competitors, our business and results of operations may be adversely affected. The dealers and distributors are also responsible for collecting payments from retailers and consumers on behalf of our Company after deducting their respective commissions. Our inability to maintain our existing distribution network of such dealers and distributors or to expand it proportionately with the proposed increase in our manufacturing facilities and refineries, can adversely affect our sales, results of operation and business.

Government policies

As a producer of compounded cattle feed and edible oils, we operate in a regulated industry. We are subject to certain industry related legislations including the Prevention of Food Adulteration Act, 1954, as amended, the Food Safety and Standards Act, 2006, as amended, the Food Safety and Standards Regulations, 2010, as amended, the Essential Commodities Act, 1955, as amended, the National Oilseeds and Vegetable Oils

Development Board Act, 1983, as amended, the Solvent-Extracted Oil, De-Oiled Meal and Edible Flour (Control) Order, 1967, Edible Oils Packaging (Regulation) Order, 1998, as amended. Additionally, considering the current unorganised nature of the compounded cattle feed industry and presence of state-agencies in the compounded cattle feed sector, we may be subject to future regulatory policies by the governments which may impose restrictions on our operations. Additionally, currently, we are not subject to any VAT on compounded cattle feed production. Any imposition of such tax liabilities may affect our results of operations.

Competition

Our results of operations are affected by competition in compounded cattle feed and edible oil production industry. Our competition depends on the products being offered by various companies in the organized segment besides several other factors such as quality, price and capacity to deliver. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. In the compounded cattle feed business, we face competition from Milkfed, Markfed and Godrej Agrovet. In relation to our edible oil business, we face competition from established regional and national players in the retail and bulk customers segments. In the retail segment, we face competition from national players such as, Adani Wilmer Limited, Ruchi Soya Inds Limited and Cargill India Limited and regional players, such as, A.P. Solvex Limited, Amrit Banaspati Limited and Bhatinda Chemicals Limited. In the bulk segment, we face competition from A.G. Fats and KC Oils.

Significant accounting policies

The restated financial information has been prepared by applying the necessary adjustments to the financial information of our Company. This financial information has been prepared under the historical cost convention on an accrual basis in accordance with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act. The accounting policies have been consistently applied by our Company and are consistent with those used in the previous year. For a full description of our significant accounting policies adopted in the preparation of the restated financial information, see "***Financial Information***" on page 127.

Fixed Assets and Depreciation

Fixed Assets are capitalized at cost inclusive of expenses incidental thereto. Depreciation on fixed assets has been provided on Straight Line Method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

Pre-operative Expenses pertaining to the installation of Fixed Assets were capitalized to the respective assets on the proportionate basis of at the time of asset being put to use.

Inventories

Raw Material, Packing Material and Consumables are valued at Lower of cost and net realizable value. Work in Process and Finished Goods are valued at Lower of cost and net realizable value. Cost is ascertained on specific identification method and includes appropriate production overheads in case of Work in process and Finished Goods.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Borrowing cost

Borrowing costs, which have a direct nexus and are directly attributable to assets, are charged to assets and other borrowing costs are expensed out as period cost as specified in Accounting Standard (AS 16) on "Borrowing Costs".

Employees Retirement Benefits

Defined contribution plans
The Company contributes on a defined contribution basis to Employee's Provident Fund, towards post employment benefits, which is administered by the respective Government authorities, and has no further obligation beyond making its contribution, which is expensed in the year to which it pertains. ii.

Defined benefit plans
The Company has a Defined Benefit Plan namely Gratuity for all its employees. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses are recognized immediately in the profit and loss account. The fair value of the plan assets is reduced from the gross obligation under the defined plan, to recognise the obligation on net basis.

Employee leave entitlement
The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the year end and charged to the Profit and Loss Account.

Income taxes

Income tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS-22) on "Accounting for Taxes on Income". The Deferred tax assets and liabilities for the year, arising out of timing difference, are reflected in the profit and loss account. The cumulative effect thereof is shown in the Balance sheet. *The deferred tax assets are recognized only if there is a reasonable certainty that the assets will be realized in future*.

Provision for earlier year taxes
The Company recorded tax of earlier years, which primarily resulted on completion of assessments made by the Income tax authorities and the difference was recorded as credit/ charge in the financial statements. Accordingly, the effect of these items has been adjusted in the period to which the tax related to with a corresponding charge/ credit to the recorded period in the 'Summary Statement of Profits and Losses, as Restated.'

Tax impact of adjustments
The 'Summary Statement of Profits and Losses, as Restated' has been adjusted for respective years in respect of short/excess provision for income tax as compared to the tax payable as per the income tax assessments/ returns filed by the Company for the respective years.

Foreign currency translation

The company has provided for effect of change in foreign exchange transactions as required by the Accounting Standard-11 (AS-11) issued by the Institute of Chartered Accountants of India (ICAI). Consequently, for the purposes of this statement the effect of changes in foreign exchange is accounted as per Accounting Statndars-11 (AS-11)

(i) Initial Recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii)Exchange Differences
Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Results of Operations

Income

Our total income comprises of our income from sales and other income. Our income from sales includes our income from sale of compounded cattle feed and income from sale of edible oil. The following table shows our income from sales and other income for the periods indicated in Rupees in million and as a percentage of our total income:

(₹ in million)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Income from sales			
Income from sale of compounded cattle feed	1,949.45	1,559.00	842.21
% of total income	*50.69*	*78.64*	*79.37*
Income from sale of edible oil	1,461.54	392.74	169.96
% of total income	*38.01*	*19.81*	*16.02*
Other income	9.91	0.46	0.44
% of total income	*0.26*	*0.02*	*0.41*
Increase/(Decrease) in stock	424.61	30.20	48.47
% of total income	*11.04*	*1.52*	*4.57*
Total income	**3,845.52**	**1,982.41**	**1,061.08**

Income from sales

Our income from sales can be classified into (i) income from sale of compounded cattle feed and (ii) income from sale of edible oil. Our income from sale of compounded cattle feed accounted for 50.69%, 78.64% and 79.37% of our total income for fiscal 2010, fiscal 2009 and fiscal 2008, respectively, and our income from sale of edible oils accounted for 38.01%, 19.81% and 16.02% of our total income for fiscal 2010, fiscal 2009 and fiscal 2008, respectively.

Income from sale of compounded cattle feed

Our income from sale of compounded cattle feed accounted for 50.69%, 78.64% and 79.37% of our total income for fiscal 2010, fiscal 2009 and fiscal 2008, respectively. Sale of compounded cattle feed includes sale of our various compounded cattle feed brands including Tara Feed, Raath Panjiri, Raath 3 Pallet, Raath 2 Churi, Raath 2 Pallet, Special Tara Feed, Raath Gold, Raath 1, Tara MIN (mineral mixture) and Tara Sansar. We recognize income from sale of compounded cattle feed on accrual basis, once the products have been delivered to the distributor and the significant risks and rewards of ownership of the products have passed.

Income from sale of edible oil

Our income from sale of edible oils accounted for 38.01%, 19.81% and 16.02% of our total income for fiscal 2010, fiscal 2009 and fiscal 2008, respectively. Our income from sale of edible oil includes sale of our various edible oil brands including Rice Bran Refined Bulk, Tara Lite, Tara Gold, Tara Kotton, Zaitoon Tara, Tara Unique, Shubh Tara and Pure Olive. We recognize income from sale of edible oil also on accrual basis, once the products have been delivered to the distributor and the significant risks and rewards of ownership of the products have passed.

Other income

Our other income primarily includes interest earned on bank deposits. However, our other income also includes amounts received as insurance claims and miscellaneous income. Our other income accounted for 0.26%, 0.02% and 0.41% of our total income for fiscal 2010, fiscal 2009 and fiscal 2008, respectively. Our other income does not exceed 20% of our net adjusted profit before tax for any of the fiscal 2010, 2009 or 2008.

Expenditure

Our expenditure comprises of cost of raw materials consumed, staff costs, manufacturing expenses, administration expenses, selling and distribution expenses, interest and financial expenses, and depreciation expenses.

The following table sets forth our expenditure as a percentage of our income from operations (*i.e.*, our total income less other income) for the periods indicated:

(₹ in million)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Raw materials consumed	2,968.88	1,589.71	838.86
% of income from operations	*87.03*	*81.45*	*82.88*
Staff costs	20.13	8.94	5.10
% of income from operations	*0.59*	*0.46*	*0.50*
Manufacturing expenses	72.60	41.59	31.48
% of income from operations	*2.13*	*2.13*	*3.11*
Administration expenses	27.76	12.01	8.59
% of income from operations	*0.81*	*0.62*	*0.85*
Selling and distribution expenses	39.68	25.63	25.00
% of income from operations	*1.16*	*1.31*	*2.47*
Interest and financial expenses	148.21	76.37	27.63
% of income from operations	*4.35*	*3.91*	*2.73*
Total expenditure	**3,277.26**	**1,754.25**	**936.66**

Raw materials consumed

Cost of raw materials consumed accounted for 87.03%, 81.45% and 82.88% of our income from operations for fiscal 2010, fiscal 2009 and fiscal 2008, respectively. Costs of raw materials consumed for compounded cattle feed production consist of rice bran, DOC, maize, mustard oil cake, molasses and others. Rice bran and DOC account for approximately 40% of our raw material requirements for compounded cattle feed and maize, mustard oil cake and molasses account for between 18-20%, 12-15% and 7-10%, respectively, of our of our raw material requirements for compounded cattle feed production. Our costs for raw materials consumed for edible oil consist primarily of rice bran oil or olive crude oil which accounts for 80-95% of our raw material requirements for edible oil production. Raw materials' cost indicates the difference between the opening and closing inventory, as adjusted for raw materials purchased during the period.

Staff costs

Our staff costs comprise employee salaries and bonuses, contribution to employee's provident fund and other funds, staff welfare expenses and employee benefits. Staff costs accounted for 0.59%, 0.46% and 0.50% of our income from operations for fiscal 2010, fiscal 2009 and fiscal 2008, respectively.

Manufacturing expenses

Our manufacturing expenses primarily include packaging costs of our products, cost of repairs and maintenance of our plants and machineries, electricity charges and wages paid to the contract laborers. Additionally, cost of husk also form a major part of our manufacturing expenses. Our manufacturing expenses accounted for 2.13%, 2.13% and 3.11% of our income from operations for fiscal 2010, fiscal 2009 and fiscal 2008, respectively.

Administration expenses

Telephone expenses, printing and stationery, professional fees paid to legal counsels and other advisors, rent paid, premium paid on insurance policies, repair and maintenance of cars and miscellaneous expenses are the major constituents of administration expenses. Administration expenses accounted for 0.81%, 0.62% and 0.85% of our income from operations for fiscal 2010, fiscal 2009 and fiscal 2008, respectively.

Selling and distribution expenses

Selling and distribution expenses include advertising and marketing expenses, rebate and discount offered, sales commission, rebates and discounts, transport costs, commission paid to our sales agents**,** outward freights and fuel expenses. Selling and distribution expenses accounted for 1.16%, 1.31% and 2.47% of our income from operations for fiscal 2010, fiscal 2009 and fiscal 2008, respectively.

Interest and financial expenses

Interest and bank charges include interest paid on term loans, working capital facilities and cash credit, and processing fees. Interest and bank charges accounted for 4.35%, 3.91% and 2.73% of our income from operations for fiscal 2010, fiscal 2009 and fiscal 2008, respectively.

Depreciation

Depreciation is provided on a pro-rata basis under the straight line method at rates of depreciation as prescribed in Schedule XIV to the Companies Act. Depreciation accounted for ₹ 31.56 million, or 0.93%, ₹ 27.10 million, or 1.39% and ₹ 9.06 million, or 0.90% of our income from operations, for fiscal 2010, fiscal 2009 and fiscal 2008, respectively.

Fiscal 2010 compared with fiscal 2009

Income

Our total income increased substantially by ₹ 1,863.11 million, or 93.98% from ₹ 1,982.41 million in fiscal 2009 to ₹ 3,845.52 million in fiscal 2010. This increase was largely due to ₹ 390.45 million increase in income from sale of compounded cattle feed and ₹ 1,068.80 million increase in income from sale of edible oil by our Company.

Income from sale of compounded cattle feed

Our income from sale of compounded cattle feed produced by our Company increased by ₹ 390.45 million, or 25.04%, from ₹ 1,559.00 million in fiscal 2009 to ₹ 1,949.45 million in fiscal 2010. This increase was primarily due to increase in production of compounded cattle feed in fiscal 2010 as a result of full capacity utilisation of the Uttarakhand Facility and increase in prices of the compounded cattle feed in fiscal 2010.

Income from sale of edible oil

Our income from sale of edible oil produced by our Company increased by ₹ 1,068.80 million, or 272.13%, from ₹ 392.74 million in fiscal 2009 to ₹ 1,461.54 million in fiscal 2010. This increase was primarily due to increase in production of edible oil as a result of higher capacity utilisation of our Jitwal Kalan Plant and launch of certain new products including 'Zaitoon Tara' and 'Shubh Tara'. Additionally, our income from sale of edible oil was also impacted by increase in prices of the edible oil in fiscal 2010.

Other income

Our other income increased by ₹ 9.45 million, or 2,054.35%, from ₹ 0.46 million in fiscal 2009 to ₹ 9.91 million in fiscal 2010. This increase was primarily due to receipt of ₹ 8.90 million as one-time compensation from Amrit Banaspati Co. Limited on account of termination of certain oil supply orders with our Company.

Expenditure

Our total expenditure increased by ₹ 1,523.01 million, or 86.82%, from ₹ 1,754.25 million in fiscal 2009 to ₹ 3,277.26 million in fiscal 2010. This increase was principally due to ₹ 1,379.17 million increase in the cost of raw materials consumed, ₹ 31.01 million increase in manufacturing expenses and ₹ 15.75 million increase in administration expenses.

Raw materials consumed

Our cost of raw materials consumed increased by ₹ 1,379.17 million, or 86.76%, from ₹ 1,589.71 million in fiscal 2009 to ₹ 2,968.88 million in fiscal 2010. This increase was due to (i) an increase in our operations and increased production of compounded cattle feed and edible oil and (ii) an increase in the prices of the raw materials. For example, the range of prices of rice bran increased from ₹ 825-940 per quintal in fiscal 2009 to ₹ 990-1,070 per quintal in fiscal 2010, the range of prices for DOC increased from ₹ 400-548 per quintal in fiscal 2009 to ₹ 510-590 per quintal in fiscal 2010, the range of prices for maize increased from ₹ 838-978 per quintal in fiscal 2009 to ₹ 906-1,107 per quintal in fiscal 2010. Our cost of raw materials consumed as a percentage of our income from operations increased from 81.45% in fiscal 2009 to 87.03% in fiscal 2010 as we purchased the higher quantity of raw materials during the peak seasons when price was comparatively lower than the raw material prices during the non-peak seasons.

Staff costs

Our staff costs increased by ₹ 11.19 million, or 125.17%, from ₹ 8.94 million in fiscal 2009 to ₹ 20.13 million in fiscal 2010. This increase in our staff costs were driven by a general increase in the salaries, allowances and bonus paid to our employees as well as an increase in the number of our employees from 145 on March 31, 2009 to 164 on March 31, 2010. However, our staff costs as a percentage of our income from operations increased from 0.46% in fiscal 2009 to 0.59% in fiscal 2010.

Manufacturing expenses

Our manufacturing expenses increased by ₹ 31.01 million, or 74.56%, from ₹ 41.59 million in fiscal 2009 to ₹ 72.60 million in fiscal 2010. This increase was driven by increase in our packaging costs, costs of husk as a result of increased operations, and increase in laboratory expenses as a result of higher R&D activities in fiscal 2010. This was also driven by increase in the labor and wages due to increase in contract laborers as result of increase in our production activities. Our manufacturing expenses as a percentage of our income from operations remained same in fiscal 2009 and fiscal 2010.

Administration expenses

Our administration expenses increased by ₹ 15.75 million, or 131.14%, from ₹ 12.01 million in fiscal 2009 to ₹ 27.76 million in fiscal 2010. This increase was due to increase in fuel expenses, repair and maintenance, payment of rent for our Registered Office at 3rd Floor, Mall Plaza, Fountain Chowk, The Mall, Ludhiana, Punjab, India and expenses incurred on account of our initial public offer, previously proposed in fiscal 2010. This increase was partially off set by decrease in professional charges paid towards corporate advisory fees. Our administration expense as a percentage of our income from operations increased from 0.62% in fiscal 2009 to 0.81% in fiscal 2010.

Selling and distribution expenses

Our selling and distribution expenses increased by ₹ 14.05 million, or 54.82%, from ₹ 25.63 million in fiscal 2009 to ₹ 39.68 million in fiscal 2010. This increase was primarily due to an increase in advertising and marketing expense, business promotion expenses, commission paid and vehicle expenses. Our selling and distribution expenses as a percentage of our total income decreased from 1.31% in fiscal 2009 to 1.16% in fiscal 2010.

Interest and financial expenses

Our interest and financial expenses increased by ₹ 71.84 million, or 94.07%, from ₹ 76.37 million in fiscal 2009 to ₹ 148.21 million in fiscal 2010. This increase was due to increase in interest paid on cash credits and increase in bank commission due to increase in our credit facilities from the banks. Our interest and bank charges as a percentage of our total income increased from 3.91% in fiscal 2009 to 4.35% in fiscal 2010.

Depreciation and amortization

Our depreciation and amortization expenses increased by ₹ 4.46 million, or 16.45%, from ₹ 27.10 million in fiscal 2009 to ₹ 31.56 million in fiscal 2010. This increase was due to increase in gross fixed assets.

Net adjusted profit before tax and extra-ordinary items

Primarily due to the reasons described above, our net adjusted profit before tax and extra-ordinary items increased by ₹ 335.64 million, or 166.94%, from ₹ 201.06 million in fiscal 2009 to ₹ 536.70 million in fiscal 2010.

Provision for tax

Due to an increase in our profit before tax, our provisions for tax liabilities (current tax and deferred tax) increased by ₹ 65.46 million, or 210.55%, from ₹ 31.09 million in fiscal 2009 to ₹ 96.55 million in fiscal 2010. Our provision for current tax increased by ₹ 64.53 million, or 287.82%, from ₹ 22.42 million in fiscal 2009 to ₹ 86.95 million in fiscal 2010 due to increase in our edible oil operations which, unlike our compounded cattle feed operations, do not enjoy any VAT exemption in the states of Punjab and Uttarakhand.

Adjusted profit after tax as restated

Our adjusted profit after tax as restated increased by ₹ 280.06 million, or 168.18%, from ₹ 166.52 million in fiscal 2009 to ₹ 446.58 million in fiscal 2010.

Fiscal 2009 compared with fiscal 2008

Income

Our total income increased significantly by ₹ 921.33 million, or 86.83% from ₹ 1,061.08 million in fiscal 2008 to ₹ 1,982.41 million in fiscal 2009. This increase was largely due to ₹ 716.79 million increase in income from sale of compounded cattle feed and ₹ 222.78 million increase in income from sale of edible oil by our Company.

Income from sale of compounded cattle feed

Our income from sale of compounded cattle feed produced by our Company increased substantially by ₹ 716.79 million, or 85.11%, from ₹ 842.21 million in fiscal 2008 to ₹ 1,559.00 million in fiscal 2009. This increase was primarily due to increase in production of compounded cattle feed in fiscal 2009 as a result of increase in capacity of our Uttarakhand Facility and increase in prices of the compounded cattle feed in fiscal 2009.

Income from sale of edible oil

Our income from sale of edible oil produced by our Company increased substantially by ₹ 222.78 million, or 131.08%, from ₹ 169.96 million in fiscal 2008 to ₹ 392.74 million in fiscal 2009. This increase was primarily due to commencement of our full commercial production of edible oil at the Punjab Refinery I with a capacity utilisation 94.23% in fiscal 2009 compared to 66.35% capacity utilisation in fiscal 2008 of the Punjab Refinery I and launch of new brands including Tara Lite, Tara Gold, Tara Kotton and Pure Olive.

Other income

Our other income increased by ₹ 0.02 million, or 4.55%, from ₹ 0.44 million in fiscal 2008 to ₹ 0.46 million in fiscal 2009.

Expenditure

Our total expenditure increased by ₹ 817.59 million, or 87.29%, from ₹ 936.66 million in fiscal 2008 to ₹ 1,754.25 million in fiscal 2009. This increase was principally due to ₹ 750.85 million increase in the cost of raw materials consumed, ₹ 10.11 million increase in manufacturing expenses and ₹ 3.42 million increase in administration expenses.

Raw materials consumed

Our cost of raw materials consumed increased by ₹ 750.85 million, or 89.51%, from ₹ 838.86 million in fiscal 2008 to ₹ 1,589.71 million in fiscal 2009. This increase was due to (i) an increase in our operations and increased production of compounded cattle feed and edible oil and (ii) an increase in the prices of the raw materials. For example, the range of prices of rice bran increased from ₹ 700-825 per quintal in fiscal 2008 to ₹ 825-940 per quintal in fiscal 2009, the range of prices for DOC increased from ₹ 308-321 per quintal in fiscal 2008 to ₹ 400-548 per quintal in fiscal 2009, the range of prices for maize increased from ₹ 730-955 per quintal in fiscal 2008 to ₹ 838-978 per quintal in fiscal 2009. Our cost of raw materials consumed as a percentage of our income from operations decreased from 82.88% in fiscal 2008 to 81.45% in fiscal 2009.

Staff costs

Our staff costs increased by ₹ 3.84 million, or 75.29%, from ₹ 5.10 million in fiscal 2008 to ₹ 8.94 million in fiscal 2009. This increase in our staff costs were driven by a general increase in the salaries, allowances and bonus paid to our employees as well as an increase in the number of our employees from 105 on March 31, 2008 to 145 on March 31, 2009. However, our staff costs as a percentage of our income from operations decreased from 0.50% in fiscal 2008 to 0.46% in fiscal 2009.

Manufacturing expenses

Our manufacturing expenses increased by ₹ 10.11 million, or 32.12%, from ₹ 31.48 million in fiscal 2008 to ₹ 41.59 million in fiscal 2009. This increase was driven by increase in our electricity costs, testing fees and laboratory expenses due to increase in our research and development activities in fiscal 2009. Additionally, there was an increase in the labor costs and wages due to increase in contract laborers as a result of increase in our production activities. Our manufacturing expenses as a percentage of our income from operations decrease from 3.11% in fiscal 2008 to 2.13% in fiscal 2009.

Administration expenses

Our administration expenses increased by ₹ 3.42 million, or 39.81%, from ₹ 8.59 million in fiscal 2008 to ₹ 12.01 million in fiscal 2009. This increase was due to increase in repair and maintenance expenses, insurance premium paid and professional charges paid. Our administration expense as a percentage of our total income decreased from 0.85% in fiscal 2008 to 0.62% in fiscal 2009.

Selling and distribution expenses

Our selling and distribution expenses marginally increased by ₹ 0.63 million, or 2.52%, from ₹ 25.00 million in fiscal 2008 to ₹ 25.63 million in fiscal 2009. This increase was primarily due to marginal increase in advertising and marketing expense, business promotion expenses and fuel expenses. Our selling and distribution expenses as a percentage of our income from operations decreased from 2.47% in fiscal 2008 to 1.31% in fiscal 2009.

Interest and financial expenses

Our interest and financial expenses increased by ₹ 48.74 million, or 176.40%, from ₹ 27.63 million in fiscal 2008 to ₹ 76.37 million in fiscal 2009. This increase was due to increase in interest paid on term loans, cash credits and increase in bank commission due to increase in our credit facilities from the banks. Our interest and bank charges as a percentage of our income from operations increased from 2.73% in fiscal 2008 to 3.91% in fiscal 2009.

Depreciation and amortization

Our depreciation and amortization expenses increased by ₹ 18.04 million, or 199.12%, from ₹ 9.06 million in fiscal 2008 to ₹ 27.10 million in fiscal 2009. This increase was due to depreciation of the Punjab Refinery I for the full period in fiscal 2009 compared to depreciation for 64 days in fiscal 2008 as the Punjab Refinery I was commissioned on January 28, 2008.

Net adjusted profit before tax and extra-ordinary items

Primarily due to the reasons described above, our net adjusted profit before tax and extra-ordinary items increased by ₹ 85.70 million, or 74.29%, from ₹ 115.36 million in fiscal 2008 to ₹ 201.06 million in fiscal 2009.

Provision for tax

Due to an increase in our profit before tax, our provisions for tax liabilities (current tax and deferred tax) increased by ₹ 5.87 million, or 23.28%, from ₹ 25.22 million in fiscal 2008 to ₹ 31.09 million in fiscal 2009. Our provision for current tax increased by ₹ 8.33 million, or 59.12%, from ₹ 14.09 million in fiscal 2008 to ₹ 22.42 million in fiscal 2009.

Adjusted profit after tax as restated

Our adjusted profit after tax as restated increased by ₹ 76.18 million, or 84.33%, from ₹ 90.34 million in fiscal 2008 to ₹ 166.52 million in fiscal 2009.

Liquidity and Capital Resources

As of March 31, 2010, we had cash and bank balances of ₹ 76.80 million. Cash and bank balances consist of cash in hand, cheques in hand and deposit accounts. Our primary liquidity requirements have been to finance our working capital requirements and capital expenditures. We have met these requirements from cash flows from operations, and short-term and long-term borrowings. We expect to meet our working capital and capital expenditure requirements for the next 12 months primarily from the cash flows from our business operations, borrowings from banks and financial institutions as may be expedient and from the proceeds of this Issue.

Cash flows

Set forth below is a table of selected information from the Company's statements of cash flows for the periods indicated.

(₹ in million)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Net cash from/ (used in) operating activities	(465.50)	(308.55)	(191.23)
Net cash from/ (used in) investing activities	(173.72)	(85.62)	(267.37)
Net cash from/ (used in) financing activities	676.33	423.57	466.72
Net increase/ (decrease) in cash and cash equivalents	37.10	29.42	8.12
Cash and cash equivalents at the beginning of the year	39.70	10.28	2.16
Cash and cash equivalents as at the end of the year	76.80	39.70	10.28

Net cash used in operating activities

Net cash used in operating activities in fiscal 2010 was ₹ 465.50 million and our operating profit before working capital changes for that period was ₹ 717.48 million. The difference was attributable to a ₹ 613.13 million increase in receivables due to increase in sales and comparatively longer credit period provided to our suppliers, ₹ 106.37 million increase in loans and advances, ₹ 495.67 million increase in inventories due to due to increased operations, ₹ 82.50 million towards payment of tax and ₹ 114.69 million increase in current liabilities due to increase in creditors in relation to purchase of raw materials and increase in provisions for tax and other statutory liabilities.

Net cash used in operating activities in fiscal 2009 was ₹ 308.55 million and our operating profit before working capital changes for that period was ₹ 304.16 million. The difference was attributable to a ₹ 13.72 million increase in receivables, ₹ 31.93 million decrease in loans and advances, ₹ 649.25 million increase in inventories due to increased operations in our compounded cattle feed business and increase in our edible oil business due to higher capacity utilisation, ₹ 25.45 million towards payment of tax and this was partially offset by ₹ 43.78 million increase in current liabilities due to increase in creditors in relation to purchase of raw materials and increase in provisions for tax and other statutory liabilities.

Net cash used in operating activities in fiscal 2008 was ₹ 191.23 million and our operating profit before working capital changes for that period was ₹ 151.34 million. The difference was attributable to a ₹ 149.23 million increase in receivables primarily due to increase in sales, ₹ 49.20 million increase in loans and advances, ₹ 160.88 million increase in inventories due to increased operations in our compounded cattle feed business and commencement of our edible oil operations, ₹ 14.71 million towards payment of tax, and this was partially offset by₹ 31.45 million increase in current liabilities due to increase in creditors in relation to purchase of raw materials.

Net cash used in investing activities

In fiscal 2010, our net cash used in investing activities was ₹ 173.72 million. This reflected the payments towards the purchase of fixed assets which primarily consists of purchase of 46.81 acre land at Industrial Focal Point, Adamwal Road, Malerkotla, Punjab.

In fiscal 2009, our net cash used in investing activities was ₹ 85.62 million. This reflected the payments towards the purchase of fixed assets which primarily consists of addition of storage tanks and other machineries in the Punjab Refinery I.

In fiscal 2008, our net cash used in investing activities was ₹ 267.37 million. This reflected the payments towards the purchase of fixed assets which primarily consists of installation of the Punjab Refinery I.

Net cash from financing activities

In fiscal 2010, our net cash from financing activities was ₹ 676.33 million. This reflected ₹ 784.54 million received as short term and long term borrowing for working capital requirements from banks and financial institutions and ₹ 40.00 million as proceeds from issuance of 200,000 Equity Shares at an issue price of ₹ 200 per Equity Share on August 8, 2009. These cash flows were partially offset by ₹ 148.21 million towards financial charges for interest paid on the current credit facilities and bank commissions.

In fiscal 2009, our net cash from financing activities was ₹ 423.57 million. This reflected ₹ 463.54 million received as short term and long term borrowing for working capital requirements from banks and financial institutions and ₹ 36.40 million as proceeds from issuance of 520,000 Equity Shares at an issue price of ₹ 70 per Equity Share on October 15, 2008. These cash flows were partially offset by ₹ 76.37 million towards financial charges for interest paid on the current credit facilities and bank commissions.

In fiscal 2008, our net cash from financing activities was ₹ 466.72 million. This reflected ₹ 334.35 million received as short term and long term borrowing for working capital requirements from banks and financial institutions and ₹ 160.00 million as proceeds from issuance of 200,000 equity shares of ` 100 each at an issue price of ₹ 800 per equity share in fiscal 2008. These cash flows were partially offset by ₹ 27.63 million towards financial charges for interest paid on the current credit facilities and bank commissions.

Financial indebtedness

The following table sets forth the Company's secured and unsecured debt position as at March 31, 2010.

(₹ in million)

Particulars	**Amount outstanding as at March 31, 2010**
Unsecured loans:	
From Director, Promoters and Promoter Group entities	-
Others	-
Total (A)	**Nil**
Secured loans:	
Term loans from banks	307.39
Cash credits	1,420.09
Vehicle loans	2.91
Total (B)	**1,730.39**
Total (A+ B)	**1,730.39**

Contingent Liabilities

As of March 31, 2010, we had the following contingent liabilities that have not been provided for in our consolidated financial statements:

(₹ in million)

Sl. No.	Particulars	Amount
1.	Bank Guarantees	0.09
2.	Letter of Credit	50.00
3.	Claims preferred against the Company	4.32
Total		54.41

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with any entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

Quantitative and qualitative disclosure about market risk

Interest rate risk

We are exposed to market rate risk due to changes in interest rates on our credit facilities that we entered into. As at August 31, 2010, we had ₹ 1,588.43 million of outstanding indebtedness, which exposed us to market risk as a result of changes in interest rates. We undertake debt obligations to support our working capital needs and capital expenditure. Upward fluctuations in interest rates increase the cost of debt and interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to modify the nature of our debt so as to manage our interest rate risk.

Commodity price risk

We are exposed to market risk with respect to the prices of raw material used in our projects. These raw materials include rice bran, DOC, maize, mustard oil cake, molasses, rice bran oil or olive crude oil and others. The costs for these raw materials are subject to fluctuation based on availability from suppliers and prices. In the normal course of business, we purchase these raw materials on a purchase order basis. We do not enter into fixed price or forward contracts in relation to procurement of raw materials.

Unusual or infrequent events or transactions

Except as disclosed in this Draft Red Herring Prospectus, there are no events or transactions which may be described as "unusual" or "infrequent".

Known trends or uncertainties

Our business has been impacted and we expect will continue to be impacted by the trends identified above in "Factors Affecting our Results of Operations" and the uncertainties described in "***Risk Factors***" on page xii. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations.

Seasonality of business

Our business is not typically seasonal in nature. However, we experience seasonality with regard to procurement of raw materials as most of our raw materials are produced or cultivated seasonally. For details see "***Risk Factors***" and "***Our Business***", on pages xii and 75, respectively.

Significant Regulatory Changes

Except as described in "***Regulations and Policies in India***" on page 98, there have been no significant regulatory changes that could affect our income from continuing operations.

Future relationship between expenditure and revenues

Except as described in "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages xii, 75, and 162, respectively, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

Competitive conditions

We compete in the compounded cattle feed and edible oil industry. Our competition depends on the products being offered by various companies in the organized segment besides several other factors such as quality, price and capacity to deliver. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. In the compounded cattle feed business, we face competition from Milkfed, Markfed and Godrej Agrovet. In relation to our edible oil business, we face competition from established regional and national players in the retail and bulk customers segments. In the retail segment, we face competition from national players such as, Adani Wilmer Limited, Ruchi Soya Inds Limited and Cargill India Limited and regional players, such as, A.P. Solvex Limited, Amrit Banaspati Limited and Bhatinda Chemicals Limited. In the bulk segment, we face competition from A.G. Fats and KC Oils. For details, see "***Our Business - Competition***" on page 96.

Transactions with associate companies and related parties

We have certain transactions with our associate companies and related parties. For details, see "***Financial Statements - Annexure XIII***" on page 150.

Recent accounting pronouncements

There are no recent accounting pronouncements that were not yet effective as at March 31, 2010 that will result in a change in our Company's significant accounting policies.

Significant Developments after March 31, 2010

Business transfer agreement between our Company and the partners of Tara Feed Factory, a partnership firm

Our Company has entered into a business transfer agreement dated September 25, 2010 with Mr. Kulwant Singh, Mr. Jaswant Singh and Mr. Balwant Singh (the "**Partners**"), the partners of the firm Tara Feed Factory (the "**TFF**") pursuant to which the Partners have agreed to transfer all assets and liabilities of TFF in its entirety at book value as per the audited books of account of TFF as on September 30, 2009. For details of the business transfer agreement, see "***History and Certain Corporate Matters***" on page 105. The said transfer would be effective from October 1, 2010. The credit balances appearing against the names of Partners as per the audited books of TFF as on September 30, 2009, will be fully discharged by the Company in cash. For details of the financial information of TFF for fiscal 2010, 2009 and 2008, see "***Our Promoters and Group Entities***" on page 118.

Issue of bonus Equity Shares

On September 25, 2010, our Company issued 8,017,600 bonus Equity Shares in the proportion of two Equity Shares for every five Equity Shares each held by existing Equity Shareholders as on September 25, 2010 of the Company by capitalizing a sum of ₹ 80,176,000 out of the share premium account. For details, see "***Capital Structure***" on page 19.

Acquisition of land for the proposed facility at Jammu & Kashmir

On August 7, 2010, our Company entered into an agreement with Synergy Telepower, for purchase of land admeasuring to 1.88 acres at Bari Brahmara, Jammu, for a total consideration of ₹ 16.20 million in relation to our proposed J&K Facility.

Non-subscription of the initial public offering.

Our Company had filed a red herring prospectus on April 19, 2010 with the RoC in relation to a proposed initial public offering. The issue opened for subscription on April 28, 2010. The Company did not proceed with the initial public offering due to the minimum subscription requirements not being met.

FINANCIAL INDEBTEDNESS

Detailed below is a brief summary of the current financing arrangements undertaken by our Company. The amount outstanding (excluding interest) under the facilities as on August 31, 2010 is ₹ 1,588. 43 million.

Working Capital Loans

S. No.	Lender	Facility	Interest	Security	Significant Covenants	Amount Outstanding as of August 31, 2010 (₹ in million)[1]	Term	Repayment Schedule
1.	*Working capital consortium agreement dated September 14, 2009 (the "**Consortium Agreement**")*							
a.	State Bank of India	Pursuant to a sanction letter dated August 19, 2009, the following facilities have been granted: • Renewal of fund based working capital limits with enhancement from ₹ 330 million to ₹ 380 million. • Non fund based working capital limits of ₹ 50 million.	11.00% p.a.	See Note 1	See Note 2	369.40	One year, subject to renewal	Repayable on demand
b.	Punjab National Bank	Pursuant to sanction letter dated September 11, 2009, the following facilities have been granted: • Sanction of fund based working capital limits of ₹ 150 million (by way of enhancement from existing ₹ 100 million). • Sanction of letter of credit of ₹ 50 million	11.00% p.a.	See Note 1	See Note 2	147.42	One year, subject to renewal	Repayable on demand
c.	State Bank	Sanction of	11.00%	See Note 1	See Note 2	69.97	One	Repayable

S. No.	Lender	Facility	Interest	Security	Significant Covenants	Amount Outstanding as of August 31, 2010 (₹ in million)[1]	Term	Repayment Schedule
	of Patiala, Malerkotla	loan of ₹ 70 million	p.a.				year, subject to renewal	on demand
d.	Allahabad Bank	Sanction of cash credit of ₹ 150.00 million	11.00% p.a.	See Note 1	See Note 2	150.00	One year, subject to renewal	Repayable on demand
e.	Canara Bank	Sanction of loan of ₹ 150 million	11.00% p.a.	See Note 1	See Note 2	150.00	One year, subject to renewal	Repayable on demand
f.	Punjab and Sind Bank	Sanction of cash credit facilities of ₹ 50 million	11.00% p.a.	See Note 1	See Note 2	50.00	One year, subject to renewal	Repayable on demand
2.	Canara Bank	Additional working capital limit of ₹ 70 million, in terms of sanction letter dated March 30, 2010.	13.00% p.a.	First charge of present and future stocks of raw materials, goods-in process of manufacture and all finished and manufactured goods and articles together with all sores, components and spares.	See Note 2	70.00	One year, subject to renewal	Repayable on demand
3.	Allahabad Bank	Sanction of short term working capital loan of ₹ 140 million in terms of sanction letter dated January 7, 2010	11.50% p.a.	First pari passu charge on the current assets of the Company	-	140.00	One year, subject to renewal	Bullet repayment at the end of 12 months
4.	State Bank of Patiala	Sanction of short term working capital loan of ₹ 80 million in terms of sanction letter dated March 26, 2010.	11.25% p.a.	• First pari passu charge on the current assets of the Company. • Guarantee of Mr. Jaswant Singh, Mr. Balwant Singh and Mr. Tejinder Singh. • Third party guarantee of Mr. Kulwant Singh, Ms. Ranjit Kaur, Ms. Parminder Kaur and Ms. Rajvir Kaur.	See Note 2	80.00	Six months	Repayable on demand
5.	State Bank of Patiala, Kup Kalan	Sanction of cash credit limit of Rs.	10% p.a.	Pledge of warehouse receipts under tie-up	-	80.60	One year, subject	Repayable on demand

S. No.	Lender	Facility	Interest	Security	Significant Covenants	Amount Outstanding as of August 31, 2010 (₹ in million)[1]	Term	Repayment Schedule
		125 million in terms of sanction letters dated October 22, 2009 and January 28, 2010		arrangement with National Bulk Handling Corporation.			to renewal	
6.	State Bank of Patiala, Malerkotla	Sanction of cash credit limit of Rs. 125 million in terms of sanction letters dated October 22, 2009 and January 28, 2010	10% p.a.	Pledge of warehouse receipts under tie-up arrangement with National Bulk Handling Corporation.	-	-[2]	One year, subject to renewal	Repayable on demand
7.	IDBI Bank Limited	Sanction of loan of Rs. 400 million in terms of sanction letters dated September 19, 2009 and September 26, 2009	9.00% p.a.	• Pledge of agricultural produce • Unconditional and irrevocable personal guarantee(s) of Mr. Balwant Singh, Mr. Jaswant Singh, Mr. Kulwant Singh, Mr. Tejinder Singh • Demand promissory note.	-	10.80	One year, subject to renewal	Repayable on demand

[1]Excluding interest amount.
[2]The sanctioned amount was not availed as of August 31, 2010.

Note 1

Under the Consortium Agreement, the Company has provided following security to the lenders:

- First pari passu charge on entire current assets, present and future, of the Company;
- Equitable mortgage on land measuring 27.50 acres and buildings constructed thereon at Jitwal Kalan, Malerkotla, Sangrur, Punjab, standing in the name of Company;
- Equitable mortgage of lease hold rights on land measuring 4,802 sq. mtrs and buildings constructed thereon at plot in Sitarganj, Uttaranchal standing in the name of Company; and
- Personal guarantees of Mr. Balwant Singh, Mr. Jaswant Singh and Mr. Tejinder Singh.

Note 2

In terms of working capital facilities the Company has undertaken not to undertake certain activities without prior permission of the lenders, including the following:

- Effect any change in the Company's capital structure;
- Formulate any scheme of amalgamation or reconstruction;

- Implement any scheme of expansion/diversification/modernization other than incurring routing capital expenditure;
- Not dealing with any other bank or institution;
- Not making any loan or giving any loan or give any financial guarantee/ other guarantees or provide any security of the assets of the Company to any other company/ies or any other person/s; and
- Enlarge the scope of other manufacturing/trading activities.

Term Loans

S. No.	Lender	Facility	Interest	Security	Significant Covenants	Amount Outstanding as of August 31, 2010 (₹ in million)	Repayment Schedule
1.	State Bank of India	Sanction of term loan of Rs. 168.0 million in terms of loan agreement dated July 28, 2007	13.75% p.a.	• First charge on entire fixed assets of the Company alongwith equitable mortgage of land and building, present and future • Personal guarantees of Mr. Jaswant Singh, Mr. Balwant Singh and Mr. Tejinder Singh.	See Note 3	96.8	73 equal monthly instalments starting from January 2008
		Sanction of a term loan of Rs. 26 million in terms of the sanction letter dated July 28, 2006	14.25% p.a.			7.22	65 equal monthly instalments starting from January 2007
		Sanction of a term loan of Rs. 13.5 million in terms of the sanction letter dated July 28, 2006	14.25% p.a.			4.44	68 equal monthly instalments starting from January 2007
		Sanction of a open term loan of Rs. 7.00 million in terms of the sanction letter dated March 17, 2005	13.00% p.a.			1.53	78 monthly instalments starting from December 2005
		Sanction of a loan of Rs. 25.80 million in terms of the loan agreement dated	14.25% p.a.			12.30	70 monthly instalments starting from April 2008

S. No.	Lender	Facility	Interest	Security	Significant Covenants	Amount Outstanding as of August 31, 2010 (₹ in million)	Repayment Schedule
		March 4, 2008					
		Sanction of a loan of Rs. 4.00 million in terms of the sanction letter dated July 28, 2006	14.25% p.a.			1.16	60 equal monthly instalments starting from January 2007
2	Punjab and Sind Bank	Term loan of ₹ 30 million, in terms of sanction letter dated November 18, 2008	13.50% p.a.	• Hypothecation of machinery/equipment/storage tanks. • Personal guarantee of Mr. Jaswant Singh, Mr. Balwant Singh, Mr. Kulwant Singh and Mr. Tejinder Singh	See Note 3	23.95	72 equal monthly instalments with a moratorium period of six months.
3	Bank of India	Sanction of ₹ 150 million, in terms of corporate loan agreement dated October 23, 2009	12.00% p.a.	Equitable mortgage of property situated at Adambal Road, Malerkotla.	See Note 3	121.75	48 monthly instalments

Note 3

In terms of certain term loan facilities availed by the Company, our Company is required to obtain prior permission of the lenders in writing, for undertaking certain actions such as:

- Effect any adverse change in its capital structure;
- Embarking on expansion/ diversification/large capital expenditure without raising commensurate long term funds;
- Formulate scheme of merger, amalgamation, reconstruction, take over;
- Give guarantee to any other bank/financial institution;
- Withdrawal of unsecured loans/ deposits, if any, during currency of bank finance;
- Implement any scheme of expansion or diversification or capital expenditure except normal replacements;
- Enter into any borrowing or non- borrowing arrangements either secured or unsecured with any other bank, financial institution, company, firm or otherwise; and
- Approach capital markets for mobilizing additional resources either in form of debts or equity.

Further, ICICI Bank Limited, HDFC Bank and Family Credit Limited, have granted vehicle loans to our Company for an amount aggregating to Rs. 1.5 million, at varying rates of interest. The security for the loans is hypothecation of the vehicle. The total amount outstanding as of August 31, 2010 is Rs. 1.09 million.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigation, suits or criminal or civil proceedings or tax liabilities against us or our Directors or Group Entities whose outcome would have a material adverse effect on our business and there are no defaults, non-payment or overdue of statutory dues, institutional or bank dues or dues payable to holders of any debentures, bonds and fixed deposits, that would have a material adverse effect on our business other than unclaimed liabilities against us and our Directors as of the date of this Draft Red Herring Prospectus.

Except as described below, there are no proceedings initiated for economic offences or civil offences, or any disciplinary action taken by SEBI or any stock exchange, penalties imposed by any authorities against our Company and our Directors and no adverse findings, in respect of our Company as regards compliance with securities laws. Further, except as described below, there are no instances where our Company or our Directors have been found guilty in suits or criminal or civil prosecutions, or proceedings initiated for economic offences or civil offences, or any disciplinary action taken by SEBI or any stock exchange, proceedings or tax liabilities.

I. Litigation involving our Company

A. *Litigation against our Company*

Criminal case

Dr. Sumita Singh filed a criminal miscellaneous petition (No. 32454-M/2007) dated May 18, 2007 against the Company before the High Court of Punjab and Haryana. The said petition was filed to quash the criminal complaint (No. 687) filed by our Company against Dr. Sumita Singh in her capacity as a director of Sigma Diagnostics for dishonour of cheque for an amount of ₹ 0.10 million.

Intellectual property related cases

1. Syngenta Participations AG has filed an opposition (No. 744569) dated April 30, 2009 before the Registry of Trademarks, New Delhi. The said opposition is filed against a trademark application (No. 1663069) dated March 11, 2008 filed by our Company before the Registry of Trademarks, New Delhi to register the trademark “Tara” as a logo under class 1 of the Trademarks Rules, 2002 (the “**Trademarks Rules**”).

2. Syngenta Participations AG has filed an opposition (No. 744568) dated April 30, 2009 before the Registry of Trademarks, New Delhi. The said opposition is filed against a trademark application (No. 1663070) dated March 11, 2008 filed by our Company before the Registry of Trademarks, New Delhi to register the trademark “Tara” as a logo under class 5 of the Trademarks Rules.

Statutory notices

A show cause notice (no. C. No.V(15&38)15/CE/75/Commr.Adj./Chd-II/10/588) dated August 7, 2010 was issued to our Company by the Commissioner, Central Excise Commissionerate, Chandigarh (“**CEC**”). Our Company claimed excise duty exemption for rice bran fatty acids, gum and waxes that are by-products being produced by our Company, in the returns filed for the periods from September 2007 up to March 2008. The CEC has raised a demand of excise duty amounting to ₹ 6.38 million (including ₹ 0.12 million education cess and ₹ 0.06 million secondary and higher education cess) claiming that the said by-products are not exempted.

B. *Litigation by our Company*

Criminal cases

There are 17 criminal cases filed by our Company that are currently pending where the aggregate amount in dispute quantified to the extent ascertainable is ₹ 6.45 million. The details of these proceedings are provided below.

1. Our Company filed a criminal complaint (No. 401/2) dated February 18, 2009 against Mr. Paramjit Singh, a commission agent of our Company, before the Judicial Magistrate Ist Class, Ludhiana under section 138 of the Negotiable Instruments Act, 1881, as amended (the "**NI Act**") on account of dishonour of cheque for an amount of ₹ 1.93 million which was furnished as part payment towards the purchase of cattle feed from our Company.

2. Our Company filed a criminal complaint (No. 166/2) dated May 21, 2010 against Mr. Paramjit Singh, a sales manager of our Company, before the Judicial Magistrate Ist Class, Ludhiana under section 138 of the NI Act on account of dishonour of cheque for an amount of ₹ 0.14 million. Mr. Paramjit Singh was appointed to sell cattle feed to different parties and was required to collect payments from them on behalf of our Company. The said cheque was furnished to our Company towards fulfilment of the outstanding amount. Mr. Paramjit Singh surrendered to the court and the court by its order dated August 21, 2010 directed that Mr. Paramjit Singh be released on bail.

3. Our Company filed a criminal complaint (No. 168/2) dated May 21, 2010 against Mr. Ravinder Kumar, a commission agent of our Company before the Judicial Magistrate Ist Class, Ludhiana under section 138 of the NI Act on account of dishonour of a cheque for an amount of ₹ 0.23 million which was furnished as part payment towards the purchase of cattle feed from our Company. A non-bailable arrest warrant dated September 7, 2010 has been issued for Mr. Ravinder Kumar.

4. Our Company filed a criminal complaint (No. 167/2) dated May 21, 2010 against Mr. Harendra Singh, a commission agent of our Company, before the Judicial Magistrate Ist Class, Ludhiana under section 138 of the NI Act on account of dishonour of cheque for an amount of ₹ 0.10 million which was furnished as part payment towards the purchase of cattle feed from our Company. A non-bailable arrest warrant dated September 7, 2010 was issued for Mr. Harendra Singh.

5. Our Company filed a criminal complaint (No. 170/2) dated May 21, 2010 against Mr. Shashi Prakash, area sales manager of our Company, before the Judicial Magistrate Ist Class, Ludhiana under section 138 of the NI Act on account of dishonour of cheque for an amount of ₹ 0.28 million which was furnished as part payment towards the purchase of cattle feed from our Company. A non-bailable arrest warrant dated September 7, 2010 has been issued for Mr. Shashi Prakash.

6. Our Company filed a criminal complaint (No. 169/2) dated May 21, 2010 against Mr. Dharmpal Singh, a commission agent of our Company, before the Judicial Magistrate Ist Class, Ludhiana under section 138 of the NI Act on account of dishonour of cheque for an amount of ₹ 0.43 million which was furnished as part payment towards the purchase of cattle feed from our Company. Mr. Dharmpal Singh surrendered to the court. The court by itsorder dated August 21, 2010 directed that Mr. Dharmpal Singh be released on bail.

7. Our Company filed a criminal complaint (No. 171/2) dated May 21, 2010 against Mr. Chamkaur Singh, a commission agent of our Company, before the Judicial Magistrate Ist Class, Ludhiana under section 138 of the NI Act on account of dishonour of cheque for an amount of ₹ 0.54 million which was furnished as part payment towards the purchase of cattle feed from our Company. A non-bailable arrest warrant dated September 7, 2010 has been issued for Mr. Chamkaur Singh.

8. Our Company filed a criminal complaint (No. 687) dated February 11, 2008 against Sigma Diagnostics Limited and its director, Mr. Amandeep Singh before the Judicial Magistrate Ist Class, Ludhiana under section 138 of the NI Act on account of dishonour of cheque for an amount of ₹ 0.10 million, which was furnished as part payment of outstanding amount. The court by an order dated September 1, 2010 directed to issue non-bailable arrest warrant for Mr. Amandeep Singh.

9. Our Company filed a criminal complaint (No. 713) dated April 18, 2009 against Sigma Diagnostics Limited and its director Mr. Amandeep Singh before the Judicial Magistrate Ist Class, Ludhiana under section 138 of the NI Act on account of dishonour of two cheques for a total amount of ₹ 0.20 million, which were furnished as a part payment of outstanding amount.

10. Our Company filed a criminal complaint (No. 778/2) dated July 9, 2010, against Satpal Sanjeev Kumar and its proprietor Mr. S.P. Makkar before the Judicial Magistrate Ist Class, Ludhiana under section 138 of the NI Act on account of dishonour of four cheques for a total amount of ₹ 0.55 million which were furnished as part payment towards the purchase of refined oil from our Company.

11. Our Company filed a criminal complaint (No. 467) dated November 5, 2008 against Mr. Pawan Kumar, a sales manager of our Company, before the Judicial Magistrate I[st] Class, Ludhiana under section 138 of the NI Act read with section 420 of the Indian Penal Code (the "**IPC**") on account of dishonour of cheque for an amount of ₹ 0.04 million. Mr. Pawan Kumar was appointed to sell cattle feed to different parties and was required to collect payments from them on behalf of our Company. The said cheque was furnished to our Company towards fulfilment of the outstanding amount.

12. Our Company filed a criminal complaint (No. 38/2) dated January 7, 2009 against Mr. Amarjeet Singh before the Judicial Magistrate I[st] Class, Ludhiana under section 138 of the NI Act read with section 420 of the IPC on account of dishonour of cheque for an amount of ₹ 0.21 million. Mr. Amarjeet Singh was appointed to sell cattle feed to different parties and was required to collect payments from them on behalf of our Company. The said cheque was furnished towards fulfilment of the outstanding amount. A non-bailable warrant of arrest dated September 25, 2010 of Mr. Amarjeet Singh.

13. Our Company filed a criminal complaint (No. 668/2) dated December 23, 2008 against Mr. Arun Sharma before the Judicial Magistrate I[st] Class, Ludhiana under section 138 of the NI Act read with section 420 of the IPC on account of dishonour of a cheque for an amount of ₹ 0.19 million. Mr. Arun Sharma was appointed to sell cattle feed to different parties and was required to collect payments from them on behalf of our Company. The said cheque was furnished towards fulfilment of the outstanding amount.

14. Our Company filed a criminal complaint (No. 254) dated July 30, 2009 against Mr. Devinder Pande before the Judicial Magistrate I[st] Class, Ludhiana under section 138 of the NI Act read with section 420 of the IPC on account of dishonour of two cheques for a total amount of ₹ 0.23 million which were furnished as payment for purchase of cattle feed from our Company. A non-bailable warrant of arrest dated September 25, 2010 has been issued for Mr. Devinder Pande.

15. Our Company filed a criminal complaint (No. 703) dated November 5, 2008 against Mr. Vinod Kumar, a sales manager of our Company, before the Judicial M/agistrate I[st] Class, Ludhiana under section 138 of the NI Act read with section 420 of the IPC on account of dishonour of a cheque for an amount of ₹ 0.49 million. Mr. Vinod Kumar was appointed to sell cattle feed to different parties and was required to collect payments from them on behalf of our Company. The said cheque was furnished towards fulfilment of the outstanding amount.

16. Our Company filed a criminal complaint (No. 8) dated January 1, 2007 against Mr. Chand Singh before the Judicial Magistrate I[st] Class, Ludhiana under section 138 of the NI Act read with section 420 of the IPC on account of dishonour of cheque for an amount of ₹ 0.26 million which was furnished as part payment towards the purchase of cattle feed from our Company.

17. Our Company filed a criminal complaint dated July 11, 2008 against Lal Feed Store, before the Judicial Magistrate Ist Class, Ludhiana under section 138 of the NI Act and section 420 of the IPC on account of dishonour of cheque for an amount of ₹ 0.53 million which was furnished as part payment towards the purchase of cattle feed from our Company.

Civil suits

There are four civil suits filed by our Company that are currently pending where the aggregate amount in dispute quantified to the extent ascertainable is ₹ 0.54 million plus interest. The details of these proceedings are provided below:

1. Our Company filed a complaint (No. 18/2007) dated January 8, 2007 against the branch manager, National Insurance Company Limited (the "**BM**") and Dada Motors Limited ("**DML**") before the District Consumer Disputes Redressal Forum, Ludhiana (the "**District Consumer Forum**") Our Company purchased a motor vehicle from DML which was insured with the National Insurance Company Limited. Pursuant to a motor accident involving the said vehicle, the BM refused to grant the insurance claim on the basis that the engine number and chasis number of the vehicle in question were not mentioned correctly by DML. Our Company claimed a sum of ₹ 0.17 million with interest at the rate of 18% per annum. The District Consumer Forum by its order dated June 12, 2008 directed DML to pay ₹ 0.08 million to our Company within 45 days of the order. Being aggrieved by the said order, DML has filed an appeal (No. 844/2008) dated August 8, 2008 along with an application for stay of the order before the State Consumer Disputes Redressal Commission, Punjab.

2. Our Company filed a suit for recovery (Civil no. 142) dated August 21, 2008 against Mr. Sardul Singh before the Civil Judge, Senior Division, Ludhiana. Mr. Sardul Singh purchased cattle feed from our Company for which only part payment was made to our Company. Our Company has claimed a sum of ₹ 0.11 million with an interest at the rate of 18% until the realization of the suit amount.

3. Our Company filed a suit for recovery (Civil no. 1655) dated October 25, 2008 against Mr. Nirmal Singh before the Civil Judge, Junior Division, Ludhiana. Mr. Nirmal Singh purchased cattle feed from our Company for which payment was not received. Our Company has claimed a sum of ₹ 0.15 million with an interest at the rate of 12% until the realization of the suit amount. The court by its order dated August 9, 2010 directed to issue summons to Mr. Nirmal Singh.

4. Our Company filed a suit for recovery (Civil no. 864) dated April 22, 2008 against Mr. Rajinder Singh before the Civil Judge, Junior Division, Ludhiana. Mr. Rajinder Singh purchased cattle feed from our Company for which payment was not received. The amount sought was ` 0.07 million with an interest at the rate of 18% until the realization of the suit amount. Pursuant to an order dated January 1, 2009, the Civil Judge, Junior Division, Ludhiana, granted recovery of ₹ 0.11 million with an interest at the rate of 9% from the date of filing the suit until actual realization to our Company. Our Company has filed an execution application dated March 30, 2009 before the Civil Judge, Junior Division, Ludhiana to execute the order dated January 1, 2009 by issuance of warrant of attachment and sale of properties and detention of Mr. Rajinder Singh. Mr. Rajinder Singh has filed a reply dated March 12, 2010. Simultaneously, our Company has filed an application with the Chief Officer, Airport Authority of India, New Delhi to impound the passport of Mr. Rajinder Singh and not to allow him to leave India, pending the aforesaid suit for recovery filed by our Company.

Legal Notices

Our Company has served a notice dated September 10, 2010 upon Mr. Lovenish Kumar under section 138 of the NI Act for dishonour of cheque amounting to ₹ 0.09 million paid towards purchase of cattle feed from our Company.

Intellectual Property related notice

Our Company, on September 16, 2010 has given its intention to oppose the registration of the trademark "TejTara" (No. 1884315) in class 31 in the trademark journal no. 1447 at page 2437 dated September 1, 2010 by Yashoda Hybreed Seeds Private Limited. The grounds of opposition since our registered trademark "Tara" is identical and used for identical goods, namely, edible oils and fats, rice bran , blend oil, cattle fed and poultry feed.

II. Litigation involving our Group Entities

Except as provided below, there is no outstanding litigation, suits or criminal or civil proceedings or tax liabilities against our Group Entities and there are no proceedings initiated for economic offences or civil offences, or any disciplinary action taken by SEBI or any stock exchange, penalties imposed by any authorities against our Group Entities as regards compliance with securities laws. There are also no instances where our Group Entities have been found guilty in suits or criminal or civil prosecutions, or proceedings initiated for economic offences or civil offences, or any disciplinary action taken by SEBI or any stock exchange, proceedings or tax liabilities.

Litigation by our Group Entity

Tara Gram Udyog Samiti, our Group Entity has filed an opposition (no. 221325) before the Registry of Trademarks, Mumbai with respect of an application for registering "Tara" as a word under class 31 in the name of Krishidhan Seeds Limited. It has alleged that the said trademark has been registered in the name of Tara Gram Udyog Samiti by registration no. 1183137 dated March 13, 2003 and is valid upto March 12, 2013.

III. Litigation involving our Directors

There is no outstanding litigation, suits or criminal or civil proceedings or tax liabilities against our Directors and there are no proceedings initiated for economic offences or civil offences, or any disciplinary action taken by SEBI or any stock exchange, penalties imposed by any authorities against our Directors as regards compliance with securities laws. There are also no instances where our Directors have been found guilty in suits or criminal or civil prosecutions, or proceedings initiated for economic offences or civil offences, or any disciplinary action taken by SEBI or any stock exchange, proceedings or tax liabilities.

IV. Litigation involving our Promoters

There is no outstanding litigation, suits or criminal or civil proceedings or tax liabilities against our Promoters and there are no proceedings initiated for economic offences or civil offences, or any disciplinary action taken by SEBI or any stock exchange, penalties imposed by any authorities against our Promoters as regards compliance with securities laws. There are also no instances where our Promoters have been found guilty in suits or criminal or civil prosecutions, or proceedings initiated for economic offences or civil offences, or any disciplinary action taken by SEBI or any stock exchange, proceedings or tax liabilities.

V. Amount owed to small scale undertakings/creditors

Further, there are no small scale undertaking(s) or any other creditors to whom the issuer owes a sum exceeding ₹ 0.10 million which is outstanding more than thirty days.

VI. Material developments

Except as stated in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", on page 162, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or our ability to pay material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the GoI and various governmental agencies required for our present business and except as disclosed in this Draft Red Herring Prospectus no further material approvals are required for carrying on our present business operations.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing activities.

We have received the necessary consents, licenses, permissions and approvals from the GoI and various governmental agencies required for our present business and except as disclosed in this Draft Red Herring Prospectus no further material approvals are required for carrying on our present business operations.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing activities.

I. Incorporation details of our Company

- Certificate of incorporation from the RoC, dated February 28, 1977 issued to Angora Wool Combers Private Limited;
- Fresh certificate of incorporation by the RoC, dated December 2, 1986 consequent to change of name from Angora Wool Combers Private Limited to Ram Sahai Wool Combers Private Limited;
- Fresh certificate of incorporation by the RoC, dated September 2, 2004 consequent to change of name from Ram Sahai Wool Combers Private Limited to Tara Feed Private Limited;
- Fresh certificate of incorporation by the RoC, dated October 5, 2005 consequent to conversion from a private limited company under the name Tara Feed Private Limited to a public limited company under the name Tara Feed Limited;
- Fresh certificate of incorporation by the RoC, dated June 11, 2008 consequent to change of name from Tara Feed Limited to Tara Olive India Limited;
- Fresh certificate of incorporation by the RoC, dated November 24, 2008 consequent to change of name from Tara Olive India Limited to Tara Health Foods Limited.

II. Approvals in relation to the Issue

Corporate Approvals

- Our Board of Directors has, pursuant to a resolution dated September 1, 2010, approved this Issue.
- Our shareholders have, pursuant to a resolution dated September 25, 2010 under Section 81(1A) of the Companies Act, authorized this Issue.

In-principle approvals from the BSE and the NSE

[●]

Approvals from Lenders

Our Company has received approvals from all the lenders for the proposed Issue.

III. Approvals in relation to the business

A. Direct and Indirect Tax Registrations

Description	Reference No.	Date of issue	Date of expiry
Permanent Account Number issued by the Income Tax Department.	PAN No. AACCT3940R	October 5, 2005	Valid until cancelled
Tax Deductors Account Number by the Income Tax Department.	TAN No. JLDT01510F	N.A.	Valid until cancelled
Registration under the Uttaranchal Value Added Tax Rules, 2005 by the Department of Commercial Tax, Government of Uttarakhand.	TIN 05006156906	December 8, 2005	Valid until cancelled
Registration under the Central Sales Tax Act, 1956 (the "**CST Act**") by the Assistant Commercial Tax Officer, Rudrapur, Udham Singh Nagar.	RU-5040765	March 7, 2006	Valid until cancelled
Registration under the Central Excise Rules, 2002 by the Assistant Commissioner of Central Excise, Sangrur for Jitwal Kalan.	AACCT3940RXM001	September 5, 2007	Valid until cancelled
Registration under the Punjab Value Added Tax Act, 2005 by the Excise Taxation Officer, Ahmedgarh (Sangrur) for Jitwal Kalan.	03481156514	December 31, 2008 w.e.f. February 16, 2005	Valid until cancelled
Registration under the CST Act by the Assistant Commercial Tax Officer, Malerkotla, Punjab for Jitwal Kalan.	03481156514	December 31, 2008 w.e.f. February 16, 2005	Valid until cancelled
Registration under the Finance Act, 1994 by the Assistant Commissioner, Central Excise Division, Sangrur for Jitwal Kalan.	AACCT3940RST001	September 10, 2009	Valid until cancelled

B. Industrial and labor relating approvals

Description	Reference No.	Date of issue	Date of expiry
Registration under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 by the Regional P.F. Commissioner, Mansa Road, Bhathinda.	PN /10371	October 15, 2005	Valid until cancelled
Registration under the Contract Labour (Regulation and Abolition) Act, 1970 (the "**CLRA Act**") by the Assistant Labor Commissioner Office of Registering Officer appointing Mr. Paramjeet Singh and Mr. Manohar Kumar as contractors and for employing not more than 30 laborers by each contractor at Jitwal Kalan.	R-55	May 15, 2006	Valid until cancelled
License under the CLRA Act by the Office of Licensing Officer, Punjab Government appointing Mr. Paramjeet Singh as a contractor and for employing not more than 30 laborers at Jitwal Kalan.	L-360	October 31, 2008	December 31, 2010
Registration under the Employee State Insurance Act, 1948 by the Employees State Insurance Corporation for the unit at Jitwal Kalan.	PB/12/36702/199	February 27, 2009	Valid until cancelled
License under the CLRA Act by the Office of Licensing Officer, Punjab Government appointing Mr. Paramjeet Singh as a contractor and for employing not more than 30 laborers at Jitwal Kalan.	L-396	July 10, 2009	December 31, 2010
Registration under the CLRA Act by the Office of Registering Officer, Uttaranchal to appoint Mr. Subodh as a contractor and for employing not more than 50 laborers at Sitarganj.	325/09	August 27, 2009	Valid until cancelled

Pending applications

Description	Reference No.	Date of application
License under the CLRA by the Office of Licensing Officer, Uttranchal Government for appointing Mr. Subodh Kumar as the contractor.	1205/09	September 1, 2010

C. Other Approvals

Description	Reference No.	Date of issue	Date of expiry

Description	Reference No.	Date of issue	Date of expiry
Approval by the Department of Industries and Commerce, Land Acquisition Wing for change of name of the owners of plot measuring 27.5 acres from Ram Sahai Wool Combers to Tara Feeds Private Limited and change of end product from wool combers to feed mills.	LAC/Acq/Sangrur/79/ 6204-B	April 1, 2005	Valid until cancelled
IEM acknowledgement under the Industrial (Development and Regulation) Act, 1951 (the "**IDR Act**") by Ministry of Commerce and Industry, Secretariat for Industrial Assistance for manufacturing cattle feed of proposed capacity of 43,200 TPA at the unit at Sitarganj, Uttaranchal.	3046/SIA/IMO/2006	June 6, 2006	Valid until cancelled
IEM acknowledgement under the IDR Act by Ministry of Commerce and Industry, Secretariat for Industrial Assistance for manufacturing rice bran oil of proposed capacity of 5,580 TPA and de-oiled cake rice bran of proposed capacity of 29,880 TPA at Jitwal Kalan.	3043/SIA/IMO/2006	June 6, 2006	Valid until cancelled
Approval under the Petroleum Rules, 2002 by the Ministry of Commerce and Industries, Petroleum and Explosive Safety Organization for petroleum class A and B installation at Focal point, Jitwal Kalan.	A/P/RQ/PB/15/1969/P 181697	July 12, 2006	Valid until cancelled
License under the Petroleum Act, 1932 by the Ministry of Commerce and Industry, Department of Industrial Policy and Promotion, Chief Controller of Explosives for the importing and storing 70 KL petroleum (50 KL of class A in bulk and 20 KL of class B in bulk) at Focal Point, Jitwal Kalan.	P/HQ/PB/15/ 1889/(P181697)	October 26, 2006	December 31, 2011
License under the Factories Act, 1948 (the "**Factories Act**") by the Chief Inspector of Factories, Punjab for running a factory at Jitwal Kalan with a maximum of 100 laborers and 1,000 HP of motive power.	S.J.R./T-31/1510	January 1, 2007	January 1, 2011
Approval granting continuous process industry status (category IV) for Jitwal Kalan under the Electricity Act, 2003 (the "**Electricity Act**") by the Punjab State Electricity Board ("**PSEB**").	516/18/SO/PRC	February 1, 2007	Valid until cancelled
License under the Solvent Raffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000 by the Ministry of Commerce and Industries Secretariat for Industrial Assistance to use solvents for extraction of oils.	SNG/Sol/Raff/Slo p/24	February 5, 2007	March 31, 2013
Approval under Electricity Act by the Uttarakhand Power Corporation Limited for 500 kVa of power load at Sitarganj.	2642/EDC(U)	April 24, 2007	Valid until cancelled
IEM acknowledgement under the IDR Act by the Ministry of Commerce and Industry, Secretariat for Industrial Assistance for manufacturing refined oil from rice bran oil for the proposed capacity of 23,040 tonnes at the unit at Jitwal Kalan.	1454/SIA/IMO/2007	May 17, 2007	Valid until cancelled
Registration under the Central Capital Investment Subsidy Scheme, 2003 by the Directorate of Industries, Uttarakhand for setting up new industrial unit for cattle feed, poultry feed, fish feed and pice feed with a condition that a minimum of 70% employment has to be provided to the local and permanent residents of Uttarakhand.	196	June 13, 2007	Valid until cancelled
License under the Factories Act by the Director of Factories, Uttranchal for running a factory at Sitarganj with a maximum of 50 laborers and 1,000 HP of motive power.	USN-1075	September 11, 2007	December 31, 2010
Approval under the Electricity Act by the Chief Engineer/Planning, PSEB, Patiala for extension in general load by 600.049 KW/256 kVa to the existing load of 1399.951 KW/1244 kVa at Jitwal Kalan.	9538/P-1/1002/SNG/VI	October 24, 2007	N.A.
Registration under the Vegetable Oil Products (Regulation) Order, 1998 by the Ministry of Consumer Affairs, Food and Public Distribution, Directorate of Vanaspati, Vegetable Oils and Fats for manufacturing 23,040 metric 190ones of refined vegetable oils annually at Jitwal Kalan.	VOP/PB/R-12/2008	February 12, 2008	N.A.

Description	Reference No.	Date of issue	Date of expiry
NoC for refining of imported crude pomace olive oil for the purpose of re-exporting 150 MT and re-exporting of refined pomace olive oil by the Ministry of Consumer Affairs, Food and Public Distribution, Directorate of Vanaspati, Vegetable Oils and Fats at Jitwal Kalan.	4(2)/2008-Exp	February 20, 2008	Valid until cancelled
Approval under codex based HACCP food safety management system by the DAS Certification Limited for the manufacture of blended edible oil and cattle feed	IN-H05708	October 22, 2008	October 21, 2011
Importer-Exporter Code under the Foreign Trade (Regulation) Rules, 1993 by the Office of Joint Director General of Foreign Trade for Jitwal Kalan and Sitarganj.	IEC No. 3007008514	January 14, 2009 w.e.f. September 11, 2007	Valid until cancelled
Approval under Electricity Act by the Uttarakhand Power Corporation Limited for reduction of load from 500 kVa to 300 kVa for Sitarganj.	399/EDC(U)	February 4, 2009	Valid until cancelled
Certificate for use of boiler at Jitwal Kalan under the Indian Boilers Act, 1923 (the "IB Act") by the Punjab Boiler Inspection Department for a maximum pressure of 11.25 kg/cm2/lbs to the square inch.	PI-4294	February 27, 2009	February 26, 2011
Certificate under the Punjab Shops and Commercial Establishment Act, 1958 by the Inspector of Shops and Commercial Establishment for setting up an establishment at 3rd floor, mall plaza, fountain chowk, the mall, Ludhiana.	4/5424	August 10, 2009	March 31, 2011
License under the Punjab Agricultural Produce Markets Act, 1961 by the Market Committee, Ahmedgarh, Sangrur for the business of trader, temporary commission agent, commission agent, storage keeper, processor, sale and purchase at Jitwal Kalan.	2068 AHG/PMB	September 3, 2009	March 31, 2014
Registration under the Standards of Weights of Measures and Packed Commodities Rules, 1977 by the Office of the Controller, Legal Metrology, Punjab for the packaging of Tara Lite, Tara Gold, Tara Unique, Tara Olive, Tara Kotton, Zaitoon Tara (edible oil) at Jitwal Kalan.	PB/PCR/53-09	September 4, 2009	Valid until cancelled
IEM Acknowledgement under the IDR Act by the Ministry of Commerce and Industry, Secretariat for Industrial Assistance for manufacturing cattle feed and poultry feed of proposed capacity of 90,000 MT each at Jitwal Kalan.	2375/SIA/IMO/2009	September 22, 2009	Valid until cancelled
IEM Acknowledgement under the IDR Act by the Ministry of Commerce and Industry, Secretariat for Industrial Assistance for the manufacturing refined oil of proposed capacity of 67,500 MT while the existing capacity is 27,000 MT; rice bran oil of proposed capacity not indicated while the existing capacity is 8,750 MT; de-oiled rice bran cake of proposed capacity not indicated while the existing capacity is 51,875 MT at the unit at Jitwal Kalan.	2375/SIA/IMO/2009	September 22, 2009	Valid until cancelled
IEM Acknowledgement under the IDR Act by the Ministry of Commerce and Industry, Secretariat for Industrial Assistance for manufacturing cattle feed and poultry feed of proposed combined capacity of 90,000 MT at Sitarganj.	2377/SIA/IMO/2009	September 22, 2009	Valid until cancelled
Approval under the Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act") by the Punjab Pollution Control Board, Patiala for the production of 120 TPD of cattle feed, 30 TPD of rice bran oil and 170 TPD of de-oiled rice bran (by operating solvent extraction plant), 120 TDP of refined rice bran oil, 52 TPD of fatty acid and 9.4 TPD of crude wax at Jitwal Kalan.	ZOII/SGR/APC/2009/ V-374	October 13, 2009	October 12, 2010
Approval under the Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act") by the Punjab Pollution Control Board, Patiala for the discharge of 80 m3/day of trade effluent and 4.5 m3/day of domestic effluent at Jitwal Kalan.	ZOII/SGR/WPC/2009/ F-405	October 13, 2009	October 12, 2010
Registration under the Edible Oils Packaging (Regulation) Order, 1998 by the Food and Supplies Officer, Sangrur to carry on the sale of rice bran oil and olive oil at Jitwal Kalan.	EOP/PB/SNG-006	December 15, 2009	February 12, 2012

Description	Reference No.	Date of issue	Date of expiry
Certificate for use of boiler at the unit at Jitwal Kalan, Malerkotla, Punjab under the IB Act by the Punjab Boiler Inspection Department for a maximum pressure of 17.5 kg/cm2/lbs to the square inch.	PI-4379	February 27, 2010	February 26, 2011
Certificate of authorization for use of mark "Zaitoon Tara" under the Agricultural Produce (Grading and Marking) Act, 1937 by the Ministry of Agriculture, GoI.	211063/145/08-CHD	February 4, 2009	March 31, 2013
IEM Acknowledgement under the IDR Act by the Ministry of Commerce and Industry, Secretariat for Industrial Assistance for manufacturing blended edible oil of proposed capacity of 12,000 MT at Jitwal Kalan.	744/SIA/IMO/2010	March 8, 2010	Valid until cancelled
NoC under the Fire Prevention and Fire Safety Act, 1986 by the Office of Fire Safety Officer, Sitarganj.	F/S/R-01/10	April 3, 2010	April 3, 2011
License under the Water Act by the Uttaranchal Environment and Pollution Control Board allowing to pass waste water in sewer or underground, so that they may not pollute river, canal, underground water or other water sources.	T-36/608/04/10	May 29, 2010 w.e.f. April 30, 2010	March 31, 2011
Registration under the Mixed Cattle Feed Concentrates and Mineral Mixture Order, 1988 by the Dairy Development Department, Punjab for the manufacture and distribution of mixed cattle feed (Tara brand) and mineral mixture (Raath brand).	DDB/Cattlefeed/12615 -16	September 18, 2009 w.e.f December 5, 2008	December 4, 2011
IEM acknowledgement under the IDR Act by the Ministry of Commerce and Industry, Secretariat for Industrial Assistance for manufacturing cattle feed of proposed capacity of 90,000 MT at Karnal, Haryana.	3114/SIA/IMO/2010	September 15, 2010	Valid until cancelled
IEM acknowledgement under the IDR Act by the Ministry of Commerce and Industry, Secretariat for Industrial Assistance for manufacturing cattle feed of proposed capacity of 3,24,000 MT and blended edible vegetable oils of proposed capacity of 12,000 MT at Jitwal Kalan.	3112/SIA/IMO/2010	September 15, 2010	Valid until cancelled
IEM acknowledgement under the IDR Act by the Ministry of Commerce and Industry, Secretariat for Industrial Assistance for manufacturing cattle feed of proposed capacity of 90,000 MT at the unit at Jammu, Jammu and Kashmir.	3116/SIA/IMO/2010	September 15, 2010	Valid until cancelled
IEM acknowledgement under the IDR Act by the Ministry of Commerce and Industry, Secretariat for Industrial Assistance for manufacturing cattle feed of proposed capacity of 144,000 MT at the unit at Patna, Bihar.	3257/SIA/IMO/2010	September 27, 2010	Valid until cancelled

Pending Applications

Description	Reference No.	Date of application
Renewal application under the Air Act before the Punjab Pollution Control Board, Patiala.	THFL/PPEB/SGR/0176	September 1, 2010
Renewal application under the Water Act before the Punjab Pollution Control Board, Patiala.	THFL/PPEB/SGR/0175	September 1, 2010
Renewal of food license under the Prevention of Food Adulteration Act, 1954 before the Director, Health and Family Welfare, Punjab.	23-PFA-Pb	April 8, 2010
Renewal application under the Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967 before the Ministry of Consumer Affairs, Department of Food and Public Distribution, Directorate of Vanaspati, Vegetable Oils and Fats.	S.E.O. 1896-B	September 7, 2010
Application for grant of Bureau of Indian Standards license as per IS 2052:1979 before the Bureau of Indian Standards, Chandigarh.	29	September 3, 2010

D. Intellectual Property Related Approvals

A. Registered trade marks

Description	Registration No.	Date of issue	Date of expiry
"TARA" as a logo under class 36 of the Trademark Rules.	1666087	March 30, 2010 w.e.f. March 18, 2008	March 17, 2018
"TARA" as a logo under class 32 of the Trademark Rules.	1663154	March 30, 2010 w.e.f March 11, 2008	March 10, 2018
"TARA" as a logo under class 33 of the Trademark Rules.	1663152	March 30, 2010 w.e.f. March 11, 2008	March 10, 2018
"TARA" as a logo under class 39 of the Trademark Rules.	1666088	March 30, 2010 w.e.f. March 18, 2008	March 17, 2018
"TARA" as a logo under class 40 of the Trademark Rules.	1666085	March 30, 2010 w.e.f. March 18, 2008	March 17, 2018
"TARA" as a logo under class 41 of the Trademark Rules.	1666084	March 30, 2010 w.e.f. March 18, 2008	March 17, 2018
"TARA" as a logo under class 42 of the Trademark Rules.	1666083	March 30, 2010 w.e.f. March 18, 2008	March 17, 2018
"TARA" as a logo under class 4 of the Trademark Rules.	1663059	March 30, 2010 w.e.f March 11, 2008	March 10, 2018
"TARA" as a logo under class 17 of the Trademark Rules.	1663065	March 30, 2010 w.e.f March 11, 2008	March 10, 2018
"TARA" as a logo under class 18 of the Trademark Rules.	1663066	March 30, 2010 w.e.f March 11, 2008	March 10, 2018
"TARA" as a logo under class 21 of the Trademark Rules.	1663072	March 30, 2010 w.e.f March 11, 2008	March 10, 2018
"TARA" as a logo under class 22 of the Trademark Rules.	1663156	March 30, 2010 w.e.f March 11, 2008	March 10, 2018
"TARA" as a logo under class 8 of the Trademark Rules.	1663076	March 30, 2010 w.e.f March 11, 2008	March 10, 2018
"TARA" as a logo under class 20 of the Trademark Rules.	1663071	March 30, 2010 w.e.f March 11, 2008	March 10, 2018
"TARA" as a logo under class 10 of the Trademark Rules.	1663741	March 31, 2010 w.e.f March 12, 2008	March 11, 2018
"TARA" as a logo under class 12 of the Trademark Rules.	1663742	March 31, 2010 w.e.f March 12, 2008	March 11, 2018

A. Pending trade mark applications

Description	Application No.	Date of application
"TARA" as a logo under class 31 of the Trademark Rules.	01569236	June 18, 2007
"TARA" as a logo under class 1* of the Trademark Rules.	1663069	March 11, 2008
"TARA" as a logo under class 2 of the Trademark Rules.	1663068	March 11, 2008
"TARA" as a logo under class 3 of the Trademark Rules.	1663060	March 11, 2008
"TARA" as a logo under class 5** of the Trademark Rules.	1663070	March 11, 2008
"TARA" as a logo under class 6 of the Trademark Rules.	1663075	March 11, 2008
"TARA" as a logo under class 7 of the Trademark Rules.	1663074	March 11, 2008
"TARA" as a logo under class 9 of the Trademark Rules.	1663073	March 11, 2008
"TARA" as a logo under class 11 of the Trademark Rules.	1663058	March 11, 2008
"TARA" as a logo under class 13 of the Trademark Rules.	1663062	March 11, 2008
"TARA" as a logo under class 14 of the Trademark Rules.	1663158	March 11, 2008
"TARA" as a logo under class 15 of the Trademark Rules.	1663057	March 11, 2008
"TARA" as a logo under class 16 of the Trademark Rules.	1663064	March 11, 2008
"TARA" as a logo under class 19 of the Trademark Rules.	1663067	March 11, 2008
"TARA" as a logo under class 23 of the Trademark Rules.	1663157	March 11, 2008
"TARA" as a logo under class 24 of the Trademark Rules.	1663159	March 11, 2008
"TARA" as a logo under class 25 of the Trademark Rules.	1663061	March 11, 2008
"TARA" as a logo under class 26 of the Trademark Rules.	1663153	March 11, 2008
"TARA" as a logo under class 27 of the Trademark Rules.	1663063	March 11, 2008
"TARA" as a logo under class 28 of the Trademark Rules.	1663155	March 11, 2008
"TARA" as a logo under class 37 of the Trademark Rules.	1666086	March 18, 2008
"TARA" as a logo under class 38 of the Trademark Rules.	1666089	March 18, 2008
"RAATH PANJERI" as a word under class 31 of the Trademark Rules.	01886190	November 19, 2009
"RAATH GOLD" as a word under class 31 of the Trademark Rules.	01886191	November 19, 2009

Description	Application No.	Date of application
"TARA UNIQUE" as a word under class 29 of the Trademark Rules.	01886186	November 19, 2009
"TARA KOTTON" as a word under class 29 of the Trademark Rules.	01892820	December 8, 2009
"TARA MIN" as a word under class 31 of the Trademark Rules	01896089	December 15, 2009
"100% OLIVE OIL" as a logo under class 29 of the Trademark Rules.	01896084	December 15, 2009
"TARA FEED" as a word under class 31 of the Trademark Rules	01896093	December 15, 2009
"RAATH NO 1" (Punjabi) as a word under class 31 of the Trademark Rules.	01896109	December 15, 2009
"RAATH FEED" (Punjabi) as a word under class 31 of the Trademark Rules.	01899163	December 21, 2009
"TARA GOLD" as a word under class 29 of the Trademark Rules.	01899091	December 21, 2009
"ZAITOON TARA" as a word under class 29 of the Trademark Rules.	01899089	December 21, 2009
"TARA LITE" as a word under class 29 of the Trademark Rules.	01899090	December 21, 2009

* *An opposition no. 744569 has been filed on April 30, 2009 by Syngenta Participations AG.*
***An opposition no. 744568 has been filed on April 30, 2009 by Syngenta Participations AG.*

B. The following Designs have been registered in the name of Tara Feed Limited., the erstwhile name of our Company under the Designs Act, 2000

Description	Design No.	Date of Registration
"BOTTLE" under class 09-01	213769	December 17, 2007
"CONTAINER" under class 09-03	213770	December 17, 2007

C. Pending patent application made by Mr. Balwant Singh, our Promoter and Managing Director.

Description	Application No.	Date of Application	Status
"Cooking oil blend and method of manufacture thereof" as patent of invention	1446/DEL/2008	June 17, 2008	Published in Journal No. 30/2008

Registration of trucks

Our Company has a total of 30 trucks of which 26 are registered with the Motor Vehicles Department, Government of Punjab and four are registered with the Transport Department, Uttarakhand for carriage permit or other relevant permit and certificate of fitness.

Truck registration no.	Territory	Validity of permit	Date of expiry of certificate of fitness
PB13T 9765	Punjab	July 11, 2008 until July 10, 2013	November 8, 2010
PB13V 4965	Punjab, Delhi, Haryana and Himachal Pradesh	January 11, 2010 until January 10, 2015	December 29, 2010
PB13V 5165	Punjab	January 8, 2010 until January 7, 2015	December 29, 2010
PB13Q9865	Punjab	November 6, 2006 until November 5, 2011	November 8, 2010
PB13T 9965	Punjab	July 11, 2008 until July 10, 2013	November 12, 2010
PB13R0265	Punjab, Delhi, Haryana and Rajasthan	October 21, 2009 until October 20, 2014	November 8, 2010
PB13V5465	Punjab	January 8, 2010 until January 7, 2015	December 29, 2010
PB13V 5365	Punjab	January 8, 2010 until January 7, 2015	December 29, 2010
PB13R0165	Punjab, Delhi, Haryana and Rajasthan	October 21, 2009 until October 20, 2014	November 8, 2010
PB13T9865	Punjab	July 11, 2008 until July 10, 2013	November 12, 2010
PB13U9865	Punjab	March 10, 2009 until March 9, 2014	February 2, 2011
PB13V9965	Punjab	January 8, 2010 until January 7,	December 29, 2010

Truck registration no.	Territory	Validity of permit	Date of expiry of certificate of fitness
		2015	
PB13R1065	Punjab	December 14, 2006 until December 13, 2011	November 8, 2010
PB13T 3565	Punjab	August 13, 2008 until August 12, 2013	November 12, 2010
PB13R1365	Punjab	January 30, 2008 until December 26, 2011	November 8, 2010
PB13Q9165	Punjab	November 23, 2006 until November 5, 2011	October 13, 2010
PB13R1465	Punjab	January 9, 2007 until January 8, 2012	November 8, 2010
PB13U9965	Punjab	March 10, 2009 until March 9, 2014	January 21, 2011
PB13V4665	Punjab	January 8, 2010 until January 7, 2015	December 29, 2010
PB13U9165	Punjab	June 26, 2009 until June 25, 2014	June 11, 2011
PB13V 5265	Punjab	January 8, 2010 until January 7, 2015	December 29, 2010
PB13V 5065	Punjab	January 8, 2010 until January 7, 2015	December 29, 2010
PB13V5565	Punjab	January 8, 2010 until January 7, 2015	December 29, 2010
PB13R 1265	Punjab	December 28, 2006 until December 25, 2011	November 8, 2010
PB13V 5965	Punjab	January 19, 2010 until January 18, 2015	January 12, 2012
PB13U9765	Punjab	March 10, 2009 until March 9, 2014	February 2, 2011
Permits issued by the Transport Department, Uttarakhand			
UA06H7641	Uttarakhand (only for plain land andfor hilly area)	September 21, 2007 to September 20, 2012	September 19, 2011
UA06H7983	Uttarakhand (only plain areas), Uttar Pradesh, Haryana, Punjab, Himachal Pradesh	October 18, 2007 to October 17, 2012	October 12, 2010
UA06H7984	Uttarakhand (only for plain land not for hilly area)	October 11, 2007 to October 10, 2012	October 12, 2010
UA06H7986	Uttarakhand (only for plain land not for hilly area)	October 11, 2007 to October 10, 2012	October 8, 2010

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

- Our Board of Directors has, pursuant to a resolution passed at its meeting held on September 1, 2010 authorized the Issue.

- Our shareholders have, pursuant to a resolution dated September 25, 2010 under section 81(1A) of the Companies Act, authorized the Issue.

- We have received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively. [●] is the Designated Stock Exchange.

Prohibition by SEBI, RBI or governmental authorities

Our Company, our Promoters, Promoter Group, Directors, Group Entities have not been prohibited from accessing the capital markets for any reasons under any order or direction passed by SEBI or any other authorities.

None of our Directors is associated with the securities market and there has been no action taken by the SEBI against any of our Directors or any entity where our Directors are involved in as promoters or directors.

Neither our Company, our Promoters, Group Entities, nor our Directors, have been identified as willful defaulters by the RBI or other authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26(1) of the ICDR Regulations as described below:

(a) The Company has net tangible assets of at least ₹30.00 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets:
(b) The Company has a track record of distributable profits in terms of section 205 of the Companies Act for at least three of the immediately preceding five years;
(c) The Company has a net worth of at least ₹10.00 million in each of the three preceding full years (of 12 months each);
(d) The aggregate of the proposed Issue and all previous issues made in the same financial year in terms of Issue size is not expected to exceed five times the pre-Issue net worth of the Company as per the audited balance sheet of the preceding financial year; and
(e) The Company has not changed its name within the last one year.

The net profit, net worth, net tangible assets and monetary assets derived from the audited financial statements, as at and for the last five financial years ended March 31, 2006, March 31, 2007, March 31, 2008, March 31, 2009 and March 31, 2010 is set forth below:

(₹in million)

Particulars	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Net tangible assets	3,004	1,611	892	265	74
Monetary assets	914	263	220	63	17
Monetary assets as a percentage of the net tangible assets	30.43%	16.33%	24.67%	23.77%	23%
Net profit	440	170	90	14	0.63
Net worth	1,050	560	345	84	28

Hence, we are eligible for the Issue under Regulation 26 (1) of the ICDR Regulations.

Further, in accordance with Regulation 26(4) of the ICDR Regulations, we shall ensure that the number of Allottees, i.e., persons to whom the Equity Shares will be allotted pursuant to the Issue shall be not less than

1,000; otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days after the Company becomes liable to repay it (i.e., from the date of refusal or within 10 Working Days from the date of Bid/Issue Closing Date, whichever is earlier), then the Company shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% *per annum* on application money, as prescribed by applicable law.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS BEING, SBI CAPITAL MARKETS LIMITED AND ANTIQUE CAPIAL MARKETS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, SBI CAPITAL MARKETS LIMITED, ANTIQUE CAPITAL MARKETS PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2010 WHICH READS AS FOLLOWS:

"(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.

(4) WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE.

(5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

(7) WE UNDERTAKE THAT SUB-REGULATION (4) of REGULATION 32 AND CLAUSE (c) AND (d) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH PROCEEDS OF THE PUBLIC ISSUE-NOT APPLICABLE.

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE.

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE.

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS 2009, HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME."

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHILE MAKING THE ISSUE.

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under section 63 or section 68 of the Companies Act, 1956 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the BRLMs any irregularities or lapses in the Draft Red Herring Prospectus.

Caution – Disclaimer from our Company and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of above mentioned entities and anyone placing reliance on any other source of information, including our website, www.tarahealthfoods.com, would be doing so at his own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Agreement entered into among the BRLMs and our Company dated September 25, 2010 and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Neither our Company nor the Syndicate shall be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Group Entities, affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our Group Entities, affiliates or associates for which they have received, and may in future receive, compensation.

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

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitutions to hold and invest in shares, permitted insurance companies and pension funds and to permitted non residents including Eligible NRIs, Foreign Institutional Investors ("**FIIs**") and other eligible foreign investors (viz. Foreign Venture Capital Investors ("**FVCIs**"), multilateral and bilateral development financial institutions). This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ludhiana, Punjab, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for observations. Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the Designated Stock Exchange.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the Designated Stock Exchange.

Filing

- A copy of the Draft Red Herring Prospectus shall be filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

- A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the office of the Registrar of Companies.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of our Equity Shares. [●] will be the Designated Stock Exchange with which the basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of our Equity Shares in terms of the Issue is not granted by either of the Stock Exchanges mentioned above, we will forthwith repay, without interest, all moneys received from the Bidders in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, i.e., from the date of refusal or within 10 Working Days from the Bid/Issue Closing Date, whichever is earlier, then our Company and every officer in default will, on an from the expiry of eight days, be liable to repay such application money, with interest at the rate of 15% *per annum*, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/Issue Closing Date.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) the BRLMs, Advisor and Syndicate Member, Registrar to the Issue and the legal advisors, to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

The Auditors, Sukhminder Singh & Co., Chartered Accountants, have given their written consent to the inclusion of their report dated September 27, 2010 in the form and context in which it appears in "***Financial Statements***" on page 127 and of their report relating to tax benefits accruing to our Company in the form and context in which it appears in "***Statement of Tax Benefits***" on page 39 and such consent and report will have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

[●], the agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent to the inclusion of its report in the form and context in which it appears in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the RoC and Designated Stock Exchange.

Expert Opinion

Except the report of [●] in respect of the IPO grading of this Issue which will be annexed with the Red Herring Prospectus and except for the Examination Report dated September 27, 2010 and the Tax benefit statement dated September 27, 2010 of the Auditors of our Company on the restated financial information included in this Draft Red Herring Prospectus, we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue shall be borne by our Company.

The estimated Issue expenses are as under:

S. No.	Activity Expense	Amount (₹ in million)	Percentage of Total Issue Expenses	Percentage of Total Issue size
1.	Lead management fees*	[●]	[●]	[●]
2.	Underwriting and selling commission*	[●]	[●]	[●]
3.	Registrar's fees*	[●]	[●]	[●]
4.	Advertisement and marketing expenses*	[●]	[●]	[●]
5.	Printing and distribution expenses*	[●]	[●]	[●]
6.	IPO Grading expenses*	[●]	[●]	[●]
7.	Advisors*	[●]	[●]	[●]
8.	Bankers to the Issue*	[●]	[●]	[●]
9.	Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, etc.) *	[●]	[●]	[●]
	Total	**[●]**	**[●]**	**[●]**

**Will be incorporated at the time of filing of the Prospectus.*

Fees payable to the BRLMs and the Syndicate Member

The total fees payable to the BRLMs and the Syndicate Member(s) (including underwriting commission and selling commission) will be as per their respective engagement letters with our Company, a copy of which is available for inspection at our Registered Office.

Fees payable to the Registrar to the Issue

The fees payable by us to the Registrar to the Issue for processing of Application Forms, data entry, preparation of basis of allotment and refund data, assisting the Company in listing formalities, preparation of refund data on magnetic tape, fees for NRI application processing, printing of confirmation of allocation note/refund advice, printing of bulk register, brokerage data processing charges, hosting investors allotment/ non allotment information on website, share insurance premium for contingency insurance policy, handling and servicing of post issue investors queries either in person, on phone, written communication, by email, fax etc. at head office for a period of 6 months from closure of issue, will be as per the agreement dated September 25, 2010 between us and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses like demographical download/upload charges, postage, conveyance, stationery, envelopes, floppies/cartridges, telephone, charges, cost for collection of figures and applications and all taxes/levies, if any. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds or send Allotment advice by registered post/speed post/under certificate of posting.

Particulars Regarding Public or Rights Issues during the Last Five Years

Our Company has not made any previous public and rights issues in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

The Company had filed a draft red herring prospectus on October 14, 2009 with the SEBI and a red herring prospectus on April 19, 2010 with the RoC in relation to a proposed initial public offering. The Company did not proceed with such initial public offering due to the minimum subscription requirements were not met. There can be no assurance that the Company's proposal to issue equity shares pursuant to filing of the Draft Red Herring Prospectus would be successful.

Commission or brokerage on previous issues

Since this is the initial public issue of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares since our incorporation.

Previous Issues of Shares Otherwise than for Cash

Our Company has not made any previous issues of Equity Shares for consideration otherwise than for cash.

Capital Issues in the Last Three Years

Our Company and Group Entities have not made any public or rights issues in the last three years.

Promise v/s Performance

Our Company and Group Entities have not made any previous rights and public issues.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares, as of the date of this Draft Red Herring Prospectus.

Partly Paid Up Shares

There are no partly paid up Equity Shares of our Company.

Stock Market Data of our Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares of our Company are not listed on any stock exchange and hence no stock market data is available.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of three years from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible. No investor complaints have been received during the immediately preceding three years prior to filing of this Draft Red Herring Prospectus with SEBI.

We have also appointed Ms. Tanu Sharma, Company Secretary as the Compliance Officer for this Issue and she may be contacted in case of any pre-Issue or post Issue related problems, at the following address:

Tara Health Foods Limited
Jitwal Kalan
Malerkotla, Sangrur
Punjab – 148 023
Tel: (+91 1675) 274 300
Fax: (+91 1675) 273 241

Change in Auditors in last three years

Name of Auditor	Date of change	Reason
Raj Kumar Jindal & Co., Chartered Accountants	April 28, 2010	Resignation as auditor did not hold valid peer review certificate
Sukhminder Singh & Co., Chartered Accountants	April 28, 2010	Appointment

Capitalization of Reserves or Profits

Except as stated in "***Capital Structure***" on page 19, we have not capitalized our reserves or profits in the last five years.

Revaluation of Assets

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

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The present Issue of [●] Equity Shares of ₹10 each, at a price of ₹[●] for cash aggregating ₹ 1,600 million is being made through the Book Building Process. The Issue shall constitute [●]% of the post-Issue equity share capital of our Company.

	QIB Bidders[1]	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for allocation[2]	Up to [●] Equity Shares, or Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for allocation	Up to 50% of the Issue shall be allocated to QIBs. However, 5% of the QIB Portion, excluding the Anchor Investor Portion, shall be available for allocation proportionately to Mutual Funds only. The unsubscribed portion in the Mutual Funds portion will be available to QIBs[3]	Not less than 15% of the Issue or Issue size less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of the Issue available for allocation or the Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 1,00,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 1,00,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 100,000
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply[3]	Public financial institutions specified in Section 4A of the Companies Act, FIIs (and their sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual), scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts, and any FII sub-account registered with SEBI, which is a foreign corporate or foreign individual	Resident Indian Individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 100,000 in value

	QIB Bidders[1]	Non-Institutional Bidders	Retail Individual Bidders
	development financial institutions, FVCIs registered with SEBI, venture capital funds registered with the SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy and air force of the Union of India and the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of GoI published in the Gazette of India		
Terms of Payment	The entire Bid Amount shall be payable at the time of submission of the Bid cum Application Form to the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the ASBA Account that is specified in the ASBA Bid cum Application Form.		

[1] *Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price in accordance with the ICDR Regulations. At least one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of (i) two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹2500 million and (ii) five, where the allocation under the Anchor Investor Portion is more than ₹2500 million. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹100 million.*

[2] *This is an Issue for at least 25% of the post–Issue capital of our Company. The Issue is being made though the 100% Book Building Process, wherein up to 50% of the Issue shall be allocated to QIBs on a proportionate basis. Further, not less than 15% and 35% of the Issue will be allocated on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price.*
Under subscription in any category, if any, would be allowed to be met with spill-over from other categories or combination of categories at the discretion of our Company in consultation with the BRLMs, and the Designated Stock Exchange.

[3] *If the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*

Withdrawal of the Issue

Our Company in consultation with the BRLMs reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before Allotment. If our Company withdraws the Issue, it shall issue a public notice, within two Working Days, providing reasons for not proceeding with the Issue. The BRLMs through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the day of receipt of such notification. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges shall also be informed promptly.

The Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, it shall file a fresh draft red herring prospectus with SEBI.

Letters of Allotment or Refund Orders or Instructions to SCSBs

Our Company shall give credit of Equity Shares Allotted, if any, to the beneficiary account with Depository Participants within two Working Days from the date of Allotment. Our Company shall ensure dispatch of refund orders, if any, of value up to ₹ 1,500 by under certificate of posting, and shall dispatch refund orders above ₹ 1,500, if any, by registered post or speed post or Direct Credit, National Electronic Fund Transfer ("**NEFT**"), Real Time Gross Settlement ("**RTGS**") or National Electronic Clearing Service ("**NECS**") at the sole or First Bidder's sole risk within two Working Days from the date of Allotment. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBAs, within 12 Working Days of Bid/Issue Closing Date.

Interest in case of delay in dispatch of Allotment Letters/Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and the ICDR Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days from the Bid/Issue Closing Date;
- Despatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done within two Working Days from the date of Allotment;
- Instructions to the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBAs, within 12 Working Days of the Bid/Issue Closing Date; and
- Our Company shall pay interest at 15% per annum if Allotment letters/refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been issued to the clearing system in the disclosed manner within eight days from the day the Company becomes liable to repay.

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made through any of the modes as described in the Red Herring Prospectus and bank charges, if any, for encashing cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Bid/Issue Period*

BID OPENS ON	[●]*
BID CLOSES ON	[●]

* *The Company may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one working day prior to the Bid/Issue Opening Date. Further, our Company, in consultation with the BRLMs, may decide to close the Bidding for QIBs one day prior to the Bid/Issue Closing Date.*

Bids and any revision in Bids will be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bid/ Issue Period as mentioned above at the Bidding centers mentioned in the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids excluding ASBA Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders; and (ii) 5.00 p.m. which may be extended up to such time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders where the Bid Amount is up to ₹ 1,00,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in IPOs, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, the Company, the Syndicate shall not be responsible. Bids will be accepted only on Working Days, *i.e.*, Monday to Friday (excluding any public holiday).

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum Application Forms and ASBA Forms as stated herein and reported by the BRLMs to the Stock Exchanges within half an hour of such closure.

Our Company, in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Issue Period in accordance with ICDR Regulations. The Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price as disclosed at least two Working Days prior to the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional Working Days after revision of Price Band subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the web site of the BRLMs and at the terminals of the Syndicate. Further the SCSBs shall also be notified by the BRLMs of any such revision.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the allocation advice including the Anchor Investor Allocation Notice(s) or the Revised Anchor Investor Allocation Notice(s) and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, regulations, guidelines, rules and notifications relating to the issue of capital and listing of securities issued from time to time by SEBI, GoI, Stock Exchanges, Registrar of Companies, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of our Memorandum of Association and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to **"*Main Provisions of the Articles of Association*"** on page 241.

Mode of Payment of Dividends

We shall pay dividends to our shareholders as per the provisions of the Companies Act and our Articles and Memorandum of Association.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares. The Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share.

Compliance with SEBI regulations

Our Company shall comply with applicable disclosure and accounting norms specified by the SEBI from time to time.

Rights of the Equity Shareholder

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

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and other preferential claims being satisfied;
- Subject to applicable law including any RBI rules and regulations, right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Memorandum of Association and Articles of Association.

All our Equity Shareholders have the same voting rights. For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividends, forfeiture and lien and/or consolidation/splitting, see "***Main Provisions of Our Articles of Association***" on page 241.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per the existing ICDR Regulations, the trading of our Equity Shares shall only be in dematerialized form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship, subject to provisions contained in Articles.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

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

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depositories of the applicant would prevail. If the investors want to change their nomination, they are requested to inform their respective depository participant.

Application by Eligible NRIs / FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or FVCIs registered with SEBI. Such Eligible NRIs, FIIs registered with SEBI or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Bid/Issue Programme*

BID OPENS ON	[●]*
BID CLOSES ON	[●]

* *The Company may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one working day prior to the Bid/Issue Opening Date. Further, our Company, in consultation with the BRLMs, may decide to close the Bidding for QIBs one day prior to the Bid/Issue Closing Date.*

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue including the devolvement of Underwriters within 60 days from the Bid/Issue Closing Date, our Company shall within 70 days of Bid/Issue Closing Date refund the entire subscription amount received. If such money is not repaid within eight days from the day the Company becomes liable to repay, the Company and every officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest at the rate of 15% *per annum* as prescribed under section 73 of the Companies Act.

Further in terms of Regulation 26(4) of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue and restriction on Anchor Investors, as detailed in the section ***"Capital Structure"*** on page 19, there are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. See "***Main Provisions of our Articles of Association***" on page 241.

Option to receive Equity Shares in Dematerialised Form

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in dematerialised form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

ISSUE PROCEDURE

This section applies to all Bidders. All Bidders other than Anchor Investors can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to pay the full Bid Amount or instruct the relevant SCSB to block the full Bid Amount along with the Bid cum Application Form.

Book Building Procedure

This is an Issue for at least 25% of the post-Issue capital. This Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue shall be allocated to QIBs on a proportionate basis. Further, not less than 15% and 35% of the Issue will be allocated on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

Any Bidder, other than Anchor Investors, may participate in this Issue through the ASBA process by providing the details of the relevant bank accounts in which the corresponding Bid amounts will be blocked by SCSBs.

All Bidders other than ASBA Bidders are required to submit their Bids through the Syndicate. ASBA Bidders are required to submit their Bids to the SCSBs.

Investors should note that Allotment of Equity Shares to all successful Bidders will be only in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository accounts including DP ID, PAN and beneficiary account number shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only on the dematerialised segment of the Stock Exchanges.

The Bidders may note that in case the DP ID, Beneficiary Account Number and PAN mentioned in the Bid cum Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, Beneficiary Account Number and PAN available in the depository database, the Bid is liable to be rejected. With effect from August 16, 2010, the demat accounts of Bidders for which PAN details have not been verified shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue shall be made into accounts of such Bidders.

Bid cum Application Form

Bidders shall use only the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. Before being issued to Bidders, the Bid cum Application Form (except in relation to ASBA Bidders) shall be serially numbered. ASBA Bidders shall submit the ASBA Bid cum Application Form either in physical or electronic form (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding) to the SCSB with whom the ASBA Account is maintained, authorizing blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form used by ASBA Bidders.

The Bid cum Application Form shall contain information about the Bidder and the price and number of Equity Shares that the Bidder wishes to Bid for. Bidders shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered multiple Bids.

On filing of the Prospectus with the RoC, the Bid cum Application Form shall be treated as a valid application form. On completion and submission of the Bid cum Application Form to a member of the Syndicate (and in the case of an ASBA Bid cum Application Form, to the SCSB, with whom the ASBA Account is maintained), the Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required under the ICDR Regulations and other applicable laws, for filing the Prospectus with the RoC and as would be required by SEBI and/or the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed color of the Bid cum Application Form for various categories is as follows:

Category	Color of Bid cum Application Form including ASBA Bid cum Application Form**
Resident Indians including Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, FVCIs and FIIs applying on a repatriation basis, excluding Anchor Investors	[●]
Anchor Investors*	[●]

**Bid cum Application Forms for Anchor Investors will be made available at our Registered Office and the members of the Syndicate.*
*** ASBA Bid cum Application Forms will be made available on the websites of the BSE and the NSE.*

Who can Bid?

(i) Indian nationals resident in India who are not minors in single or joint names (not more than three);
(ii) Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids by HUFs would be considered at par with those from individuals;
(iii) Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
(iv) Mutual Funds registered with SEBI;
(v) Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws.
(vi) Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the ICDR Regulations and other laws, as applicable);
(vii) FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
(viii) Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
(ix) Venture capital funds registered with SEBI;
(x) Foreign Venture Capital Investors registered with SEBI;
(xi) State Industrial Development Corporations;
(xii) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
(xiii) Scientific and/or industrial research organisations authorised to invest in equity shares;
(xiv) Insurance Companies registered with Insurance Regulatory and Development Authority;
(xv) Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
(xvi) Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
(xvii) National Investment Fund;
(xviii) Insurance funds set up and managed by army, navy or air force of the Union of India; and
(xix) Multilateral and Bilateral Development Financial Institutions.

As per existing regulations, OCBs cannot participate in this Issue.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by Associates of BRLMs and Syndicate Members

The BRLMs and the Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members are entitled to subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such Bidding and subscription may be on their own account or on behalf of their clients. However, the BRLMs, Syndicate Members and persons related to the BRLMs and the Syndicate Members shall not be allowed to subscribe to the Anchor Investor Portion.

Bids by Mutual Funds

As per the ICDR Regulations, 5% of the QIB Portion (excluding the Anchor Investor Portion), has been specifically reserved for Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event demand in the Mutual Fund Portion is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall be available for allocation proportionately, after excluding the allocation in the Mutual Fund Portion, in the QIB Portion. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance equity shares available for allocation in the Mutual Funds Portion will be added to the QIB Portion and available for allocation in the Mutual Fund Portion will be added to the QIB Portion and available for allocation proportionately to the QIB Bidders.

In addition, one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received at or above the price at which allocation is being done to Anchor Investors.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own over 10% of any company's paid-up share capital carrying voting rights.

The Bids made by asset management companies or custodians of Mutual Funds shall clearly indicate the name of the concerned scheme for which application is being made.

Multiple applications

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Non Residents including Eligible NRIs and FIIs on a repatriation basis

There is no reservation for Eligible NRIs or FIIs or FVCIs registered with SEBI. Such Eligible NRIs, FIIs and FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Bids by Eligible NRIs

(i) Bid cum Application Forms for Eligible NRIs applying on a repatriation basis ([●] in colour) will be available at our Registered Office and with the Syndicate.

(ii) Only such applications as are accompanied by payment in freely convertible foreign exchange shall be considered for Allotment. Eligible NRIs who intend to make payment through Non Resident Ordinary ("**NRO**") accounts or by debits to their Non-Resident External ("**NRE**") or Foreign Currency Non-Resident ("**FCNR**") accounts should use the application form meant for Resident Indians ([●] in color).

Bids by Eligible NRIs for a Bid Amount of up to ₹ 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Bids by FIIs

As per current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (*i.e.* 10% of [●] Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or /5% of our total issued capital in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company and approval accorded by our shareholders on September 25, 2010, the total foreign investment including FII investment cannot exceed 49% of our total issued capital unless approved by the shareholders of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, may issue, deal or hold, offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the ICDR Regulations. Associates and affiliates of the Underwriters, including the BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in, the Company.

Bids by SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, each, as amended, prescribe investment restrictions on Venture Capital Funds and FVCIs respectively registered with the SEBI. Accordingly, the holding in any company by any individual venture capital fund or FVCI registered with the SEBI should not exceed 25% of the corpus of the venture capital fund or FVCI. However, venture capital funds or FVCIs may invest not over 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

Bids by Anchor Investors

Our Company may consider participation by Anchor Investors in the QIB Portion for up to 30% of the QIB Portion in accordance with the ICDR Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the ICDR Regulations and not otherwise excluded pursuant to Schedule XI of the ICDR Regulations are eligible to apply under the Anchor Investor Portion. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. In accordance with the ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

(i) Anchor Investors Bid cum Application Forms will be made available for the Anchor Investor Portion at our Registered Office, and with the members of the Syndicate.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for more than 30% of the QIB Portion. In case of a Mutual Fund registered with SEBI, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

(iii) One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds.

(iv) The Bidding for Anchor Investors shall open one Working Day before the Bid/Issue Opening Date and shall be completed on the same day.

(v) Our Company, in consultation with the BRLMs, shall finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion shall not be less than:

- two, where the allocation under Anchor Investor Portion is up to ₹ 2,500 million; and
- five, where the allocation under Anchor Investor Portion is over ₹ 2,500 million.

(vi) Allocation to Anchor Investors shall be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid/Issue Opening Date.

(vii) Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.

(viii) In the event the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price shall be paid by the Anchor Investors by the Pay-in-Date. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to Anchor Investors shall be at the higher price *i.e.* the Anchor Investor Issue Price.

(ix) The Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(x) None of the BRLMs or any person related to the BRLMs, Promoters, or Promoter Group shall participate in the Anchor Investor Portion. The parameters for selection of the Anchor Investors shall be clearly identified by the BRLMs and shall be made available as part of the records of the BRLMs for inspection by SEBI.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of the Stock Exchanges.

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band which shall be published by our Company in an English national newspaper, a Hindi national newspaper, each with wide circulation, and a Punjabi newspaper, with wide circulation at the place where Registered Office of the Company is situated, at least two Working Days prior to the Bid/Issue Opening Date.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(i) With respect to Bids by FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(ii) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Bid cum Application Form.

(iii) With respect to Bids made by provident funds with minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus. The Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated above.

Maximum and Minimum Bid Size

(i) ***For Retail Individual Bidders***: The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 100,000. If the Bid Amount is over ₹ 100,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to be Bid at the Cut-Off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at the Cut-Off Price is given only to the Retail Individual Bidders, indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(ii) ***For Other Bidders (Non-Institutional Bidders and QIBs excluding Anchor Investors)***: The Bid must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 100,000. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws.

In case of revision in Bids, Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than ₹ 100,000 for being considered for allocation in the Non-Institutional Portion. If the Bid Amount reduces to ₹ 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at the Cut-Off Price. **A QIB Bidder cannot withdraw its Bid after the Bid/ Issue Closing Date.**

(iii) ***For Bidders in the Anchor Investor Portion***: The Bid must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount at least ₹ 100 million. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.**

Information for the Bidders:

(i) The Company and the BRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the Designated Stock Exchange and also publish the same in widely circulated national newspapers (one each in English and Hindi) and a Punjabi newspaper (which is also the regional language newspaper).

(ii) The Red Herring Prospectus will be filed by our Company with the RoC at least three days before the Bid/ Issue Opening Date.

(iii) Copies of the Bid cum Application Form and the Red Herring Prospectus will be available with the members of the Syndicate. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate. ASBA Bid cum Application Forms can be obtained by Bidders from the Designated Branches of SCSBs and electronic ASBA Bid cum Application Forms shall be available on the websites of SCSBs. Copies of ASBA Bid cum Application Forms will also be available for downloading and printing, from website of the Stock Exchanges (which provide electronic interface for ASBA facility). A unique application number will be generated for every ASBA Bid cum Application Form downloaded and printed from the websites of the Stock Exchanges. Furthermore, the SCSBs shall ensure that the abridged prospectus is made available on their websites. Furthermore, the SCSBs shall ensure that the abridged prospectus is made available on their websites.

(iv) The members of the Syndicate (in accordance with the terms of the Syndicate Agreement) and the Designated Branches shall accept Bids from the Bidder or ASBA Bidder during the Bid/Issue Period in accordance with the terms of this Red Herring Prospectus, provided that the BRLMs shall accept the Bids from the Anchor Investors only on the Anchor Investor Bidding Date.

(v) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLMs or the Syndicate Members or their authorized agent(s) to register their Bids. Eligible Bidders can approach the Designated Branches to register their Bids under the ASBA process.

(vi) The Bids should be submitted on the prescribed Bid cum Application Form only. Bids by ASBA Bidders shall be accepted by the Designated Branches in accordance with the ICDR Regulations and any other circulars issued by SEBI in this regard. Bid cum Application Forms should bear the stamp of the members of the Syndicate or Designated Branch. Bid cum Application Forms (except electronic ASBA Bid cum Application Forms), which do not bear the stamp of a member of the Syndicate or the Designated Branch, are liable to be rejected.

Instructions for completing the Bid Cum Application Form

Bids and revisions of Bids must be:

(i) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

(ii) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained here, in the Bid cum Application Form or in the Revision Form. Bidders must provide details of valid and active DP-ID, client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and/or the SCSBs (as appropriate) will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

(iii) Information provided by the Bidders will be uploaded in the online IPO system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. Bidders are advised to ensure that the details are correct and legible.

(iv) For Retail Individual Bidders (including Eligible NRIs), the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 100,000. In case the Bid Amount is over ₹ 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The option to Bid at cut-off price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(v) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares, in multiples of [●] such that the Bid Amount exceeds ₹ 100,000. Anchor Investors must ensure that their Bids must make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 100 million. Bids cannot be made for over the Issue size.

(vi) Bids by Eligible NRIs, FVCIs and FIIs on a repatriation basis shall be in the names of individuals, or in the names of such FIIs, respectively, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

(vii) In a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(viii) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(ix) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the Designated Branches.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate or the SCSB, as the case may be, will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

General Instructions

Dos:

(i) Check if you are eligible to apply as per the terms of the Red Herring Prospectus under applicable laws, rules and regulations;

(ii) Ensure that you have Bid within the Price Band;

(iii) Read all the instructions carefully and complete the Resident Bid cum Application Form ([●] in colour), the Non-Resident Bid cum Application Form ([●] in colour), the Anchor Investor Bid cum Application Form ([●] in colour) as the case may be;

(iv) Ensure that the details about Depository Participant and Beneficiary Account are correct, and the Beneficiary Account is activated, as Allotment of Equity Shares will be in the dematerialized form only;

(v) Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of a member of the Syndicate or the SCSB in case of ASBA Bidders (except in case of electronic ASBA Bid cum Application Forms);

(vi) With respect to ASBA Bidders ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilized by the ASBA Bidder for Bidding has a bank account. Further, ensure that the ASBA Bid cum Application Form is signed by the account holder if the Bidder is not the account holder;

(vii) Ensure that the full Bid Amount is paid for Bids submitted to the members of the Syndicate and funds equivalent to the Bid Amount are blocked by the SCSBs in case of Bids submitted through the ASBA process;

(viii) Ensure that you have funds equal to the Bid Amount in bank account of the respective Designated Branch of the SCSB;

(ix) Instruct your respective banks or the banks specified in the ASBA Bid cum Application Form to not release the funds blocked in the bank account under the ASBA process;

(x) Ensure that you request for and have received a TRS for all your Bid options;

(xi) Submit revised Bids to the same member of the Syndicate or Designated Branch of the SCSB through whom the original Bid was placed and obtain a revised TRS;

(xii) Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Bidders should mention their PAN allotted under the I.T. Act. Applications in which the PAN is not mentioned will be rejected;

(xiii) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects; and

(xiv) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. If the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(i) Do not Bid for lower than the minimum Bid size;

(ii) Do not submit a Bid without payment of the entire Bid Amount;

(iii) Do not Bid/revise the Bid to less than the Floor Price or higher than the Cap Price;

(iv) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate or the Designated Branch;

(v) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest and in relation to ABSA Bidders in any other mode other than blocked amounts in the bank accounts maintained by SCSBs;

(vi) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or Designated Branch, as applicable;

(vii) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

(viii) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceed the Issue size and/or investment limit or maximum number of Equity Shares that can be held under applicable laws or regulations or the maximum amount permissible under applicable regulations;

(ix) Do not submit more than five ASBA Bid cum Application Forms per bank account;

(x) Do not Bid for amount exceeding ₹ 100,000 in case of a Bid by Retail Individual Bidders;

(xi) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

(xii) Do not submit incorrect details of DP ID, Client ID and PAN or give details for which demat account is suspended or for which such details cannot be verified by the Registrar.

Method and Process of Bidding

(i) Our Company and the BRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and also publish the same in widely circulated national newspapers (one each in English and Hindi) and a Punjabi newspaper (which is also the regional language newspaper), with wide circulation at the place where Registered Office of the Company is situated, at least two Working Days prior to the Bid/Issue Opening Date.

(ii) The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the BRLMs, and advertised in an English national newspaper, a Hindi national newspaper, each with wide circulation, and a Punjabi newspaper, with wide circulation at the place where Registered Office of the Company is situated, at least two Working Days prior to the Bid/Issue Opening Date.

(iii) The BRLMs shall accept Bids from the Anchor Investors on the Anchor Investor Bidding Date, *i.e.* one Working Day prior to the Bid/Issue Opening Date. Bidders, except Anchor Investors who are interested in subscribing to the Equity Shares should approach any of the members of the Syndicate, their authorized agents or Designated Branches of SCSBs to register their Bids, during the Bid/Issue Period. The members of the Syndicate shall accept Bids from the all Bidders and shall have the right to vet the Bids, during the Bid/Issue Period in accordance with the terms of the Syndicate Agreement and the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(iv) The Bid/Issue Period shall be for a minimum of three Working Days and not exceeding 10 Working Days (including the days for which the Issue is open in case of revision in Price Band). If the Price Band is revised, the revised Price Band and the Bid/Issue Period will be published in an English national newspaper, a Hindi national newspaper, each with wide circulation, and a Punjabi newspaper (which is also the regional newspaper), having wide circulation at the place where the Registered Office of the Company is situated, together with an indication of such change on the websites of the BRLMs and SCSBs and at the terminals of the Syndicate Members.

(v) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details see "***Bids at Different Price Levels***" below, within the Price Band and specify the demand (*i.e.*, the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(vi) Except in relation to the Bids received from the Anchor Investors, the members of the Syndicate or the SCSBs will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip ("**TRS**"), for each price and demand option and shall, on demand, give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(vii) With respect to ASBA Bidders, on receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid.

(viii) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "***-Payment Instructions***" on page 223.

Bids at Different Price Levels and Revision of Bids

(i) The Price Band and the minimum Bid lot size shall be decided by our Company in consultation with the BRLMs and advertised at least two Working Days prior to the Bid/Issue Opening Date, in an English national newspaper, a Hindi national newspaper, each with wide circulation, and a Punjabi newspaper, with wide circulation at the place where Registered Office of the Company is situated, at least two Working Days prior to the Bid/Issue Opening Date.

(ii) Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the ICDR Regulations. The Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side *i.e.* the floor price can move upward or downward to the extent of 20% of the floor price disclosed at least two Working Days prior to the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

(iii) In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of Price Band subject to a maximum of 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in an English national newspaper and a Hindi national newspaper, each with wide circulation, and a Punjabi newspaper, with wide circulation at the place where Registered Office of the Company is situated, and also by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the Syndicate Members.

(iv) Our Company in consultation with the BRLMs can finalize the Issue Price and Anchor Investor Issue Price within the Price Band in accordance with this section, without the prior approval of or intimation to the Bidders.

(v) The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at Cut-off Price. However, Bidding at Cut-off Price is prohibited for QIBs or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

(vi) Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price with the members of the Syndicate. In case of ASBA Bidders bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price, the Retail Individual Bidders who Bid at Cut-off Price shall receive the refund of the excess amounts from the Escrow Account(s).

(vii) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount *i.e.*, original Bid Amount plus additional payment does not exceed ₹ 100,000 for Retail Individual Bidders, if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds ₹ 100,000 for Retail Individual Bidders Bidding at the Cut-off Price the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(viii) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Escrow Account(s).

(ix) Our Company in consultation with the BRLMs shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000. In the event of any revision in the Price Band, whether upward or downward, the minimum application size shall remain [•] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of ₹ 5,000 to ₹ 7,000.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of Bidder's Permanent Account Number, Depository Participant's name, DP ID number and beneficiary account number provided by them in the Bid cum Application Form and as entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the

SCSBs as the case may be, the Registrar to the Issue will obtain from the Depository the demographic details including the Bidder's address, occupation and bank account details including the nine-digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf ('**Demographic Details**'). These Demographic Details would be used for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) to the Bidders. It is mandatory to provide the bank account details in the space provided in the Bid cum Application Form and Bid cum Application Forms that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details, PAN and Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in delays in dispatch/credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their depository account details in the Bid cum Application Form. **Please note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate, do not match with the DP ID, Client ID and PAN available in the depositories' database, such Bid cum Application Form is liable to be rejected.**

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DP ID NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE PERMANENT ACCOUNT NUMBER GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS PROVIDED IN THE DEPOSITORY ACCOUNT. IF THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, on request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders (where refunds are not being made electronically)/allotment advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allotment advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Any such delay shall be at the Bidders sole risk and neither our Company nor Escrow Collection Banks nor the BRLMs nor the Registrar to the Issue shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Red Herring Prospectus, Bidders may note that refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, Bidders PAN (in case of joint Bids, PAN of first applicant), the DP ID and the beneficiary's identity, such Bids are liable to be rejected.

Payment Instructions

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account(s) until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and this Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account(s) for Bidders other than ASBA Bidders

Each Bidder (other than ASBA Bidders) shall draw a cheque or demand draft or, for Anchor Investors, remit the funds electronically through the RTGS mechanism for the entire Bid Amount as per the following terms:

(i) The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the entire Bid Amount in favour of the Escrow Account(s) and submit the same to the member of the Syndicate. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order shall not be accepted.

(ii) The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- In case of Resident QIB Bidders: "Escrow Account- Tara Public Issue-QIB-R"
- In case of Non Resident QIB Bidders: "Escrow Account- Tara Public Issue-QIB-NR "
- In case of Resident Retail and Non-Institutional Bidders: "Escrow Account- Tara Public Issue-R "
- In case of Non-Resident Retail and Non-Institutional Bidders: "Escrow Account- Tara Public Issue-NR "

(iii) In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price within two Working Days of the Bid/Issue Closing Date. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them (or unblocked in their ASBA Accounts, in case of ASBA Bids).

(iv) Our Company in consultation with the BRLMs, in their absolute discretion, shall decide the list of Anchor Investors to whom the provisional CAN or CAN shall be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names shall be notified to such Anchor Investors. The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- In case of resident Anchor Investors: "Escrow Account- Tara Public Issue-Anchor Investor-R "
- In case of non-resident Anchor Investors: "Escrow Account- Tara Public Issue-Anchor Investor-NR "

(v) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

(vi) In case of Bids by NRIs applying on non-repatriation basis, the payments may be made out of an NRO Account of a Non-Resident Bidder.

(vii) In case of Bids by FIIs or FVCIs the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

(viii) The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders until the Designated Date.

(ix) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

(x) Within 12 Working Days from the Bid/Issue Closing Date, the Registrar to the Issue shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

(xi) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash, stockinvest, money orders or postal orders will not be accepted.

(xii) In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

(xiii) Bidders are advised to mention the number of the Bid cum Application Form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form, failure of the Issue or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the Bid Amount in the relevant bank account and the SCSBs shall unblock the Bid Amount on receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Other Instructions

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by

QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

After Bidding on an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form. Submission of a second Bid cum Application Form, whether an ASBA Bid cum Application Form, to either the same or to another Designated Branch of the SCSB, or a Non-ASBA Bid cum Application Form, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in "*-Build up of the Book and Revision of Bids*".

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

Our Company reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. A check will be carried out for the same PAN. In cases where the PAN is same, such Bids will be treated as multiple applications.

For Bids from Mutual Funds and FII sub-accounts which are submitted under the same PAN, as well as Bids on behalf of the central or state government, an official or receiver appointed by a court and residents of Sikkim for whom submission of PAN is not mandatory, the Bids will be scrutinised for DP ID and beneficiary account numbers. In case these Bids have the same DP ID and beneficiary account numbers, these will be treated as multiple Bids and will be rejected.

'PAN' or 'GIR' Number

Except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. In accordance with the ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction.

Any Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground. With effect from August 16, 2010, the demat accounts of Bidders for which PAN details have not been verified shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue shall be made into accounts of such Bidders.

Right to Reject Bids

In case of QIB Bidders Bidding in the QIB Portion, the Syndicate, may reject Bids provided that such rejection shall be made at the time of acceptance of the Bid and the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has the right to reject Bids based only on technical grounds and/or as specified in the Red Herring Prospectus. However, our Company in consultation with the BRLMs, reserves the right to reject any Bid received from Anchor Investors without assigning any reasons. Consequent refunds shall be made through any of the modes described in the Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk.

With respect to ASBA Bids, the Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the bank account specified by the Bidder in the ASBA Bid cum Application Form, the respective Designated Branch ascertains that sufficient funds are not available in the abovementioned bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, the Company would have a right to reject the ASBA Bids only on technical grounds and/or as specified in the Red Herring Prospectus.

The Bidders may note that in case the DP ID, Beneficiary Account Number and PAN mentioned in the Bid cum Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, Beneficiary Account Number and PAN available in the depository database, the Bid is liable to be rejected.

Grounds for Technical Rejection

Bidders should note that incomplete Bid cum Application Forms and Bid cum Application Forms that are not legible will be rejected by the members of the Syndicate or SCSBs. Bidders are advised to note that Bids are liable to be rejected among other things, on the following technical grounds:

(i) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the highest value of the Equity Shares Bid for;

(ii) Application on plain paper;

(iii) In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

(iv) Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors;

(v) PAN not stated (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts);

(vi) Bids for lower number of Equity Shares than specified for that category of investors;

(vii) Age of the first Bidder not given;

(viii) Bids at a price less than the Floor Price;

(ix) Bids at a price over the Cap Price;

(x) Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders;

(xi) Submission of more than five ASBA Bid cum Application Forms per ASBA Account;

(xii) Bids for number of Equity Shares which are not in multiples of [●];

(xiii) Category not ticked;

(xiv) Multiple Bids as described in the Red Herring Prospectus;

(xv) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;

(xvi) Bids accompanied by cash, stockinvest, money order or postal order;

(xvii) Signature of sole and/or joint Bidders missing. In addition, with respect to ASBA Bids, the Bid cum Application form not being signed by the account holders, if the account holder is different from the Bidder;

(xviii) Bid cum Application Form does not have the stamp of the BRLMs the Syndicate Members or Designated Branches (except for electronic ASBA Bids);

(xix) Bid cum Application Form does not have Bidder's depository account details or the details given are incomplete or incorrect;

(xx) Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Form, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;

(xxi) In case no corresponding record is available with the Depositories that matches three parameters namely, PAN (in case of joint Bids, PAN of the first applicant), the DP ID and the beneficiary's account number;

(xxii) With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

(xxiii) Bids for amounts greater than the maximum permissible amounts prescribed by applicable law;

(xxiv) Bids by OCBs;

(xxv) Bids by persons in the United States;

(xxvi) Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;

(xxvii) Bids or revision thereof by QIB Bidders and Non-Institutional Bidders uploaded after 4.00 P.M. on the Bid/Issue Closing Date;

(xxviii) Bank account details for the refund not given;

(xxix) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals; and

(xxx) Bids that do not comply with the securities laws of their respective jurisdictions.

BIDS BY PERSONS PROHIBITED FROM BUYING, SELLING OR DEALING IN THE SHARES DIRECTLY OR INDIRECTLY BY SEBI OR ANY OTHER REGULATORY AUTHORITY WILL BE REJECTED.

Electronic Registration of Bids

(i) The members of the Syndicate and the SCSBs will register the Bids received, except Bids received from Anchor Investors, using the online facilities of the Stock Exchanges. Details of Bids in the Anchor Investor Portion will not be registered on the online facilities of the Stock Exchanges. There will be at least one online connectivity in each city, where the Stock Exchanges are located in India and where such Bids are being accepted. The BRLMs, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the members of the Syndicate and/or the SCSBs shall be responsible for any errors in the Bid details uploaded by them. It shall be presumed that for the Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(ii) The Stock Exchanges will offer a screen-based facility for registering such Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents and the SCSBs during the Bid/Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that it will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis.

(iii) On the Bid/Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis. In order to ensure that the data uploaded is accurate, the Syndicate may be permitted one Working Day after the Bid/Issue Closing Date to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not uploaded will not be considered for allocation. Bids will only be accepted on Working Days, *i.e.*, Monday to Friday (excluding any public holiday).

(iv) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges a graphical representation of consolidated demand and price would be made available at the bidding centres and at the websites of each of the Stock Exchanges during the Bid/Issue Period along with category wise details.

(v) At the time of registering each Bid, the members of the Syndicate or the Designated Branches of the SCSBs in case of ASBA Bids shall enter the following details of the Bidder in the electronic system:

- Name of the Company/ Bidder.
- Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- Application number (Bid cum Application Form Number or ASBA form number, as the case may be.)
- Investor Category – Individual, Corporate, non-institutional, qualified institutional buyer, Eligible NRI, FII, or Mutual Fund, financial institutions, insurance companies, etc.
- PAN.
- Depository Participant Identity ("**DP ID**").
- Beneficiary account number of the Bidder
- Numbers of Equity Shares Bid for.
- Price option.
- Cheque amount.
- Cheque number.

(vi) A system generated TRS, on demand, will be given to the Bidder as a proof of the registration of each of the Bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or Designated Branches.** The registration of the Bid by the member of the Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotted.

(vii) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(viii) In case of QIB Bidders (other than QIBs Bidding through ASBA), the members of the Syndicate have a right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders, and Retail Individual Bidders, Bids may be rejected except on technical grounds. Furthermore, the SCSBs shall have no right to reject Bids except on technical grounds.

(ix) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company our Promoters, our management or any scheme or project of our Company nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(x) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The members of the Syndicate shall be given one Working Day after the Bid/Issue Closing Date to verify the information uploaded on the online IPO system during the Bid/Issue Period after which the Registrar to the Issue shall proceed with the Allotment of Equity Shares.

(xi) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.

Build up of the book and revision of Bids

(i) Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(ii) The book gets built up at various price levels. This information will be available with the BRLMs at the end of the Bid/Issue Period.

(iii) During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(iv) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Forms.

(v) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the Designated Branch of the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(vi) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. Retail Individual Bidders should note that the revised amount should not exceed ₹ 100,000. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. With respect to ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid amount. In case of Bids other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the basis of Allotment.

(vii) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and will, on demand, receive a revised TRS from the members of the Syndicate or Designated Branches, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(i) Based on the demand generated at various price levels, our Company in consultation with the BRLMs shall finalize the Issue Price.

(ii) Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLMs, subject to compliance with the ICDR Regulations. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid/Issue Opening Date.

(iii) Under-subscription, if any, in the Non-Institutional Portion and Retail Portion may be met with spill over from any other category at the sole discretion of the Bank in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds in the Mutual Fund Portion is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. Under subscription, in any other category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Bank in consultation with the BRLMs and the Designated Stock Exchange.

(iv) Allocation to Non-Residents, including Eligible NRIs, FIIs and foreign venture capital funds registered with SEBI, applying on repatriation basis will be subject to applicable law.

(v) The BRLMs in consultation with our Company shall notify the members of the Syndicate of the Issue Price and allocations to Anchor Investors, where the full Bid Amount has not been collected from the Anchor Investors due to the Issue Price being higher than the Anchor Investor Issue Price.

(vi) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date, but before the Allotment without assigning any reasons whatsoever. In terms of the ICDR Regulations, QIB Bidders Bidding in the QIB Portion shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further, Anchor Investors shall not be allowed to withdraw their Bid after the Anchor Investor Bidding Date.

Signing of Underwriting Agreement and RoC Filing

(i) Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.

(ii) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with the RoC in terms of Section 56, 60 and 60B of the Companies Act, which then would be termed the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the ICDR Regulations, in an English national newspaper, a Hindi national newspaper, each with wide circulation and a Punjabi newspaper (which is also the regional newspaper), with wide circulation at the place where Registered Office of the Company is situated.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Allotment Advice

(i) On approval of the basis of Allotment by the Designated Stock Exchange and on Allotment by the Board of Directors or any committee constituted thereof, the Registrar to the Issue shall send to the members of the Syndicate and SCSBs a list of their Bidders who have been Allotted Equity Shares in the Issue. For Anchor Investors, see "***—Notice to Anchor Investors: Allotment/Reconciliation and***

Revised CANs."

(ii) The Registrar to the Issue will then dispatch an allotment advice to the Bidders who have been Allotted Equity Shares in this Issue.

(iii) Bidders who have been Allotted Equity Shares shall receive the allotment advice from the Registrar to the Issue.

Notice to Anchor Investors: Allotment Reconciliation and CAN

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of our Company and the BRLMs, selected Anchor Investors may be sent a CAN, within two Working Days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. This provisional CAN and the final allocation is subject to (a) the physical application being valid in all respect along with receipt of stipulated documents, (b) the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price, and (c) Allotment. In the event of a technical rejection or in the event the Issue Price is higher than the Anchor Investor Issue Price, a revised CAN will be sent to Anchor Investors. The price of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they shall be required to pay any additional amount, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN, if any, by the Pay-in Date specified in the revised CAN, for any increased price of Equity Shares. The Pay-in Date in the revised CAN shall not be later than two Working Days after the Bid/Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(i) Our Company will ensure that (i) Allotment of Equity Shares; (ii) credit to successful Bidder's depository account will be completed within 12 Working Days of the Bid/Issue Closing Date.

(ii) In accordance with the ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to this Issue.

Basis of Allotment

For Retail Individual Bidders

(i) Bids received from Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. Allotment to all successful Retail Individual Bidders will be made at the Issue Price, on a proportionate basis.

(ii) The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

(iii) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment, see below.

For Non-Institutional Bidders

(i) Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

(ii) The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

(iii) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment see below.

For QIBs in the QIB Portion (excluding the Anchor Investor Portion)

(i) Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. Allotment to all successful QIB Bidders will be made at the Issue Price. The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

(ii) Allotment shall be undertaken in the following manner:

- In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

  (a) In the event Mutual Fund Bids exceed 5% of the QIB Portion (excluding the Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding the Anchor Investor Portion).

  (b) In the event the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

  (c) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

- In the second instance Allotment to all QIBs shall be determined as follows:

  (a) In the event of oversubscription in the QIB Portion (excluding the Anchor Investor Portion), all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

  (b) Mutual Funds, which have received allocation as per (a) above for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders (excluding the Anchor Investor Portion).

  (c) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

(iii) The aggregate Allotment to QIB Bidders shall not be less than [●] Equity Shares.

For Anchor Investor Portion

(i) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the BRLMs, subject to compliance with the following requirements:

- not more than 30% of the QIB Portion will be allocated to Anchor Investors;
- one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to other Anchor Investors;
- allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number

of two Anchor Investors for allocation upto ₹ 2,500 million and minimum number of five Anchor Investors for allocation more than ₹ 2,500 million.

(ii) The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid/Issue Opening Date by intimating the Stock Exchanges. The method of proportionate basis of Allotment is stated below.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

(i) Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	200 million equity shares
2.	Portion available to QIBs*	100 million equity shares
3.	Anchor Investor Portion	30 million
4.	Portion available to QIBs* other than anchor investors [(2) – (3)]	70 million equity shares
	Of which	
a.	Reservation to MF (5%)	3.5 million equity shares
b.	Balance for all QIBs including MFs	66.5 million equity shares
5.	No. of QIB applicants	10
6.	No. of shares applied for	500 million equity shares

* Where up to 50% of the issue size may be allotted to QIBs.

(ii) Details Of QIB Bids

S. No.	Type of QIB bidders	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
	TOTAL	**500**

A1-A5 (QIB bidders other than MFs)
MF1-MF5 (QIB bidders which are MFs)

(iii) Details of Allotment to QIB Bidders

(No. of equity shares in million)

Type of QIB bidders	Equity shares bid for	Allocation of 3.5 million equity shares to MFs proportionately (See Note 2)	Allocation of balance 66.5 million equity shares to QIBs proportionately (See Note 4)	Aggregate allocation to MFs
A1	50	0	6.65	0
A2	20	0	2.66	0
A3	130	0	17.29	0
A4	50	0	6.65	0
A5	50	0	6.65	0
MF1	40	0.7	5.32	6.02
MF2	40	0.7	5.32	6.02
MF3	80	1.4	10.64	12.04
MF4	20	0.35	2.66	3.01
MF5	20	0.35	2.66	3.01
	500	**3.5**	**66.5**	**30.1**

Notes:

(i) The illustration presumes compliance with the provisions of regulation 51(1) pertaining to minimum allotment.

(ii) Out of 70 million equity shares allocated to QIBs, 3.5 million (i.e. 5%) will be allocated on proportionate basis among 5 mutual fund applicants who applied for 200 million equity shares in QIB category.

(iii) The balance 66.5 million equity shares [i.e. 70 – 3.5 (available for MFs)] will be allocated on proportionate basis among 10 QIB applicants who applied for 500 million equity shares (including 5 MF applicants who applied for 200 million equity shares).

(iv) The figures at Col. No. IV are arrived as under :

- For QIBs other than mutual funds (A1 to A5) = No. of shares bid for (i.e Col II) X 66.5/ 496.5
- For mutual funds (MF1 to MF5) = {(No. of shares bid for (i.e Col II) less shares allotted (i.e., col. III)} X 66.5/ 496.5
- The numerator and denominator for arriving at allocation of 66.5 million shares to the 10 QIBs are reduced by 3.5 million shares, which has already been allotted to mutual funds at Col. No. (III).

Method of Proportionate Basis of Allotment in the Issue

Except in relation to Anchor Investors, in the event of the Issue being over-subscribed, our Company shall finalise the basis of Allotment in consultation with the BRLMs and the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

Except in relation to Anchor Investors, the Allotment shall be made in marketable lots, on a proportionate basis as explained below:

(i) Bidders will be categorised according to the number of Equity Shares applied for.

(ii) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of

Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(iii) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

(iv) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is as far as possible, equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder shall be allotted a minimum of [●] Equity Shares.

(v) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

(vi) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLMs.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

(i) Agreement dated September 24, 2009, between NSDL, our Company and the Registrar to the Issue;

(ii) Agreement dated September 24, 2009, between CDSL, our Company and the Registrar to the Issue.

(iii) Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(iv) A Bidder applying for Equity Shares must have at least one valid beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(v) The Bidder must necessarily fill in the details (including the PAN, Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(vi) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(vii) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(viii) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(ix) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(x) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(xi) Trading in the Equity Shares would be in dematerialised form only, on the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, PAN, Bidders depository account details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, the ASBA Account number in which an amount equivalent to the Bid Amount was blocked.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted with the Designated Branches, Bidders can contact the relevant Designated Branch.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, reproduced below:

"*Any person who:*

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Payment of Refund

Bidders other than ASBA Bidders must note that on the basis of the DP ID, beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the MICR code. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In the case of Bids from Eligible NRIs and FIIs, refunds, dividends and other distributions, if any, will normally be payable in Indian Rupees only and net of bank charges and/or commission. Where so desired, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Mode of Refunds

For Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through any of the following modes:

(i) NECS – Payment of refund would be done through NECS for Bidders having an account at any of the centres specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.

(ii) Direct Credit – Bidders having bank accounts with the Refund Bank, as per the Demographic Details received from the Depositories shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank for the same would be borne by our Company.

(iii) RTGS – Bidders having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 1 million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("**IFSC**"). Charges, if any, levied by the Refund Bank for the same would be borne by our Company. Charges, if any, levied by the Bidder's bank receiving the credit would be borne by the Bidder.

(iv) NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the Bidders' bank branch is NEFT enabled and has been assigned the IFSC, which can be linked to an MICR code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with an MICR code. Wherever the Bidders have registered their MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Bidders through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency and the past experience of the Registrars to the Issue. In the event NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in this section.

(v) For all other Bidders, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to ₹ 1,500 and through Speed Post/Registered Post for refund orders of ₹ 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Unlocking of funds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

Disposal of Applications and Application Moneys and Interest in Case of Delay

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges after the Allotment of Equity Shares.

In case of Bidders who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing is completed and trading commences within 12 Working Days of the Bid/Issue Closing Date at all the Stock Exchanges where the Equity Shares are proposed to be listed.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the ICDR Regulations, our Company further undertakes that:

(i) Allotment of Equity Shares shall be made only in dematerialised form, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, within 12 Working Days of the Bid/Issue Closing Date;

(ii) With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days from the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders' instructions for unblocking of the ASBA Bidder's bank account shall be made within 12 Working Days from the Bid/Issue Closing Date; and

(iii) Our Company shall pay interest at 15% per annum for any delay beyond the time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within eight days from the day the Company becomes liable to repay. If such money is not repaid within eight days from the day the Company becomes liable to repay, the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under sub-section (2) and (2A) of section 73 of the Companies Act.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company shall ensure dispatch of refund orders, if any, of value up to ₹ 1,500, under certificate of posting, and shall dispatch refund orders above ₹ 1,500, if any, by registered or speed post at the sole or first Bidder's sole risk within 12 Working Days from the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days from Bid/Issue Closing Date.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date, which shall be duly completed after the receipt of such instruction from the Registrar.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/instruction to SCSB by the Registrar to the Issue

Allotment of Equity Shares in the Issue, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, shall be made not later than 12 Working Days of the Bid/Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% per annum if the allotment letters or refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within eight days from the day the Company becomes liable to repay. If such money is not repaid within eight days from the day the Company becomes liable to repay, the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under sub-section (2) and (2A) of section 73 of the Companies Act.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings by our Company

Our Company undertakes the following:

(i) That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

(ii) That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date;

(iii) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;

(iv) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days from the Bid/Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(v) That the Promoters' contribution in full has already been brought in;

(vi) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;

(vii) That no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

(viii) That adequate arrangements shall be made to collect all ASBA Bid cum Application Forms and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Withdrawal of the Issue

Our Company in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers within two days, in which the pre-Issue advertisements were published, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders upon receipt of such notification. Our Company shall also promptly inform the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

In the event our Company in consultation with the BRLMs, withdraws the Issue after the Bid/Issue Closing Date, a fresh offer document will be filed with SEBI in the event we subsequently decide to proceed with the initial public offering.

Utilisation of Issue Proceeds

The Board of Directors certifies that:

(i) All monies received in the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

(ii) Details of all monies utilized out of Issue shall be disclosed, and continue to be disclosed until the time any part of the Issue proceeds remains unutilized, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized; and

(iii) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to Schedule II of the Companies Act, and the ICDR Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

1. [a] The regulations contained in Table marked “A” in Schedule I of the Companies Act, 1956, (hereinafter called the Act or the said Act) shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles of the Company by the said Act.

   [b] The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by Section 31 of the Act, be such as are contained in these Articles.

SHARE CAPITAL AND VARIATION OF RIGHTS

5. (a) The Authorized Share Capital of the Company shall be such as mentioned in clause V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The Company may increase the Authorized Capital which may consist of Equity and / or Preference Shares as the Company in General Meeting may determine in accordance with the law for the time being in force relating to Companies with power to increase or reduce such capital from time to time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the Capital for the time being into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents.

   (b) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid up on such equity shares respectively at the commencement of the winding up.

INCREASE REDUCTION AND ALTERATION OF CAPITAL

6. The Company may from time to time in General Meeting increase its Share Capital by the issue of new shares of such amounts as it thinks expedient.

   (a) **On what conditions the new shares may be issued**
   Subject to the provisions of sections 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the General Meeting creating the same as shall be directed and if no direction be given as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of the said sections with special or without any right of voting and subject to the provisions of Section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.

(b) **Further Issue of Shares**

Where at any time after the expiry of two years from the formation of a Company or at any time after the expiry of one year from the allotment of shares in that Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then

(i) such further shares shall be offered to the persons who at the date of offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the Capital paid up on those shares at that date.
(ii) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
(iii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (b) shall contain a statement of this right.
(iv) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of directors may dispose of them in such manner as they think most beneficial to the Company.

(c) Notwithstanding anything contained in the preceding sub-clause (1), the further shares aforesaid may be offered to any persons [whether or not those persons include the persons referred to in clause sub-clause (1)] in any manner whatsoever:-

(i) if a special resolution to that effect is passed by the Company in general meeting, or
(ii) where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(d) Nothing in clause (c) above shall be deemed -

(i) to extend the time within which the offer should be accepted, or
(ii) to authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(e) Nothing in this article shall apply -

to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued or loans raised by the company -

(i) to convert such debentures or loans into shares in the company, or
(ii) to subscribe for shares in the company;

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) either has been approved by the Central Government before the issue of debentures or the raising of the loans, or is in conformity with the rules, if any, made by that Government in this behalf; and
(b) in the case of debentures or loans other than debentures issued to, or loans obtained from, the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in general meeting before the issue of the debentures or the raising of the loans.

(e) **Shares at the disposal of the Directors**

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

(f) **Same as Original Capital**

Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new shares shall be considered as part of the original Capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.

7. **Power to Issue Redeemable Preference Shares**

(a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares which are or at the option of the Company are liable to be redeemed;

Provided that:

(i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;
(ii) no such shares shall be redeemed unless they are fully paid;
(iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Share Premium Account before the shares are redeemed.
(iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a Reserve Fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up Share Capital of the Company.

(b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.

(c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital.

(d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.

(e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid up bonus shares.

8. **Provision in case of Redemption of Preference Shares**

The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, be giving not less than six month's previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect :

(a) The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its Registered Office in the presence of one Director at least; and

(b) Forthwith after every such drawing, the Company shall notify the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the Registered Office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The Shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid, where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.

9. **Reduction of Capital**

The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its Share Capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorized by law and in particular without prejudice to the generality of the foregoing power may be:

(a) extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;

(b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up Share Capital which is lost or is unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up Share Capital which is in excess of the wants of the Company;

and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its Share Capital and of its shares accordingly.

10. **Division, Sub-division, Consolidation, Conversion and Cancellation of Shares**

Subject to the provisions of Section 94 of the Act, the Company in General Meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say it may:

(a) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

(b) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares;

(c) covert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination;

(d) cancel, shares which at the date of such General Meeting have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled.

11. **Notice to Register of Consolidation of Share Capital, Conversion of shares into stocks, etc.**

(a) If the Company has :

(i) consolidated and divided its Share Capital into shares of larger amount than its existing shares;
(ii) converted any shares into stock;
(iii) reconverted any stock into shares;
(iv) sub-divided its share or any of them;
(v) redeemed any redeemable preference shares; or
(vi) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act,

the Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.

(b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.

12. **Modification of Rights**

If at any time the Share Capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The provisions of these Articles relating to General Meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Article 102 is not present, those persons who are present shall be quorum.

SHARES AND CERTIFICATES

13. **Issue of further Shares not to affect right of existing shareholders**

The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise be deemed to be varied or modified or affected by the creation or issue of further shares ranking pari passu therewith.

14. **Provisions of Sections 85 to 88 of the Act to apply**

The provisions of Sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company.

15. **Register of Members and Debenture Holders**

(a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture holders in accordance with Section 157 of the Act.

(b) The Company shall also comply with the provisions of Sections 159 and 161 of the Act as to filling of Annual Returns.

(c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, Indexes, Copies of Annual Returns and giving inspection thereof and furnishing copies thereof.

16. **Commencement of Business**

The Company shall comply with the provisions of Section 149 of the Act.

17. **Restriction on allotment**

The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.

18. **Shares to be numbered progressively and no shares to be subdivided**
The shares in the Capital shall be numbered progressively according to the several denominations and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

19. **Shares at the disposal of the Directors**
Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the Capital of the Company on payment in full or part for any property sold and transferred 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 shares and if so issued, shall be deemed to be fully paid shares.

20. **Every share transferable, etc.**
(i) The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.
(ii) Each share in the Company shall be distinguished by its appropriate number.
(iii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.

21. **Application of premium received on issue of shares**
(a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "the Share Premium Account" and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the Share Premium Account were paid-up Share Capital of the Company.

(b) The Share Premium Account may, notwithstanding, anything in clause (a) above, be applied by the Company.

(i) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
(ii) in writing off the preliminary expenses of the Company;
(iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or
(iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company.

22. **Sale of fractional shares**
If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he 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 in reference to the sale.

22A. **Buy back of Shares**
Notwithstanding anything contained in any other Article of the Articles of Association, but subject to the provisions of Section 77 A and 77 B of the Act and Securities & Exchange Board of India (Buy back of

Securities) Regulations 1998 as may be in force at any time and from time to time, the Company may acquire, purchase, own, resell any of its own fully/partly paid or redeemable Preference Shares or Equity Shares and any other security as may be specified under the Act, Rules and regulations from time to time and may make payment thereof out of funds at its disposal or in any manner as may be permissible or in respect of such acquisition/purchase on such terms and conditions and at such time or times in one or more installments as the Board may in its discretion decide and deem fit. Such Shares which are so bought back by the Company may either be extinguished and destroyed or reissued as may be permitted under the Act or the Regulations as may be in force at the relevant time subject to such terms and conditions as may be decided by the Board and subject further to the rules & regulations governing such issue.

23. **Acceptance of Shares**

An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member. The Director shall comply with the provisions of Sections 69, 70, 71, 72 and 73 of the Act in so far as they are applicable.

24. **Deposits and calls, etc. to be a debt payable immediately**

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, immediately, on the insertation of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt, due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

25. **Trusts not recognized**

Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holders of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of Competent jurisdiction or as by law required) be bound to recognise any benami, trust of equity or equitable, contingent, future, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provisions of Section 153 of the Act shall apply.

26. **Issue of Certificates of Shares to be governed by Section 84 of the Act etc.**

(a) The issue of certificates of shares or of duplicate or renewal of certificates of Shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any Stock Exchange where the shares of the Company may be listed for the time being.

(b) **Certificate of Shares**

The Certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorized persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.

(c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 84 of the Act.

27. **Limitation of time for issue of certificate**

(a) Every member shall be entitled, without payment, to one or more Certificate in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such Certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide. or within two months of the receipt of application of registration of transfer transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors may prescribe or approve provided that in respect of a Share or

Shares held jointly by several persons, the Company shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.

(b) The Company shall not entertain any application for split of share / debenture certificate for less than 10 (Ten) Equity Shares / 10 (Ten) debentures (all relating to the same series) in market lots as the case may be.

Provided however this restriction shall not apply to an application made by the existing members or debenture holders for split of share / debenture certificates with a view to make an odd lot holding into a marketable lot subject to verification by the Company.

(c) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where Shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulations) Act, 1956 as may be applicable.

28. **Issue of new Certificate in place of one defaced, lost or destroyed**
If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under these Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each Certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or Rules applicable in this behalf.

29. The provisions of these Articles shall mutatis mutandis apply to debentures of the Company.

UNDERWRITING COMMISSION AND BROKERAGE

30. **Power to pay certain commission and prohibition of payment of all other commission, discounts etc.**

(A) The Company may pay a commission to any person in consideration of:

(i) his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares in or debentures of the Company, subject to the restrictions specified in sub-section (4A) of Section 76 of the Act, or
(ii) his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in or debentures of the Company, if the following conditions are fulfilled, namely:

(a) the commission paid or agreed to be paid does not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debentures are issued;
(b) the amount or rate percent of the commission paid or agreed to be paid on shares or debentures offered to the public for subscription, is disclosed in the Prospectus, and in the case of shares or debentures not offered to the public for subscription, is disclosed in the Statement in lieu of Prospectus and filed before the payment of the commission with the Registrar, and where a circular or notice, not being a Prospectus invites subscription for the shares or debentures is issued is also disclosed in that circular or notice;
(c) the number of shares or debentures which such persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid and
(d) a copy of the contract for the payment of the commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.

(B) Save as aforesaid and save as provided in Section 75 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of:

(i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or ndebentures of the Company or;
(ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of ay property acquired by the Company or to the contract price of any work to be executed for the Company or the money be paid out of the nominal purchase money or contract price, or otherwise.

(C) Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.

(D) A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.

(E) The Commission may be paid or satisfied (subject to the provisions of the Act and these Artciles) in cash, or in shares, debentures or debenture-stocks of the Company.

CALLS

31. **Directors may make Calls**
The Directors may from time to time and subject to Section 91 of the Act and subject to the terms on which any shares / debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such Calls as they think fit upon the members / debenture holders in respect of all moneys unpaid on the shares / debentures held by them respectively and such members / debenture holders shall pay the amount of every Call so made on him to the persons and at the times and place appointed by the Directors. A Call may be made payable by installments. A Call may be postponed or revoked as the Board may determine. The option or right to Call of shares shall not be given to any of the person except with the sanction of the Issuer in general meeting.

32. **Calls to date from resolution**
A call shall be deemed to have been made at the time when the resolution of the Directors authorising such Call was passed and may be made payable by members / debenture holders on a subsequent day to be specified by the Directors.

33. **Notice of Call**
Thirty days notice in writing shall be given by the Company of every calls made payable otherwise than on allotment specifying the time and place of payment provided that before the time of payment of such call, the Directors may by notice in writing to the members / debenture holders revoke the same.

34. **Directors may extend time**
The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members / debenture holders who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member / debenture holder shall be entitled to such extension, save as a matter of grace and favour.

35. **Sums deemed to be Calls**
Any sum, which by the terms of issue of a share / debenture becomes payable on allotment or at any fixed date whether on account of the nominal value of the share / debenture 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 the same becomes payable, and in case of non-payment, 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.

36. **Installments on shares to be duly paid**
If by the condition of allotment of any shares the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

37. **Calls on shares of the same class to be made on uniform basis**
Where any calls for further Share Capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: For the purpose of this provision, shares of the same nominal value on which different amount have been paid up shall not be deemed to fall under the same class.

38. **Liability of joint holders of shares**
The joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.

39. **When interest on call or instalment payable**
If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due, shall pay interest as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to time of actual payment but the Directors may waive payment of such interest wholly or in part.

40. **Partial payment not to preclude forfeiture**
Neither a judgement nor a degree in favour 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.

41. **Proof on trial of suits for money due on shares**
On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due of the shares in respect of which such money is sought to be recovered, and that the resolution making the call is duly recorded in the Minutes Book; and that the notice of such call was duly given to the member or his representatives, sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such calls nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

42. **Payment in anticipation of calls may carry Interest**
(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the money due upon the shares held by him beyond the sum actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced.

(b) The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

43. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

LIEN

44. **Company’s lien on Shares/Debentures**

The Company shall have first and paramount lien upon all the shares / debentures (other than fully paid up shares / debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares / debentures and no equitable interest in any shares / debentures shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares / debentures. Unless otherwise agreed the registration of a transfer of shares / debentures shall operate as a waiver of the Company's lien if any on such shares / debentures. The Directors may at any time declare any shares / debentures wholly or in part to be exempt from the provisions of this Clause.

45. **As to enforcing lien by sale**

For the purpose of enforcing such lien, the Board may sell the shares / debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and / or debentures and may authorize one of their member or appoint any officer or agent to execute a transfer thereof on behalf of and in the name of such member / debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and / or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

46. (a) **Application of proceeds of sale**

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and / or debentures at the date of the sale.

(b) **Outsiders lien not to affect Company’s lien**

The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a Court of Competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

FORFEITURE

47. (a) **If call or instalment not paid notice must be given**

If any member or debenture holder fails to pay the whole or any part of any call or installment or any money due in respect of any shares or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.

(b) **Form of Notice**

The notice shall name a day not being less than One Month from the date of the notice and a place or places, on and at which such call, or instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or instalment or such part or other moneys is or are payable will be liable to be forfeited.

48. **In default of payment shares or debentures to be forfeited**

If the requirements of any such notice as aforesaid are not complied with any share / debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company, in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actual paid before the forfeiture.

49. **Entry of forfeiture in Register of members/debenture holders**
When any shares / debentures shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members or Debenture Holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

50. **Forfeited share/debenture to be property of Company and may be sold**
Any share or debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.

51. **Power to annual forfeiture**
The Directors may, at any time, before any share or debenture so forfeited shall have been sold, re-allotted or otherwise disposed of, annual forfeiture thereof upon such conditions as they think fit.

52. **Shareholders or Debenture holders still liable to pay money owing at time of forfeiture and interest**
Any member or debenture holder whose shares or debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, interest, expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.

53. **Effect of forfeiture**
The forfeiture of a share or debenture shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share or debenture, except only such of those rights as by these Articles are expressly saved.

54. **Certificate of forfeiture**
A certificate in writing under the hand of one Director and counter signed by the Secretary or any other officer authorized by the Directors for the purpose, that the call in respect of a share or debenture was made and notice thereof given and that default in payment of the call was made and that forfeiture of the share or debenture was made by the resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.

55. **Validity of sales under Articles 45 and 50**
Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of Members or Register of Debenture Holders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of Members or Debenture Holders in respect of such shares or debentures the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.

56. **Cancellation of share/debenture Certificate in respect of forfeited shares/debentures**
Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member or debenture holder) stand cancelled and become null and void and be of no effect, and the Directors shall be entitled to issue a duplicate certificate/s in respect of the said shares or debentures to the person/s entitled thereto.

57. **Title of purchaser and allottee of forfeited shares/debentures**
The Company may receive the consideration, if any, given for the share or debenture on any sale, re-allotment or other disposition thereof, and the person to whom such share or debenture is sold, re-allotted or disposed of may be registered as the holder of the share or debenture and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share or debenture.

58. **Surrender of Shares or Debentures**
The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debenture holder desirous of surrendering them on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

59. **Register of Transfers**
The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

60. **Form of Transfer**
The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, 1956 and statutory modification thereof for the time being shall be duly compiled with in respect of all transfer of shares and registration thereof.

60A. **Dematerialization of Securities**

(1) The provisions of this Article shall apply notwithstanding any thing to the contrary contained in any other Article of these Articles.

(2) (i) The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.

(ii) Option for Investors:
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 security 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.
If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security.

(iii) Securities in Depository to be in fungible form:-
All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.
Nothing contained in Sections 153, 153A, 153B, 187B, 187C & 372A of the Act shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

(iv) Rights of Depositories & Beneficial Owners:-

(a) Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(c) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

(v) Service of Documents:-
Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

(vi) Transfer of Securities:-
Nothing contained in Section 108 of the Act, shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(vii) Allotment of Securities dealt with in a depository:-
Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(viii) Register and Index of Members:-
The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

61. **Instrument of transfer to be executed by transferor and transfere**
Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

62. **Directors may refuse to register transfer**

(a) Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion any by giving reasons, decline to register of acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either; alone or jointly with any account whatsoever except when the company has lien the shares. Transfer of shares/debentures in whatever lot shall not be refused.

(b) Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of or the transmission on legal documents by operation of law of the rights to, any shares or interest of a member in, any shares or debentures of the Company.

63. **Transfer of Shares**

(a) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of Members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

(b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.

(c) It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company along with the certificate relating to the shares and if no such certificate is in existence, along with the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.

(d) Nothing in clause (c) above shall prejudice any power of the Company to register as share holder any person to whom the right to any share has been transmitted by operation of law.

(e) The Company shall accept all applications for transfer of shares / debentures, however, this condition shall not apply to requests received by the Company.

(A) for splitting of a share or debenture certificate into several scripts of very small denominations;
(B) proposals for transfer of shares / debentures comprised in a share / debenture certificate to several parties involving, splitting of a share / debenture certificate into small denominations and that such split / transfer appears to be unreasonable or without any genuine need.

(i) transfer of equity shares / debentures made in pursuance of any statutory provisions or an order of a Competent Court of law;
(ii) the transfer of the entire equity shares / debentures by an existing shareholder / debenture holder of the Company holding under one folio less than 10 (ten) Equity Shares or 10 (ten) Debentures (all relating to the same series) less than in market lots by a single transfer to a single or joint transferee.
(iii) the transfer of not less than 10 (ten) Equity shares or 10 (ten) Debentures (all relating to the same series) in favour of the same transferee(s) under two or more transfer deeds, out of which one or more relate(s) to the transfer of less than 10 (ten) Equity Shares / 10 (ten) debentures.
(iv) the transfer of less than 10 (ten) Equity Shares or 10 (ten) Debentures (all relating to the same series) to the existing share holder / debenture holder subject to verification by the Company.

Provided that the Board may in its absolute discretion waive the aforesaid conditions in a fit and proper case(s) and the decision of the Board shall be final in such case(s).

(f) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.

64. **Custody of Instrument of transfer**
The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

65. **Transfer books and Register of members when closed**
The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year.

66. **Transfer to Minors, etc.**
Only fully paid shares or debentures shall be transferred to a minor acting through his / her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.

67. **Title to shares of deceased holder**

The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or the legal representatives unless they shall have first obtained probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary under Article 70 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

68. (a) **Registration of persons entitled to share otherwise than by transfer**

Subject to the provisions of Articles 67 and 77(d), any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

(b) A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.

(c) **Nomination**

(1) Every Shareholder or Debenture holder or Deposit holder of the Company, may at any time, nominate a person to whom his Shares or Debentures or Deposit shall vest in the event of his death in such manner as may be prescribed under the Act.

(2) Where the Shares or Debentures or Deposits of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the Shares or Debentures or Deposits as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under Section 58A (11) and 109A of the Act.

(3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the Shares or Debentures or Deposits, the nominee shall, on the death of the Shareholder or Debenture holder or Deposit holder, as the case may be on the death of the joint holders become entitled to all the rights in such Shares or Debentures or Deposits as the case may be, all the joint holders, in relation to such Shares or Debentures or Deposits, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

(4) Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures or Deposits, to make the nomination to appoint any person to become entitled to Share in, or Debentures or Deposits of, the Company, in the manner prescribed under the Act, in the event of his death, during the minority.

(d) **Transmission of Shares or Debentures**

(1) A nominee, upon production of such evidence as may be required by the Board and subject to provisions of Section 109B of the Act and as hereinafter provided, elect, either –

(a) to register himself as holder of the Share or Debenture, as the case may be; or

(b) to make such transfer of the Share or Debenture, as the deceased Shareholder or Debenture holder, as the case may be, could have made.

(2) if the nominee elects to be registered as holder of the Share or Debenture himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Shareholder or Debenture holder, as the case may be.

(3) a nominee shall be entitled to the share dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture. Provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.

provided further that Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or Debenture, 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 or Debenture, until the requirements of the notice have been complied with.

69. **Claimant to be entitled to same advantage**
The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares 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 the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board may thereafter with hold payment of all dividends, interest, bonuses or other moneys payable in respect of the share unit the requirements of the notice have been complied with.

70. **Persons entitled may receive dividend without being registered as member**
A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share / debenture.

71. Article 70 shall not prejudice the provisions of Articles 44 and 55.

72. **Refusal to register nominee**
The Directors shall have the same right to refuse on legal ground to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

73. **Directors may require evidence of transmission**
Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

74. **No fee on transfer or transmission**
No fees shall be charged for registration of transfer transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death of Marriage, Power of Attorney or similar other document.

75. **The Company not liable for disregard of a notice prohibiting registration of transfer**
The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right,

title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give affect thereto if the Directors shall so think fit.

76. The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law, of debentures of the Company.

JOINT HOLDERS

77. **Joint Holders**

Where two or more persons are registered as the holders of any shares / debentures, 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) **No transfer to more than four persons as joint holders**

The joint holders of any share / debenture shall be liable severally four persons as the holders of any share / debentures.

(b) **Transfer by joint holders**

In the case of a transfer of shares / debentures held by joint holders, the transfer will be effective only if it is made by all the joint holders.

(c) **Liability of joint holders**

The joint holders of any share / debenture shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share / debenture.

(d) **Death of one or more joint holders**

On the death of any one or more of such joint holders the survivor / survivors shall be the only person or persons recognised by the Company as having any title to the share / debenture, 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 / debentures held by him jointly with any other person.

(e) **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 / debenture.

(f) **Delivery of certificate and giving of notice to first named holder**

Only the person whose name stands first in the Register of Members / debenture holders as one of the joint holders of any shares / debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice which expression shall be deemed to include all documents as defined in Article (2)(a) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.

(g) **Votes 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 share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by Attorney or by proxy although the name of such joint holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares.

(ii) 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.

BORROWING POWERS

78. **Restriction on powers of the Board**

The Board of Directors shall not, except with the consent of the Company in General Meeting and subject to Article 172 of the Articles of Association of the Company :

(a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking.

(b) remit, or give time for the repayment of any debt due by a Director.

(c) invest, otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition alter the commencement of this Act, of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it can not be carried on or can be carried on only with difficulty or only after a considerable time.

(d) borrow monies where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

(e) contribute, to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent, of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial year immediately preceding, whichever is greater.

Explanation: Every resolution passed by the Company in General Meeting in relation to the exercise of the power referred to in clause (d) or in clause (e) shall specify the total amount upto which money may be borrowed by the Board of Directors under clause (d) or as the case may be, the total amount which may be contributed to charitable and other funds in any financial year under clause (e).

79. **Conditions on which money may be borrrowed**
The Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture stocks or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled Capital for the time being.

80. **Bonds, debenture, etc. to be subject to the control of Directors**
Any bonds, debentures, debenture stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.
Provided that bonds, debentures, debenture stocks or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution.

81. **Securities may be assignable free from equities**
Debentures, debenture stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

82. **Issue at discount etc. or with special privileges**
Any bonds, debenture stocks, or other securities may be issued, subject to the provisions of the Act, at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, appointment of Directors and otherwise and subject to the following :

(a) **Debentures with voting rights not to be issued**

The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.

(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.

(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.

(d) Certain charges mentioned in Section 125 of the Act shall be void against the liquidators or creditors unless registered as provided in section 125 of the Act.

(e) The term 'charge' shall include mortgage in these Articles.

(f) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree for specific performance.

(g) **Limitation of time for issue of certificate**
The Company shall, within three months after the allotment of any of its debentures or debenture stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks have complete and have ready for delivery the Certificate of all the debentures and the Certificates of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture stocks otherwise provide.

The expression 'transfer' for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

(h) **Right to obtain copes of the Inspect Trust Deed**

(i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment.

(1) In the case of a printed Trust Deed of the sum of Rupee One and

(2) In the case of a Trust Deed which has not been printed of thirty seven paise for every one hundred words or fractional part thereof required to be copied.

(ii) The Trust Deed referred to in item (i) above shall also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of Members of the Company.

83. **Mortgage of uncalled capital**
If any uncalled Capital of the Company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled Capital in trust for the person in whose favour such mortgage or security is executed.

84. **Indemnity may be given**
If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

85. **Registration of charges**

(a) The provisions of the Act relating to registration of charges shall be complied with.

(b) In the case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 125 of the Act shall also be complied with.

(c) Where a charge is created in India but comprises property outside India, the instrument creating or purporting to create the charge under Section 125 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 125 of the Act.

(d) Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered any persons acquiring such property or any part thereof or any share as interest therein shall be deemed to have notice of the charge as from the date of such registration.

(e) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of the Act shall be complied with.

(f) The Company shall comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holders pari passu.

(g) The Company shall comply with the provisions of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.

(h) The Provisions of Section 133 of the Act as to endorsement of Certificate of registration on debenture or Certificate of debenture stock shall be complied with by the Company.

(i) The Company shall comply with the provisions of Section 134 of the Act as regards registration of particulars of every charge and of every series of debentures.

(j) As to modification of charges, the Company shall comply with the provisions of Section 135 of the Act.

(k) The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creating charge at the registered office of the Company and comply with the provisions of Section 137 of the Act in regard to entering in the register of charges any appointment of Receiver or Managers as therein provided.

(l) The Company shall also comply with the provisions of section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.

(m) The Company shall keep at its registered office a Register of charges and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the company giving in each case :

   (i) a short description of the property charged;
   (ii) the amount of the charge; and
   (iii) except in the case of securities to bearer, the names of persons entitled to the charge.

(n) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of charges in accordance with and subject to the provisions of Section 144 of the Act.

86. **Trust not recognized**
No notice of any trust, express or implied or constructive, shall be entered on the Register of Debenture holders.

SHARE WARRANTS

87. **Power to issue share warrants**
The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 and accordingly, the Board may, in its discretion, with respect to any share which is fully paid upon application in writing signed by the persons registered as holder of the share and authenticated by

such evidence (if any) as the Board may from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the share and the amount of the stamp duty on the warrant and such fee as the board may from time to time require issue a share warrant.

88. **Deposit of share warrant**

(a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of the member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of Members as the holder of the share included in the deposited warrant.

(b) Not more than one person shall be recognised as depositor of the share warrant.

(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.

89. **Privileges and disabilities of the holders of share warrant**

(a) Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any of privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant, and he shall be a member of the Company.

90. **Issue of new share warrant or coupon**

The Board may, from time to time, make rules as to the ters on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

91. **Shares may be converted into stock**

The Company in general meeting may convert any paid up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid up shares of any denomination.

92. **Rights of stock holders**

The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantage (except participation in the dividends and profit 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 privileges or advantages.

GENERAL MEETINGS

93. **Annual General Meeting**

Subject to the provisions contained in Sections 166 and 210 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the Notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Provided that if the Registrar for any special reason extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period.

Summary of Annual General Meeting

The Company may in any one general meeting fix the place for its any annual general meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the

Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor. At every annual general meeting of the Company, there shall be laid on the table, the Director's Report the audited statements of accounts and auditor's report (if any, not already incorporated in the audited statement of accounts). The proxy registered with the Company and Register of Director's Share holdings of which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to prepare the Annual list of members, summary of Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

94. **Time and place of Annual General Meeting**
Every annual general meeting shall be called at any time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate, and the notice calling the meeting shall specify it as the annual general meeting.

95. **Sections 171 to 186 of the Act sball apply to meetings**
Sections 171 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed shall apply with respect to meetings of any class of members or debenture holders of the Company in like manner as they apply with respect to general meetings of the Company.

96. **Powers of Directors to call Extraordinary General Meeting**
The Directors may call an extraordinary general meeting of the Company whenever they think fit.

97. **Calling of Extraordinary General Meeting on requisition**

(a) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extraordinary general meeting of the Company.

(b) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company.

(c) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

(d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less then one tenth of such of the paid up share capital of the Company as at that date carried the right of voting in regard to that matter.

(e) Where two or more distinct matters are specified in the requisition the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.

(f) If the Board does not, within twenty one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called:

(i) by the requisitionists themselves;
(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or note less than one tenth of such of the paid-up share capital of the Company as is referred to in clause (d) above, whichever is less.

Explanation: For the purpose of this clause, the Board shall in the case of a meeting at which resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section 189 of the Act.

(g) A meeting, called under clause (f) above, by the requisitionists or any of them:

(i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board; but

(ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.

Explanation: Nothing in clause (g) (ii) above, shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.

(h) Where two or more persons hold any shares or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some of them shall, for the purpose of this Article, have the same force and effect as if it had been signed by all of them.

(i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

98. **Length of notice for calling meeting**

(a) A general meeting of the Company may be called by giving not less than twenty one days' notice in writing.

(b) A general meeting of the Company may be called after giving shorter notice than that specified in clause (a) above, if consent is accorded thereto;

(i) in the case of an annual general meeting by all the members entitled to vote thereat; and
(ii) in the case of any other meeting, by members of the Company holding not less than 95 (ninety five) per sent of such part of the paid up capital of the Company as gives a right to vote at the meeting;

Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.

99. **Contents and manner of service of notice and persons on whom it is to be served**

(a) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(b) Notice of every meeting of the Company shall be given :

(i) to every member of the Company, in any manner authorized by sub-sections (1) to (4) of Section 53 of the Act;
(ii) to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title or representatives of the deceased or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occured;
(iii) to the Auditor or Auditors for the time being of the Company in any manner authorized by Section 53 of the Act in the case of any member of members of the Company and
(iv) to all the Directors of the Company

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(c) The accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

100. **Explanatory statem,ent to be annexed to notice**

(A) For the purpose of this Article:

(i) in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to

(a) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors.
(b) the declaration of a dividend;
(c) the appointment of Directors in the place of those retiring, and
(d) the appoint of and the fixing of the remuneration of the auditors, and

(ii) in the case of any other meetings, all business shall be deemed special.

(B) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern or interest, if any, therein of every Director, and the manager, if any.

Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates, to or affects, any other Company, the extent of shareholding interest in that other Company of any such person shall be set out in the circumstances specified in the proviso to sub-section (2) of Section 173 of the Act.

(C) Where any item of business consist of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.

101. (a) **Quorum for Meeting**
Five members personally present shall be the quorum for a general meeting of the company.

(b) **If quorum not present meeting to be dissolved or adjourned**

(i) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand dissolved.
(ii) In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place, as the Board may determine.

(c) **Adjourned meeting to transact business**
If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.

102. (a) **Presence of quorum**
No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.

(b) **Business confined to election of chairman whilst chair vacant**
No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.

(c) **Chairman of General Meeting**

(i) The chairman of the Board of Directors shall be entitled to take the chair at every general meeting. If there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Directors present be willing to take the chair, the members present shall choose one of the themselves to be the Chairman.
(ii) If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice Chairman of the Board or by a Director at the expiration of 15 (fifteen)

minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their members to be the Chairman of the meeting.

(d) **Chairman with consent may adjourn the meeting**
The Chairman with the consent of the meeting may adjourn any meeting from time to time and place to place in the city, town or village where the registered office of the Company is situate.

(e) **Business at adjourned meeting**
No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

(f) **Notice of adjourned meeting**
When a meeting is adjourned only for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting.

(g) **In what cases poll taken with or without adjorurnment**
Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith, save as aforesaid, any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

103. **Proxies**

(a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in the case of joint holders all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting.

Provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.

(b) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.

(c) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty eight) hours before the meeting in order that the appointment may be effective thereat.

(d) The instrument appointing a proxy shall:

(i) be in writing, and
(ii) be signed by the appointer or his attorney duly authorized in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

(e) **Form of Proxy**
Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form.

(f) An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by these Articles.

(g) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.

VOTES OF MEMBERS

104. **Restrictions on exercise of voting rights of members who have not paid calls**

(a) No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.

(b) Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 187 B of the Act.

105. **Restriction on exercise of voting right in other cases to be void**

A member is not prohibited for exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 104.

106. **Equal rights of shareholders**

Any shareholder whose name is entered in the Register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

107. **Voting to be by show of hands in first instance**

At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands.

108. (a) Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

(b) **No voting by proxy on show of hands**

No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorized under Sections 187 or 187A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.

(c) **How members non compos minutes 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 poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

(d) **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 satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

(e) **Custody of Instrument**

If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(f) **Validity of votes given by proxy notwithstanding death of members etc.**

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.

(g) **Time for objections for vote**
No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose of such meeting or poll whatsoever.

(h) **Chairman of any meeting to be the judge of any vote**
The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

109. **Chairman's declaration of result of voting by show of hands to be conclusive**
A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

110. **Demand for poll**

(a) Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up.

(b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

111. **Time of taking poll**

(a) A poll demanded on a question of adjournment shall be taken forthwith.

(b) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

112. **Right of a member to use his votes differently**
On a poll taken at a meeting of the Company a member or other person entitled to vote for him as the case may be, need not, if he votes, use, all his votes or cast in the same way all the votes he uses.

113. **Scrutineers at poll**

(a) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.

(b) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.

(c) Of the two scrutineers appointed under this article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

114. **Manner of taking poll and result thereof**

(a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

115. **Casting Vote**

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

116. **Representation of Body Corporate**
A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 187 of the Act authorize such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

117. **Representation of the President of India or Governors**
(a) The President of India or the Governor of a State if he is a member of the Company may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 187A of the Act or any other statutory provision governing the same.

(b) A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the President or as the case may be the Governor could exercise, as a member of the Company.

(c) The Company shall observe the provisions of Section 187B of the Act, in regard to the Public Trustee.

118. **Circulation of member's resolution**
The Company shall comply with provisions of Section 188 of the Act, relating to circulation of member's resolution.

119. **Resolution requiring special notice**
The Company shall comply with provisions of Section 190 of the Act relating to resolution requiring special notice.

120. **Resolutions passed at adjourned meeting**
The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

121. **Registration of resolutions and agreements**
The Company shall comply with the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.

122. **Minutes of proceedings of general meeting and of Board and other meetings**
(a) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.

(b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :

(i) in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
(ii) in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.

(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(e) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(f) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:
    (i) the names of the Directors present at the meetings, and
    (ii) in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.

(g) Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:

    (i) is or could reasonably be regarded, as defamatory of any person
    (ii) is irrelevant or immaterial to the proceedings; or
    (iii) in detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

(h) The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

123. **Presumptions to be drawn where minutes duly drawn and signed**
Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken placed and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

124. **Inspection of Minutes Books of General Meetings**
(a) The books containing the minutes of the proceedings of any general meeting of the Company shall;

    (i) be kept at the registered office of the Company, and
    (ii) be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

(b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of thirty seven paise for every one hundred words or fractional part thereof required to be copied.

125. **Publication of reports of proceedings of General Meetings**
No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

MANAGERIAL PERSONNEL

126. **Managerial Personnel**
The Company shall duly observe the provisions of Section 197A of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

BOARD OF DIRECTORS

127. **Number of Directors**
Unless otherwise determined by the Company in General Meeting the number of Directors shall not be less than three and not more than twelve.

129. **Appointment of Senior Executives as Wholetime Directors**
(a) Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any Senior Executive of the Company as a Wholetime Director of the Company for such period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:

(i) He shall be liable to retire by rotation as provided in the Act but shall be eligible for reappointment. His reappointment as a Director shall not constitute a break in his appointment as Wholetime Director.
(ii) He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation.
(iii) He shall cease to be a Director of the Company on the happening of any event specified in Section 283 and 314(2C) of the Act. He shall cease to be a Director of the Company, if for any reason whatsoever he ceases to hold the position of Senior Executive in the Company or ceases to be in the employment of the Company.
(iv) Subject to what is stated herein above he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by the Managing Director/s and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and/or stipulations as the Managing Director/s and / or the Board may, from time to time determine.

(b) Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any of such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such wholetime directors.

130. **Debenture Directors**
Any Trust Deed for securing debentures or debenture stocks, may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture stocks, of some person or persons to be a Director or Directors of the Company and may empower such Trustees or holders of debentures or debenture stocks from time to time, to remove and reappoint any Director/s so appointed. The Director/s so appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director(s) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

131. **Nominee Director**
Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company as a result of underwriting or by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors wholetime or non-wholetime (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.

Provided that if any such Nominee Director/s is an Officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India, the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Provided also that in the event of the Nominee Director/s being appointed as Wholetime Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a wholetime Director in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

132. **Special Directors**

(a) In connection with any collaboration arrangement with any Company or Corporation or firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorize such Company, Corporation, firm or person (hereinafter in this clause referred to as “Collaborator”) to appoint from time to time any person or persons as Director or Directors of the Company (hereinafter referred to as “Special Director”) and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agree upon between the Company and such Collaborator under the collaboration arrangements or at any time thereafter.

(b) The collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by the such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

(c) It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as a Director(s) and so that if more than one Collaborator is so entitled there may at any time be as many Special Directors as the Collaborators eligible to make appointment.

133. Subject to the provisions of Section 255 of the Act, the number of Directors appointed under Articles 130 and 131 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

134. **Appoitnment of Alternate Director**

(a) The Board of Directors of the Company 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 the State in which meeting of the Board are ordinarily held.

(b) An alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State in which meeting of the Board are ordinarily held.

(c) If the term of office of the Original Director is determined before he returns to the State aforesaid any provision for the automatic reappointment of retiring directors in default of another appointment shall apply to the original and not to the alternate director.

135. **Appointment of Additional Directors**

Subject to the provisions of Section 260 of the Act, the Board of Directors shall have power at any time to appoint any person as an additional Director to the Board, but so that the total number of Directors shall not exceed the maximum number fixed by these Articles. Any Director so appointed shall hold the office only upto the next annual general meeting of the Company and shall then be eligible for re-appointment.

136. **Appointment of Director to fill the casual vacancy**

(a) Subject to the provisions of Section 262 of the Act, 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 in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and 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 as aforesaid but he shall then be eligible for re-election.

(b) **Individual resolution for directors appointment**

At a general meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. Resolution moved in contravention of this Article shall be void whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed no provision for the automatic reappointment of retiring direction by virtue of these Articles and the Act in default of another appointment shall apply.

137. **Appointment of Chairman**

The Directors may from time to time elect among themselves a chairman of the Board and determine the period for which he is to hold office if at any meeting of the Board, the chairman is not present within fifteen minutes after the time appointed for holding the same, the directors present may choose one of their members to be chairman of the meeting.

138. **Qualification of Director**

A Director need not hold any shares in the Company to qualify him for the office of a Director of the Company.

139. **Remuneration of Directors**

(a) Subject to the provisions of the Act, a Managing Director or a Director who is in the wholetime employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(b) Subject to the provisions of the Act, a Director, who is neither in the wholetime employment nor a Managing Director may be paid remuneration either :

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or

(ii) by way of commission if the Company by a special resolution has authorized such payment.

(c) The fee payable to Directors (other than Managing or Wholetime Director, if any) for attending each meeting of the Board of Committee thereof shall be such sum as may prescribed by the Act or the Central Government from time to time.

140. **Travelling and other expenses**

The Board may allow and pay to any Director for the purpose of attending a meeting such sum either as fixed allowance and/or actual as the Board may consider fair compensation for travelling, board and lodging and incidental and/or such actual out of pocket expenses incurred by such Director in addition to his fees, for attending such meeting to and from the place at which the meetings of the Board or Committees thereof or general meetings of the Company are held from time to time or any other place at which the Director executes his duties.

141. **Remuneration for extra services**

If any Director, being willing shall be called upon to perform extra services or to take any special exertions for any of the purposes of the Company and in that event the Company may, subject to the provision of the Act, remunerate such Director either by a fixed sum or by a percentage of profit or otherwise, as may be determined by the Directors but not exceeding that permitted under Section 309 of the Act and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

142. (a) **Increase in remuneration of Directors to require Government santion**

Any provision relating to the remuneration of any Director including a Managing or Joint Managing or Wholetime Director or any amendment thereof, which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, whether that provision is contained in the Company's Memorandum or there Articles, or in an agreement entered into by it, or any resolution, passed by the Company in general meeting or by the Board of Directors, shall not have any effect unless approved by the Central Government and the amendment shall become void if, and in so far as, it is disapproved by the Government.

(b) **Increase in remuneration of Managing Director on re-appointment or appointment**

If the terms of any re-appointment of a Managing or Joint Managing or Wholetime Director, purport to increase or have the effect of increasing, whether directly or indirectly, the remuneration which the Managing or Joint Managing or Wholetime Director, as the case may be was receiving immediately before such reappointment or appointment shall not have any effect unless approved by the Central Government, and shall become void if, and in so far as, it is disapproved by the Government.

143. **Directors not to act when number falls below minimum**

When the number of Directors in Office falls below the minimum above fixed, the Directors, shall not act except in emergencies or for the purpose of filling up vacancies or for summoning a general meeting of the Company and so long as the number is below the minimum they may so act notwithstanding the absence of the necessary quorum.

144. **Eligibility**

A Person shall not be capable of being appointed a Director if he has the disqualifications referred to in Section 274 of the Act.

145. **Directors vacating Office**

(a) The Office of a Director shall become vacant if :

(i) he is found to be of unsound mind by a Court of competent jurisdication.
(ii) he applied to be adjudicated an insolvent;
(iii) he is adjudged an insolvent;
(iv) he is convicted by a Court, of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;
(v) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;
(vi) he absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;
(vii) he, whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act;
(viii) he acts in contravention of Section 299 of the Act;
(ix) he becomes disqualified by an order of court under Section 203 of the Act;
(x) he is removed in pursuance of Section 284 of the Act;
(xi) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
(xii) he resigns his office by notice in writing given to the Company.

(b) Notwithstanding anything in sub-clauses (iii), (iv) and (v) of clause (a) above, the disqualifications referred to in these sub-clauses shall not taken effect;

(i) for thirty days from the date of the adjudication, sentence or order;
(ii) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off, or
(iii) where within the seven days aforesaid, any further appeal, or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

146. **Removal of Directors**

(a) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any director other than ex-officio directors or special directors or debenture directors or a nominee director or a director appointed by the Central Government in pursuance of Section 408 of the Act, before the expiry of his period of office.

(b) Special notice as provided by Section 190 of the Act shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.

(c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a Copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

(d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company the Company shall unless the representations are received by it too late for it do so.

(i) in the notice of the resolution given to members of the Company state the fact of the representations having been made, and
(ii) send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representations, is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard

orally) require that the representations be read out at the meeting, provided that copies of the representations need not be sent or read out at the meeting if so directed by the Court.

(e) A vacancy created by the removal of a Director under this Article may, if he had been appointed in pursuance of Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(f) If the vacancy is not filled under clause (a), it may be filled as usual vacancy in accordance with the provisions, in so far as they may be applicable, if Section 262 of the Act, and all the provisions of that Section shall apply accordingly;

Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(g) Nothing contained in this Article shall be taken:

(i) as depriving a person removed there under of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as director; or
(ii) as derogating from any power to remove a Director which may exist apart from this Article.

147. **Directors may contract with the Company**

(a) Subject to the restrictions imposed by these Articles and by Sections 292, 293, 294, 295, 297, 300, 311, 370 and 373 and any other provisions of the Act, no Director, Managing Director, or other Officer or employee of the Company shall be disqualified from holding his office by contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director, Managing Director, Joint Managing Director, Executive Director other officer or employee shall be in any way interested, be avoided, nor shall the Director, Managing Director or any officer or employee so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director, Managing Director, Officer or employee holding that office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with the provisions of Section 299 of the Act where that section be applicable.

(b) In accordance with Section 300 of the Act, no Director shall, as a Director, vote or take part in any discussion in respect of any contract or arrangement in which he is interested and if he does so vote, his vote shall be void nor shall his presence count for the purpose of forming the quorum at the time of any such discussion or vote.

Provided that the above prohibition or restriction shall not apply to the extent or under the circumstances mentioned in sub-section (2) of Section 300 of the Act.

(c) A general notice such as is referred to in sub-section (3) of Section 299 of the Act shall be sufficient disclosure under this Article as provided in that Section.

148. **Directors may be directors of companies promoted by the Company**

A Director, Managing Director, Officer or employee of the Company may be, or become a director, of any Company promoted by the Company or in which it may be interested as a vendor, member or otherwise, and no such director shall be accountable for any benefits received as director or member of such company except to the extend and under the circumstances as may be provided in the Act.

149. **Duty of Directors, etc. to make disclosure**

(a) Every Director (including a person deemed to be a Director by virtue of the explanation to sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company, who is appointed to or relinquishes the office of Director, Managing Director, Manager or Secretary of any other body corporate shall, within twenty days of his appointment or relinquishment of such office, as the case may be, disclose to the Company aforesaid the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

(b) Every Director of the Company and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act and every other person referred to in sub-section (11) of Section 307 of the Act, shall give notice to the Company of such matters as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section and Section 308 of the Act.

150. **Directors, etc. not to hold office or place of profit**

The provisions of Section 314 of the Act shall be complied with when applicable in regard to holding of office or place of profit under the Company or under any subsidiary of the Company by any person mentioned in the said section. The words office or place of profit shall have the meaning assigned to them by Section 314 of the Act.

151. **Loans to Directors**

The Company shall observe the restrictions imposed on the Company in regard to granting of loans to Directors and other persons as provided in Section 295 and other applicable provisions, if any of the Act.

152. **Appointment of Sole Selling Agents**

(a) The appointment, re-appointment and extension of the term of a Sole Selling Agent, shall be regulated in accordance with the provisions of Section 294 of the Act and any rules or Notifications issued by competent authority in accordance with that section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such Rules or Notification, if any as may be applicable.

(b) The payment of any compensation to a Sole Selling Agent shall be subject to the provisions under Section 294A of the Act.

153. **Board resolution at a meeting necessary for certain contract**

(a) Except with the consent of the Board of Directors of the Company and with the previous approval of the Central Government a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company;

(i) for the sale, purchase or supply of any goods materials or services, or
(ii) for underwriting the subscription of any shares in, or debentures of the Company.

(b) Nothing contained in the foregoing sub-clause (a) shall affect:

(i) the purchase of goods and materials from the Company or the sale of goods and materials to the Company, by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other side for sale, purchase, or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company as the case may be, regularly trades or does business :

Provided that such contract or contacts do not relate to goods and materials the value of which, or service cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

(c) Notwithstanding anything contained in the foregoing sub-clause (a) and (b) a Director, relative, firm, partner of private company as aforesaid, may in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods, materials or services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which contract was entered into.

(d) Every consent of the Board required under this clause shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under sub-clause (a) above shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.

(e) If consent is not accorded to any contract under this clause, anything done in pursuance of the contract shall be voidable at the option of the Board.

(f) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

(g) The Company shall also comply with such other provision of Section 297 of the Act, as may be applicable.

ROTATION OF DIRECTORS

154. **Rotation of Directors**

Not less than two thirds of the total number of Directors shall

(a) be persons whose period of office is liable to determination by retirement of Directors by rotation, and

(b) save as otherwise expressly provided in the Act, be appointed by the Company in general meeting.

The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company, in general meeting.

155. **Ascertainment of Directors retiring by rotation and filling up vacancies**

(a) At every annual general meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearer to one-third, shall retire from office.

(b) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.

(c) At the annual general meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

(d) (i) If the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(ii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless

(1) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;

(2) the retiring Director has, by a notice, in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

(3) he is not qualified or is disqualified for appointment;

(4) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or

(e) The proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

Explanation: In this Article and Article 156 the expression "Retiring Director" means Director retiring by rotation.

156. **Right of persons other than retiring Directors to stand for Directorship**

(a) A person who is not a retiring Director shall, in accordance with Section 257 of the Act and subject to the provisions of the Act, be eligible for appointment to the office of Director at any general meeting if he or some member or members intending to propose him has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of director or the intention of such member or members to propose him as a candidate for that office, as the case may be along with a deposit of such sum as may be prescribed by the Act, or the Central Government from time to time which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.

(b) The Company shall inform its members of the candidature of a person for the office of director or the intention of a member(s) to propose a person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting in the manner provided under Section 257 of the Act.

157. **Consent of candidate for Directorship to be filed with the Registrar**

Every person who is proposed as a candidate for the office of Director of the Company shall sign and file with the Company and with the Registrar, his consent in writing to act as a Director, if appointed, in accordance with the provisions of Section 264 of the Act in so far as they may be applicable.

PROCEEDINGS OF DIRECTORS

158. **Meeting of Directors**

The directors may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that meetings of the Board which had been called in compliance with the terms herein mentioned could not be held for want of quorum.

159. **When meeting to be convened**

Any Director of the Company may and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

160. **Directors entitled to notice**

Notice of every meeting of the Board of the Company shall be given in writing to every Director for the time being in India and at his usual address in India.

161. **Question at Board Meeting how decided**

Question arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, in his absence the Vice Chairman or the Director presiding shall have a second or casting vote.

162. **Who to preside at meetings of the Board**

(a) The Directors may elect a Chairman of their meeting and determine the period for which he is to hold office. The Directors may also appoint a Vice Chairman of the Board of Directors to preside at the meetings of the Board of Directors at which the Chairman shall not be present and determine the period for which he is to hold office.

(b) All the meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same, the Vice Chairman, if present, shall preside and if he be not present at such time then and in that case the Directors shall choose one of the Directors then present to preside at the meeting.

163. **Quorum at Board Meeting**

(a) The quorum at a meeting of the Directors shall be as prescribed by Section 287 of the Act.

(b) Quorum competent to exercise power

A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations or the Articles of the Company for the time being vested in or exercisable by the Directors generally.

(c) Procedure in case of want of quorum

If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a Public Holiday, till the next succeeding day which is not a public holiday, at the same time and place.

164. **Directors may appointment committee**

Subject to the provisions of Section 292 and other provisions of the Act and Article 165 the Directors may delegate all or any of their powers to committees consisting of such member or members of their body as they think fit, and they may, from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes, but every Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of their appointments but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of that body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.

165. **Resolution by circular**
Subject to the provisions of Section 289 of the Act, a resolution passed without any meeting of Directors, or of a Committee of Directors appointed under these Articles and evidenced by writing under the hands of all the Directors or members of such Committee as aforesaid, for the time being in India, be as valid and effectual as a resolution duly passed at a meeting of the Directors or of such committee called and held in accordance with the provisions of these Articles.

Provided that the resolution has been circulated in draft, together with the necessary papers, if any, to such Directors, or members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or the Committee as the case may be) and all other Directors or members at their usual address in India and has been approved by such Directors as are then in India or by majority of such of them, as are entitled to vote on the resolution.

166. **Limit of Director's mumbers**
Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company in general meeting may, by ordinary resolution, increase or reduce the number of Directors within the limits fixed in that behalf by these Articles.

167. **Acts of Board of Committee valid notwithstanding defect of appointment**
All acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had terminated by virtue of any provisions contained in these Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director.

168. **Minutes of proceedings of the Board and the Committees to be valid**
The Directors shall cause minutes to be duly entered in a book or books provided for the purpose in accordance with these Articles and Section 193 of the Act.

169. **Board Minutes to be evidence**
Minutes of any meeting of the Board of Directors or of any Committees of the Board if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be for all purposes whatsoever prima facie evidence of the actual passing of the resolution recorded and the actual

and regular transaction or occurrence of the proceedings so recorded and the regularity of the meeting at which the same shall appear to have taken place.

170. **Register of Directors and Managing Directors, etc.**
The Directors shall cause to be kept at the registered office of the Company :

(a) (i) A Register of the Directors, Managing Directors, Manager and Secretary of the Company containing the particular required by Section 303 of the Act.
(ii) A Register of Contracts with companies and firms in which the Directors are interested, containing the particulars required by Section 301 of the Act, and
(iii) A Register of Directors shareholding containing the particulars required by Section 307 of the Act. They shall also cause to be kept other registers and indexes as required by the Act.

(b) The Company shall comply with the provisions of Sections 301, 303 and 307 and other Section of the Act with regard to the inspection of registers and furnishing copies or extracts so far as the same be applicable to the Company.

POWERS OF DIRECTORS

171. **Certain powers to be exercised by the Board only at meeting**

(a) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.

(i) The power to make calls on shareholders in respect of money unpaid on their shares;
(ii) The power to issue debenture;
(iii) The power to borrow moneys otherwise than on debentures;
(iv) The power to invest the funds of the Company, and
(v) The power to make loans.

Provided that the Board may be resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (iii), (iv) and (v) to the extent specified in clauses (b), (c) and (d) respectively on such condition as the Board may prescribe.

(b) Every resolution delegating the power referred to in sub-clause (iii) of clause (a) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate.

(c) Every resolution delegating the power referred to in sub-clause (iv) of clause (a) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.

(d) Every resolution delegating the power referred to in sub-clause (v) of clause (a) shall specify the total amount upto which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount upto which loans may be made for each such purpose in individual cases.

(e) Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in sub-clauses (i), (ii), (iii), (iv) and (v) of clause (a) above.

172. **Restrictions on powers of Board**
(a) The Board of Directors of the Company shall not except with the consent of the Company in general meeting :

(i) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;

(ii) remit, or give time for the repayment of any debt, due by a Director;

(iii) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (i) above, or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(iv) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or

(v) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years, immediately proceedings, whichever is greater.

(b) Nothing contained in sub-clause (a) above shall affect:

(i) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or

(ii) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.

(c) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (a) (i) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.

(d) No debt incurred by the Company in excess of the limit imposed by sub-clause (iv) of clause (a) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

(e) **Prohibition regarding making of political contributions**
Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in sub-section (1) of Section 293 of the Act and in regard to the limitations on the power of the Company contained in Section 293A of the Act.

173. **General powers of the Company vested in Directors**
Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors 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 statue 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 Act 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 Directors which would have been valid if such regulation had not been made.

174. **Specific powers given to Directors**
Without prejudice to the general powers conferred by Article 172 and the other powers conferred by these presents and so as not in any way to limit any or all of those powers, it is hereby expressly declared that the Directors shall have the following powers:

To pay registration expense

(i) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;

(ii) to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act;

To acquire property

(iii) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire any lands, buildings, machinery, premises, heriditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorized to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;

To purchase lands, buildings etc.

(iv) Subject to the provisions of the Act to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

To construct buildings

(v) To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;

To mortgae, charge property

(vi) To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 293 of the Act, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;

To pay for property, etc.

(vii) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

To Insure

(viii) To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;

To open accounts

(ix) Subject to Section 292 of the Act, to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;

To secure contracts

(x) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;

To attach to Shares such conditions

(xi) To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services renderred to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;

To accept surrender of shares

(xii) To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;

To appoint trustees

(xiii) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;

To bring and defend actions

(xiv) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 293 of the Act to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;

To refer to arbitration

(xv) To refer, subject to the provisions of Section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;

To act on insolvency matters

(xvi) To act on behalf of the Company in all matters relating to bankrupts and insolvents;

To give receipts

(xvii) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 293 of the Act.

To authorize acceptance

(xviii) To determine from time to time as to who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents on the Company's behalf;

To invest moneys

(xix) Subject to the provisions of Sections 292, 293, 372A of the Act, to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.

To provide for personal liabilities

(xx) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;

To give to Directors, etc. an interest in business

(xxi) Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.

To provide for welfare of employees

(xxii) To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;

To subscribe to charitable and other funds

(xxiii) To subscribe, or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national public or any other useful institutions, object or purposes for any exhibition;

To maintain pension funds

(xxiv) To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the company or with any such subsidiary company, or who are or were at anytime Directors or officers of the company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;

(xxv) To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.

To create reserve fund

(xxvi) Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividend or for equalising dividend for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conductive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by Sections 292 and 293 and other provisions of the Act) as the directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purpose as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conductive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption or redeemable preference shares, debentures or debenture stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

To appoint Managers, etc.

(xxvii) To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.

To authorize by power of attorney

(xxviii) At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

To authorize, delegate

(xxix) Subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of sub-delegation) any Director, Officer or Officers or Employees for the time being of the Company and/or any other person, firm or Company all or any of the powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any as the Directors may think proper.

To Negotiate

(xxx) To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

MANAGING DIRECTORS

175. (a) **Power to appoint Managing Director or Wholetime Directors**

Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Wholetime Directors and/or Special Director like Technical Director, Financial Director, etc. of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may be resolution vest in such Managing Director or Managing Directors/Wholetime Director(s), Technical Director(s), Financial Director(s) and Special Director(s) such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.

(b) **Appointment and payment of remuneration to Managing or Wholetime Director**

Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.

THE SECRETARY

176. **Secretary**

Subject to the provisions of Section 383 A of the Act, the Directors may, from time to time, appoint and, at their discretion remove any individual (hereinafter called "the Secretary") who shall have such Qualifications as the authority under the Act may prescribe to perform any functions, which by the Act or these Articles are to be performed, by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Director. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

SEAL

177. (a) **The seal, its custody and use**
The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Directors or a Committee of the Directors previously given, and in the presence of one Director or a Committee of the Directors previously given, and in the presence of one Director at the least, who shall sign every instrument to which the Seal is so affixed in his presence.

(b) Seal abroad
The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act for use in any territory, district or place outside India and such powers shall accordingly be vested in the Directors.

INTEREST OUT OF CAPITAL

178. **Interest may be paid out of Capital**

Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period and at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to Capital as part of the cost of construction of the work or building, or the provisions of plant.

DIVIDENDS

179. **Division of profits**
The profits of the Company subject to any special rights relating thereto created or authorized to be created by these presents shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.

180. **Dividend payable to registered holder**

No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.

181. **Time of payment of dividend**
Where a dividend has been declared by the Company it shall be paid within the period provided in Section 207 of the Act.

182. **Capital paid up in advance and interest not be earn dividend**
Where the Capital is paid up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest confer a right to dividend or to participate in profits.

183. **Dividends in proportion to amount paid up**
(a) The Company shall pay dividends in proportion to the amounts paid up or credited as paid up on each share, when a larger amount is paid up or credited as paid up on some shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

(b) Provided always that any Capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share.

184. **Company in General Meeting may declare dividends**
The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.

185. **Power of Directors to limit dividend**
No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.

186. **Dividends only to be paid out of profits**
No dividend shall be declared or paid by the Company otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for the payment of dividend in pursuance of the guarantee given by that Government provided that:

(a) If the Company has not provided for depreciation for any previous financial year or years, it shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years;

(b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.

Nothing contained in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

187. **Directors' declaration as to net profits conclusive**
The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

188. **Interim Dividends**
The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

189. **Retention of dividend until completion of transfer under Article**
The Directors may retain the Dividends payable upon shares in respect of which any person is under the Transmission clause of these Articles entitled to become a member or which any person under the clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

190. **No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom**

Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.

191. **Transfer of shares must be registered**
A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

192. **Dividend how remitted**
Unless otherwise directed any dividend may be paid by cheque or warrant or a pay-slip or receipt having the force of a cheque or warrant sent through ordinary post to the registered address of the member or person entitled or in the case of joint holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the registered holder of shares or to his order or to his bankers. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost, to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fradulent or improper recovery thereof by any other means.

193. **Unpaid or unclaimed dividend**

(a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of TARA HEALTH FOODS LIMITED" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund account of the Central Government.

No claim for such transferred amount will lie against the Company or Central Government.

(c) No unpaid or unclaimed dividend shall be forfeited by the Board.

194. **Dividend and call together**
Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.

195. **Dividend to be payable in cash**
No dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profit or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

CAPITALISATION

196. **Capitalisation**
(a) Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any money's investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalised. Any such amount (excepting the amount standing to the credit of the Share Premium Account and/or the Capital Redemption Reserve Account) may be capitalised;

(i) by the issue and distribution as fully paid shares, debentures, debenture stock, bonds or obligations of the Company or
(ii) by crediting the shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the Share Premium Account may be applied in;

(1) paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
(2) in writing off the preliminary expenses of the Company;
(3) in writing of the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or
(4) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. Provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall be applied only in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares.

(c) Such issue and distribution under sub-clause (a)(i) above and such payment to the credit of unpaid share capital under sub-clause (a)(ii) above shall be made to, among and in favour of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a)(i) or payment under sub-clause (a)(ii) above shall be made on the footing that such members become entitled thereto as capital.

(c) The Directors shall give effect to any such resolution and apply portion of the profits, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture stock, bonds or other obligations of the Company so distributed under sub-clause (a)(i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause (a) (ii) above provided that no such distribution or payment shall be made unless recommended by Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.

(d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture stock, bonds, or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.

(e) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

197. When deemed requisite a proper contract shall be filed with the Registrar of Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

ACCOUNTS

198. **Accounts**
The provisions of Sections 209 to 222 of the Act shall be complied with in so far as the same be applicable to the Company.

199. **Books of Accounts to be kept**
(a) The Company shall keep at its Registered Office proper books of accounts as required by Section 209 of the Act with respect to :

(i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
(ii) all sales and purchases of goods by the Company; and
(iii) the assets and liabilities of the Company;

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide, the Company shall, within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

(b) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office and proper summarised returns made upto date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered Office or other place in India, as the Board thinks fit, where the said books of the Company are kept.

200. **Books to give fair and true view of the Company's affairs**

(a) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be with respect to the matters aforesaid, and explain the transactions.

(b) The books of account shall be open to inspection by any Director during business hours as provided by Section 209 of the Act.

(c) The books of account of the Company relating to a period of not less than eight years immediately preceeding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.

201. **Inspection by members**
The Directors shall from time to time determine whether and to what extend and at what times and places and under what conditions or regulations the accounts, books and documents of the Company or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorized by the Directors or by a resolution of the Company in general meeting.

202. **Statements of Accounts to be furnished to Geneal Meeting**
The Board of Directors shall lay before each annual general meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date, which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.

203. **Balance Sheet and Profit and Loss Account**

(a) Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the forms set out in parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit. There shall be annexed to every Balance Sheet a statement showing the bodies corporate (indicating separately the bodies corporate in the same group) in the shares of which investments have been made by it (including all investments, whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.

(b) So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 212 and other applicable provisions of the Act.

(c) If in the opinion of the Board, any of the current assets of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

204. **Authentication of Balance Sheet and Profit & Loss Account**

(a) (i) Save as provided by item (ii) of this sub-clause every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Manager or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director, if any.

(ii) When only one of the Directors of the Company is for the time being in India, the Balance Sheet and the Profit and Loss Account shall be signed by such Director, but in such a case, there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason of non compliance with the provisions of the above item (i).

(b) The Balance Sheet, and the Profit and Loss Account, shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the auditors for their report thereon.

205. **Profit and Loss to be annexed on auditors' report to be attached to the Balance Sheet**

The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' Report including the Auditors' separate, special or supplementary report, if any, shall be attached thereto.

206. **Board's report to be attached to the Balance Sheet**

(a) Every Balance Sheet laid before the Company in general meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs; the amounts, if any which it proposes to carry to any reserves in such Balance Sheet, the amount, if any which it recommends to be paid by way of dividends and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

(b) The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business in which the Company has an interest.

(c) The Board shall also give the fullest information and explanations in its Report or in cases falling under the provision to Section 222 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report.

(d) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub-clause (a) and (b) or Article 203.

(e) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (c) of this Article are complied with.

(f) Every Balance Sheet and Profit and Loss Account of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards any matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by shareholders at a subsequent general meeting.

207. **Right of Members to copies of Balance Sheet and auditor's report**

A copy of every Balance Sheet (including the Profit and Loss Account, the Auditor's Report and every other document required by Law to be annexed or attached as the case may be, to the Balance Sheet) which is to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of twenty one days before of the meeting.

208. **Three copies of the Balance Sheet, etc. to be filed with the Registrar**
After the Balance Sheet and Profit and Loss Account have been laid before the Company at the annual general meeting, three copies of the Balance Sheet and Profit and Loss Account duly signed as provided under Section 220 of the Act together with three copies of all documents, which are required to be annexed thereto shall be filed with the Registrar, so far as the same be applicable to the Company.

AUDIT

209. **Accounts to be audited**
Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned.

210. **Appointment and qualifications of Auditors**
(a) The Company at the annual general meeting each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting, and shall, within seven days of the appointment, give intimation thereof to every auditor so appointed.

(b) At any annual general meeting, a retiring Auditor, by whatever authority appointed, shall be reappointed unless:

(i) he is not qualified for reappointment;
(ii) he has given the Company notice in writing of his unwillingness to be reappointed;
(iii) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointed, or
(iv) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.

(c) Where at an annual general meeting no auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

(d) The Company shall, within seven days of the Central Government's power under sub-clause (c) becoming exercisable give notice of that fact to the Government.

(e) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act, but where such vacancy be caused by the resignation of an auditor, the vacancy shall only be filled by the Company in general meeting.

(f) A person, other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless special notice of the Resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act, and the provisions of Section 225 of the Act shall apply in the matter. The provision of this sub-clause shall also apply to a Resolution that a retiring Auditor shall not be re-appointed.

(g) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

(h) None of the persons mentioned in Section 226 of the Act as being not qualified for appointment as Auditors shall be appointed as Auditors of the Company.

211. **Audit of Branch Office**
The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company except to the extent to which any exemption may be granted by the Central Government, in that behalf.

212. **Remuneration of Auditors**

The remuneration of the Auditors shall be fixed by the Company in general meeting in such manner as the Company may in general meeting determine except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.

213. **Auditor to have access to the books of the ompany**

(a) The Auditor/s of the Company shall have a right of access at all times to the books and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor/s.

(b) All notice of, and other communications relating to, any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company; and the Auditor/s shall be entitled to attend any general meeting and to be heard at any general meeting which he attends to any part of the business which concerns him as Auditor.

(c) The Auditors shall make a Report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account, and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid before the Company in annual general meeting during his tenure of office, and the Report shall state whether, in his opinion and to the best of his information and according to the explanation given to him, the accounts give the information required by the Act in the manner so required and give a true and fair view:

(i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year; and
(ii) in the case of the Profit and Loss Account, of the Profit and Loss for that financial year.

(d) The Auditor's Report shall also state:

(i) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;
(ii) whether, in his opinion, proper books of accounts as required by law have been kept by the Company so far as appears from his examination of those books and proper returns adequate for the purpose of his audit have been received from branches not visited by him;
(iii) whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company auditor has been forwarded to him as required by clause (c) sub-section (3) of the Section and how he has dealt with the same in preparing the Auditor's Report;
(iv) whether the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account and returns.

(e) Where any of the matters referred to in this Article is answered in the negative or with a qualification the Auditor's Report shall state the reasons for the answer.

214. **Accounts when audited and approved to be conclusive except as to errors discovered within three months**

Every account when audited and approved by a general meeting shall be conclusive excet as regards any error therein discovered within three months next after the approval thereof. Whenever any such error is discovered within the said period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.

DOCUMENTS AND NOTICES

215. **Service of notice by Member**

A notice may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by post under a Certificate or posting or by registered post or by leaving it at its Registered Office.

The term "Notice" in this and the following clauses shall include summons, notice, requisition, order, judgement or other legal papers and any document.

216. **Service of notice to Register**
A notice may be served on the Registrar by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to, or leaving it for him at his office.

217. **Service of notice on Member by the Company**

(a) A Notice may be served by the Company on any member either personally or by sending it by post to him to his registered address or if he has no registered address in India to the address, if any, within India supplied by him to the Company for giving Notice to him.

(b) Where a Notice is sent by post:

(i) Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the document, provided that, where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgment due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(ii) Such service shall be deemed to have been effected:

(1) in the case of a Notice of a meeting at the expiration of forty eight hours after the letter containing the same is posted, and

(2) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

(c) **By Advertisement**
A Notice advertised in a newspaper circulating in neighbourhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of Notice to him.

(d) **On Joint Holder**
Any notice may be served by the Company on the Joint-holders of a Share/debenture by serving it on the joint holder named first in the Register of member / debenture holders in respect of the share/debenture.

(e) **On Personal Representative**
A Notice may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title representatives of the deceased or assignees of the insolvent or by any like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.

218. **Notice by Company and Signatures Thereto**
Any Notice given by the Company shall be signed by a Director, or by such Officer as the Directors may appoint and the signatures thereto may be written printed or lithographed.

219. **Authentication of documents and proceedings**
Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by the director, the Managing Director, the Manager, the Secretary or other authorized Officer of the Company and need not be under its Common Seal

WINDING UP

220. **Distribution of Assets**

(a) Subject to the provisions of the Act, if the Company shall be would up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital paid-up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.

(b) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.

221. Subject to the provisions of the Act.

(a) **Distribution in specie or kind**
If the Company shall be would up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution and any other sanction required by the Act, divide amongst the contributors, in specie or kind the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.

(b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall have the right, if any to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

(c) In case any shares to be divided as aforesaid involved a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the Liquidators shall, if practicable act accordingly.

222. **Right of shareholders in case of sale**
Subject to the provisions of the Act, a special resolution sanctioning a sale to any other Company duly passed may, in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent, if any, if such right be given by the Act.

SECRECY CLAUSE

223. (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts with individuals and in matters thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to this knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to required discovery of or any information respecting any detail of the Company's trading, or any matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

INDEMNITY AND RESPONSIBILITY

224. **Directors and others rights to indemnity**
(a) Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Wholetime Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay

all costs, losses and expenses (including travelling expenses) which such Director, Manager, Secretary and Officer or employee may incure or become liable to by reason of any contract entered into or act or deed done by him as such Director, Manager, Secretary, Officer or Servant or in any way in the discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims.

(b) Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other officer and employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

225. **Directors and other officers not responsible for the acts of others**
Subject to the provisions of Section 201 of the Act, no Director, Managing Director, Wholetime Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the money of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or troths act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of the office or in relation thereto, unless the same happens through his own dishonesty.

SOCIAL OBJECTIVE

226. The Company shall have among its objectives the proportion and growth of the national economy through increased productivity, effective utilisation of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.

GENERAL POWER

227. Wherever in the Companies Act, it has been provided that the Company shall have any right privilege or authority or that the Company could carry out any transaction only if the Company if so authorized by its Articles, then and in that case these regulations hereby authorise and empower the Company to have such rights privilege or authority and to carry such transactions as have been permitted by the Act.

POSTAL BALLOT

228. The Company may, and in case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in general meeting of the company in accordance with the provisions of Section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 (including any statutory modification or re-enactment thereof, for the time being in force or any amendments made thereto from time to time).

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder may be inspected at our Registered Office at 3rd Floor, Mall Plaza Fountain Chowk, The Mall, Ludhiana - 141 001, Punjab, India, from 10.00 am to 4.00 pm on working days during the Bid/issue period.

Material Contracts

1. Issue Agreement dated September 25, 2010, between our Company and the BRLMs;

2. Agreement dated September 25, 2010, amongst our Company and the Registrar to the Issue;

3. Escrow Agreement dated [●] amongst our Company, the BRLMs, the Syndicate Member(s), Escrow Collection Banks, and the Registrar to the Offer;

4. Syndicate Agreement dated [●] amongst our Company, the BRLMs and Syndicate Member(s); and

5. Underwriting Agreement dated [●] amongst our Company, the BRLMs and Syndicate Member(s).

Material Documents

1. Our Memorandum and Articles of Association as amended until date.

2. Certificate of incorporation from the RoC, dated February 28, 1977 issued to Angora Wool Combers Private Limited;

3. Fresh certificate of incorporation by the RoC, dated December 2, 1986 consequent to change of name from Angora Wool Combers Private Limited to Ram Sahai Wool Combers Private Limited;

4. Fresh certificate of incorporation by the RoC, dated September 2, 2004 consequent to change of name from Ram Sahai Wool Combers Private Limited to Tara Feed Private Limited;

5. Fresh certificate of incorporation by the RoC, dated October 5, 2005 consequent to conversion from a private limited company under the name Tara Feed Private Limited to a public limited company under the name Tara Feed Limited;

6. Fresh certificate of incorporation by the RoC, dated June 11, 2008 consequent to change of name from Tara Feed Limited to Tara Olive India Limited;

7. Fresh certificate of incorporation by the RoC, dated November 24, 2008 consequent to change of name from Tara Olive India Limited to Tara Health Foods Limited;

8. Resolution of the Board dated September 1, 2010, approving the Issue;

9. Shareholders resolution dated September 25, 2010, authorizing to the Issue and other related matters;

10. Copies of our annual reports for the past five fiscal years;

11. The audit report dated September 27, 2010 of the Auditors, M/s. Sukhminder Singh & co., Chartered Accountants, on our restated financial information, included in this Draft Red Herring Prospectus;

12. Consent of the Auditors, M/s. Sukhminder Singh & Co., Chartered Accountants, dated September 27, 2010 as referred to, in their capacity and for inclusion of their audit reports on our restated financial

information in the form and context in which it appears in this Draft Red Herring Prospectus;

13. Statement of Tax Benefits from M/s. Sukhminder Singh & Co., Chartered Accountants, in the manner and context in which it appears in this Draft Red Herring Prospectus;

14. Consents of the Bankers to the Company, BRLMs, Syndicate Member(s), Registrar to the Issue, Bankers to the Issue, Legal Counsels, Advisors to the Issue, Company Secretary and Compliance Officer, as referred to, in their respective capacities;

15. Applications dated [●] for in-principle listing approvals from BSE and NSE, respectively;

16. In-principle listing approvals from BSE and NSE dated [●] and [●], respectively;

17. Agreement among NSDL, our Company and the Registrar to the Issue, dated September 24, 2009;

18. Agreement among CDSL, our Company and the Registrar to the Issue, dated September 24, 2009;

19. Due diligence certificate to SEBI from the BRLMs, dated September 29, 2010;

20. IPO Grading Report by [●] dated [●]; and

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, certify that all relevant provisions of the Companies Act, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, or the rules made there under or regulations issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by all Directors

1.	Mr. Jaswant Singh	
2.	Mr. Balwant Singh	
3.	Mr. Tejinder Singh	
4.	Dr. Jaspinder Singh Kolar	
5.	Mr. Parshotam Bansal	
6.	Mr. Madan Lal Arora	

Date:
September 29, 2010

Place:
Ludhiana, Punjab

____
Mr. Raj Kumar Jindal
Chief Financial Officer