**DRAFT RED HERRING PROSPECTUS**
Please read Section 60B of the Companies Act, 1956
Dated 08.02.2012
*(The Draft Red Herring Prospectus will be updated upon ROC filing)*
**100% Book Building Issue**

# ALTRET BIO-TECH LIMITED

Our Company was originally incorporated as Altret Bio-Tech Private Limited on September 04, 2006 under the Companies Act, 1956 as a private limited Company vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. The status of our Company was changed to public limited company pursuant to a fresh certificate of incorporation consequent upon conversion from a private limited Company to a public limited Company issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli on November 02, 2011.

**Registered Office:** '12/2881, "Altret House" Saiyedpura Main Road, Surat, Gujarat India - 395003; **Tel:** +91-261-2451807-809; **Fax:** +91-261-2434517;
**Website:** www.altretbiotech.com; **E-Mail:** ipo@altretbiotech.com
**Contact Person & Compliance Officer**: Ms. Smita Jain, Compliance Officer/Company Secretary; **Email:** cs@altretbiotech.com

**PROMOTERS OF THE COMPANY : MR. SAM LOKHANDWALA & MR. RAJ LOKHANDWALA**

**INITIAL PUBLIC OFFERING OF UPTO [●] EQUITY SHARES OF RS. 10 EACH AT A PRICE OF RS [●] PER EQUITY SHARE FOR CASH (INCLUDING SHARE PREMIUM OF RS. [●] PER SHARE) AGGREGATING UPTO RS. 2,700 LACS (HEREIN REFERRED TO AS THE ISSUE). THE ISSUE SHALL CONSTITUTE [●] % OF THE FULLY DILUTED POST ISSUE CAPITAL OF OUR COMPANY.**

**PRICE BAND : RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE RS. 10**

**THE FLOOR PRICE IS [●] TIMES OF THE FACE VALUE AND THE CAP PRICE IS [●] TIMES OF THE FACE VALUE**

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three (3) additional Working Days after revision of the Price Band subject to the Bidding/Issue Period not exceeding ten (10) Working Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the Syndicate Members.

This Issue is being made through a 100% Book Building Process wherein upto 50% of the Issue shall be allotted on a proportionate basis to eligible Qualified Institutional Buyers ("QIBs"), provided that our Company in consultation with the BRLM may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis, out of which at least one third will be available for allocation to domestic mutual funds only ("Anchor Investor Portion"). For details, see *'Issue Procedure'* on page **175**. Further 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB portion shall be available for allocation on a proportionate basis to all eligible Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be made available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall made available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Potential investors (except Anchor Investors) may participate in this Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. QIBs (except Anchor Investors) and Non Institutional Bidders are mandatorily required to utilize the ASBA process to participate in this Issue. For details, please see the section titled *'Issue Procedure'* on page 175

## RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. **The face value of the Equity Shares is Rs. 10 per Equity Share and the Issue Price is [●] times of the face value.** The Issue Price (as determined by the Company in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building), 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 or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

## 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 our Company and the Issue including the risks involved. The Equity Shares offered in the 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 the section titled *'Risk Factors'* beginning on page **13** of this Draft Red Herring Prospectus.

## ISSUER'S ABSOLUTE RESPONSIBILITY

The 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 the Issue, which is material in the context of the 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. The Company has received in-principle approval from the BSE for the listing of our Equity Shares pursuant to letter dated [●]. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

## IPO GRADING

Our Company has appointed [●] for IPO Grading. [●] has assigned [●] Grade to the Initial Public Offering of our Company. The rationale furnished by the grading agency for its grading will be updated at the time of filing of the Red Herring Prospectus with RoC.

| BOOK RUNNING LEAD MANAGER | REGISTRAR TO THE ISSUE |
|---|---|
| **COMFORT SECURITIES LIMITED**<br>A-301, Hetal Arch,<br>S. V. Road, Malad (West),<br>Mumbai - 400 064<br>Tel : +91 - 22 - 28449765<br>Fax: +91 - 22 - 28892527<br>Email: mbdivision@comfortsecurities.co.in<br>Website: www.comfortsecurities.co.in<br>Contact Person: Mr. Sarthak Vijlani /Mr. Deepak Mor<br>SEBI Regn. No: INM 000011328 | **SHAREPRO SERVICES (INDIA) PRIVATE LIMITED**<br>13 AB, Samhita Warehousing Complex,<br>2nd Floor, Sakinaka Telephone Exchange Lane,<br>Off Andheri Kurla Road, Sakinaka, Mumbai - 400 072<br>Tel: 022 6772 0300<br>Fax: 022 2859 1568<br>E-mail: sharepro@shareproservices.com<br>Website: www.shareproservices.com<br>Contact Person: Mr. Subhash Dhingreja<br>SEBI Regn. No: INR000001476 |

| ISSUE PROGRAMME | |
|---|---|
| **BID / ISSUE OPENS ON* : [●]** | **BID / ISSUE CLOSES ON : [●]** |

** Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

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## SECTION I: GENERAL

## DEFINITIONS AND ABBREVIATIONS

### DEFINITIONS

| Term | Description |
|---|---|
| "our Company", "the Company", "Altret", "the Issuer", "Issuer Company" | Altret Bio-Tech Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at '12/2881, "Altret House" Saiyedpura Main Road, Surat, Gujarat, India-395003. |
| "We", "us", or "our" | Unless the context otherwise requires, means the Issuer Company. |

### CONVENTIONAL /GENERAL TERMS/ ABBREVIATIONS

| ABBREVIATION/ACRONYM | FULL FORM |
|---|---|
| A/c | Account |
| ACS | Associate Company Secretary |
| AGM | Annual General Meeting |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India. |
| AY | Assessment Year; the period of twelve months commencing from the 1st day of April every year |
| B.Com | Bachelor of Commerce |
| B.E. | Bachelor of Engineering |
| B.Sc. | Bachelor of Science |
| BSE | Bombay Stock Exchange Limited |
| C.A | Chartered Accountant |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| Companies Act | The Companies Act, 1956 |
| Depositories Act | The Depositories Act, 1996 |
| DIN | Directors Identification Number |
| DP | A Depository Participant as defined under the Depositories Act |
| DP ID | Depository Participant's Identification |
| DRHP | Draft Red Herring Prospectus |
| EBITDA | Earnings before interest, depreciation, tax, amortization and extraordinary items |
| ECS | Electronic Clearing System |
| EGM / EOGM | Extra Ordinary General Meeting of the shareholders |
| EPS | Unless otherwise specified, Earnings Per Share, i.e., profit after tax for a fiscal year less preference dividend and tax thereon divided by the weighted average no. of Equity Shares |
| ESIC | Employee State Insurance Corporation |
| ESOP | Employee Stock Option Plan |
| ESPS | Employee Stock Purchase Scheme |
| FCNR Account | Foreign Currency Non Resident Account |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued thereunder |
| FEMA Regulations | FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 |
| Financial Year / Fiscal / Fiscal | Period of twelve months ended March 31 of that particular year, unless |

| ABBREVIATION/ACRONYM | FULL FORM |
|---|---|
| Year / FY | specifically stated otherwise |
| FIPB | Foreign Investment Promotion Board |
| FII | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India |
| FVCI | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time |
| GDP | Gross Domestic Product |
| GIR Number | General Index Registry Number |
| GoI/ Government | Government of India |
| H.S.C | Higher School Certificate |
| HUF | Hindu Undivided Family |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| ICWA | The Institute of Cost and Works Accountants of India |
| ICSCI | Institute of Company Secretaries of India |
| I. T. Act | The Income Tax Act, 1961, as amended from time to time |
| I. T. Rules | The Income Tax Rules, 1962, as amended from time to time |
| IFRS | International Financial Reporting Standards |
| INR / Rs./ Rupees | Indian Rupees, the legal currency of the Republic of India |
| IPO | Initial Public Offering |
| IRDA | Insurance Regulatory and Development Authority |
| Key Managerial Personnel / KMP | The officers vested with executive powers and the officers at the level immediately below the Board of Directors of the Issuer Company and other persons whom the Issuer has declared as a Key Managerial Personnel and as mentioned in the section titled '*Our Management*' beginning on page 102 of the Draft Red Herring Prospectus |
| Ltd. | Limited |
| L.L.B | Bachelor of Law |
| Merchant Banker | Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended from time to time |
| M.B.A | Masters of Business Administration |
| MICR | Magnetic Ink Character Recognition |
| MOU | Memorandum of Understanding |
| N.A. | Not Applicable |
| National Investment Fund | National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India |
| NAV | Net Asset Value |
| NECS | National Electronic Clearing System |
| NEFT | National Electronic Fund Transfer |
| NSDL | National Securities Depository Limited |
| Non Resident | A person resident outside India, as defined under FEMA and includes a Non Resident Indian, FIIs registered with SEBI and FVCIs registered with SEBI |
| NRE Account | Non Resident External Account |
| NRI | A person resident outside India, who is a citizen of India or a person of Indian<br>origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000 |
| NRO Account | Non Resident Ordinary Account |
| p.a | Per annum |

| ABBREVIATION/ACRONYM | FULL FORM |
|---|---|
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| Person or Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires |
| RBI | Reserve Bank of India |
| RHP | Red Herring Prospectus |
| RoNW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI Regulations/ SEBI (ICDR) Regulations | The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations,2011, as amended |
| SEBI Insider Trading Regulations | SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time |
| Securities Act | The U.S. Securities Act of 1933, as amended |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985 |
| S.S.C | Secondary School Certificate |
| Sub-account | Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended |
| Stock Exchange | BSE |
| TAN | Tax deduction Account Number |
| TDS | Tax Deducted at Source |
| VAT | Value Added Tax |
| U.S. or US or U. S. A. | The United States of America |
| UIN | Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time |
| ULIP | Unit Linked Investment Plan |
| VCF Regulations | Venture Capital Funds as defined in and registered with SEBI under the SEBI (Venture Capital Funds) Regulations, 1996 |
| VCFs | Venture Capital Funds as defined in and registered with SEBI under the VCF Regulations |
| WPI | Wholesale price index |
| y-o-y | Year on year |

**ISSUE RELATED TERMS**

| Terms | Description |
|---|---|
| Allocation / Allocation of Equity Shares | Unless the context otherwise requires, the allocation of Equity Shares pursuant to this Issue to the successful Bidders |
| Allotment/Allot | Issue of Equity Shares pursuant to the Issue to the successful Bidders as the context requires |
| Allotment Advice | The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof |
| Allottee | The successful bidder to whom the Equity Shares are allotted pursuant to this Issue |
| Anchor Investor | An Anchor Investor shall be a Qualified Institutional Buyer, whose application size is atleast 1,000 Lacs and making an application for this Issue in accordance with the SEBI ICDR Regulations. For further detail, please refer to the section titled '*Issue Procedure*' on page 175 of this Draft Red Herring Prospectus |
| Anchor Investor Bid/Issue Date | The day, one working day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed |
| Anchor Investor Issue Price | The final price at which Allotment is made to the Anchor Investors in-terms of the Red Herring Prospectus and Prospectus, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price |
| Anchor Investor Margin Amount | An amount equivalent to the 100 % of the Bid Amount, payable by Anchor Investors at the time of submission of their Bid |
| Anchor Investor Portion | Up to 30% of the QIB Portion which may be allocated by our Company 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 is being done to other Anchor Investors |
| Application Supported by Blocked Amount /ASBA | An application, whether physical or electronic, used by all Bidders to make a Bid authorising a SCSBs to block the Bid Amount in a specified bank account maintained with the SCSBs |
| ASBA Account | Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the appropriate Bid Amount of the ASBA Bidder, as specified in the Bid cum Application Form |
| ASBA Bidder(s) | Any prospective investors in this Issue who Bid/ apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, non- retail Investors i.e. QIBs (other than Anchor Investors) and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Bids |
| ASBA Bidding Location(s)/Specified Cities | Location(s) at which ASBA Bids can be uploaded by the Syndicate and Sub – Syndicate Members, namely Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat |
| ASBA Public Issue Account | A Bank Account of the Company under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA investors |
| Escrow Bankers to the Issue/Escrow Collection Bank (s)/Bankers to the Issue | [•] |
| Basis of Allotment | The basis on which Equity Shares will be allotted to successful Bidders pursuant to the Issue and which is described in the section titled *'Issue Procedures – Basis of Allotment'* on page 207 of the Draft Red Herring Prospectus |

| Terms | Description |
|---|---|
| Bid | An indication to make an offer during the Bidding Period by the Bidders, pursuant to submission of the Bid cum Application Form , to subscribe to or purchase 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 and in case of ASBA Bidders, the amount mentioned in the Bid cum Application Form |
| Bid Opening Date/ Issue Opening date | Except in relation to any Bids received from Anchor Investors, the date from which the members of the Syndicate and the SCSBs shall start accepting Bids for the issue, which shall be notified in an English National Newspaper, a Hindi National Newspaper and a Regional Newspaper, all with wide circulation |
| Bid Closing Date/ Issue Closing date | Except in relation to any Bids received from Anchor Investors, the date after which the members of the Syndicate and the SCSBs will not accept any Bids for the issue, which shall be notified in an English National Newspaper, a Hindi national Newspaper and a Regional Newspaper, all with wide circulation |
| Bid cum Application Form/ Bid Form | The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus |
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form |
| Bidding Center | A center for acceptance of Bid cum application form |
| Bidding Period / Issue Period | Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders may submit their Bids |
| Book Building Process/Book Building Method | Book Building route as provided under Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made |
| BRLM/Book Running Lead Manager/Lead Merchant Banker | Book Running Lead Managers to the Issue, in this case being Comfort Securities Limited |
| Business Day | Any day on which commercial banks in Mumbai are open for the business |
| CAN/ Confirmation of Allocation Note | Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares in the Book Building Process |
| Cap Price | The higher end of the Price Band, above which Issue Price will not be finalized and above which no Bids will be accepted |
| Compliance Officer | The Compliance Officer for the Issue, being Ms. Smita Jain |
| Controlling Branches | Such branches of the SCSB which coordinate under this Issue by the ASBA Bidders with the BRLMs, the Registrar to the Issue and the Stock Exchange and a list of which is available on http://www.sebi.gov.in |
| Cut-off Price | Any price within the Price Band finalised by our Company in consultation with the Book Running Lead Manager. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding Rs. 2 Lacs. QIBs and Non- Institutional Bidders are not entitled to Bid at the Cut-off Price |
| CSL | Comfort Securities Limited |
| Demographic Details | The demographic details of the Bidders such as their address, PAN, occupation and bank account details |
| Depositories | Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL |

| Terms | Description |
|---|---|
| Designated Date | The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the amount blocked by the SCSBs is transferred from the ASBA Account specified by the ASBA Bidder to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders |
| Designated Branches | Such branches of the SCSBs which shall collect the Bid cum Application Form used by ASBA Bidders, a list of which is available at http://www.sebi.gov.in |
| Designated Stock Exchange | Bombay Stock Exchange Limited |
| Draft Red Herring Prospectus | The draft red herring prospectus dated February 08, 2012 issued in accordance with Section 60B of the Companies Act and SEBI ICDR Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares would be issued and the number of shares being offered pursuant to the Issue |
| Eligible NRI | An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Red herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein |
| Engagement Letter | The engagement letter dated November 19, 2011 between our Company and the BRLM |
| Escrow Account | Account 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 when submitting a Bid |
| Escrow Agreement | Agreement to be entered into between our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof |
| Escrow Collection Bank(s) | The banks, which are clearing members and registered with SEBI as Bankers to the Issue at which bank the Escrow Account of our Company, will be opened |
| First/ Sole Bidder | The Bidder whose name appears first in the Bid cum Application Form or Revision Form |
| Floor Price | The lower end of the Price Band at or above which the Issue Price will be finalized, and below which no Bids will be accepted |
| IPO Grading Agency | [●] |
| Issue | Initial public offering of [●] Equity Shares of Rs. 10 each at a price of Rs [•] per Equity Share for cash (including share premium of Rs. [•] per share) aggregating up to Rs. 2,700 Lacs (herein referred to as "the Issue"). The Issue shall constitute [•] of the fully diluted post issue capital of our Company |
| Issue Price | The final price at which the Equity Shares will be allotted in terms of the Red Herring Prospectus, as determined by our Company in consultation with BRLM on the Pricing Date. Provided that for the purposes of the Anchor Investors, this price shall be the Anchor Investor Issue Price |
| Issue Proceeds | Proceeds from the Issue that will be available to our Company, being upto Rs. 2,700 Lacs. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the section titled *'Objects of the Issue'* on page 53 |
| Listing Agreement | Equity listing agreement to be entered into by our Company with the Stock Exchange |
| Margin Amount | The amount paid by the Bidder at the time of submission of the Bid, being |

| Terms | Description |
|---|---|
| | 100% of the Bid Amount |
| Mutual Funds | A mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996 |
| Memorandum of Understanding | The arrangement entered into on December 29, 2011 between our Company, and BRLM pursuant to which certain arrangements are agreed in relation to the Issue |
| Mutual Fund portion | 5 per cent of the Net QIB Portion available for allocation to Mutual Funds only |
| Net Proceeds | The Issue Proceeds less the Issue related expenses. For further information about use of the Issue Proceeds and the Issue related expenses, please refer to the section titled '*Objects of the Issue*' beginning on page 53 of the Draft Red Herring Prospectus |
| Net QIB Portion | The portion of the QIB Portion less the number of Equity Shares allotted to Anchor Investors |
| Non-Institutional Portion | The portion of the Issue being not less than 15 percent of the Issue available for allocation to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price |
| Non-Institutional Bidders | All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 200,000 (but not including NRIs other than Eligible NRIs) |
| Non – resident/NR | A person resident outside India, as defined under FEMA including eligible NRIs and FIIs |
| OCBs/ 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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest/particpate in this Issues |
| Pay-in Date | With respect to Anchor Investors, it shall be the Anchor Investor Bid/ Issue Date and extending until two Working Days after the Bid/ Issue Closing Date in the event the Anchor Investor is required to pay any additional amount due to the Issue Price being higher than the Anchor Investor Issue Price and in case of others, it is the period commencing on the Bid / Issue Opening Date and continuing till the Bid / Issue Closing Date |
| Price Band | Being the price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price)(both inclusive), and including revision thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised at least two Working Days prior to the Bid / Issue Opening Date, in two national daily newspapers (one each in English and in Hindi) and Regional newspaper of wide circulation |
| Pricing Date | Means the date on which our Company, in consultation with the BRLM, finalizes the Issue Price |
| Prospectus | The Prospectus, filed with the RoC in accordance with section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information |
| Public Issue Account | Account opened with the Bankers to the Issue to receive monies from the Escrow Account and from the bank accounts of ASBA Bidders maintained with the SCSBs on the Designated Date |
| Qualified Institutional Buyers or QIBs | The term "Qualified Institutional Buyers" or "QIBs" shall have the meaning ascribed to such term under the SEBI ICDR Regulations and shall mean and include Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with |

| Terms | Description |
|---|---|
| | SEBI, foreign institutional investor and sub-accounts registered with SEBI (other than subaccounts being foreign corporates or foreign individuals), multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds, (subject to applicable laws) with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs in accordance with applicable law, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by the Department of Posts, India and insurance funds set up and managed by the army, navy and air force of the Union of India. |
| QIB Portion | The portion of the Issue being up to 50 % of the Issue, i.e. up to [●] Equity Shares of Rs. 10 each available for allocation to QIBs (Including the Anchor Investor Portion) |
| Qualified Purchasers or QPs | Qualified Purchasers as defined in section 2(a)(51) and related rules of the Investment Company Act |
| Red Herring Prospectus/ RHP | Document issued in accordance with Section 60B of the Companies Act and does not have complete particulars on the price at which the Equity Shares are offered and the number of Equity Shares offered pursuant to the Issue. It carries the same obligations as are applicable in case of a Prospectus and will be filed with RoC at least three days before the Bid/ Issue Opening Date. It will become a Prospectus after filing with RoC after the Pricing Date |
| Registrar/Registrar to the Issue | Registrar to the Issue being Sharepro Services (India) Private Limited, 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Mumbai – 400 072 |
| Retail Portion | Consists of [●] Equity Shares of Rs. 10 each aggregating upto Rs. [●], being not less than 35% of the Issue, available for allocation to Retail Individual Bidder(s) |
| Retail Individual Bidders | Individual Bidders who have Bid for Equity Shares for an amount not more than Rs. 200,000 (net of retail discount, if any) in any of the bidding options in the Issue(including HUFs applying through their Karta and does not include NRIs other than Eligible NRIs) |
| Revision Form | The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Form(s) |
| Refund Account | The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidders) shall be made. |
| Refund Banker/ Refund Bank(s) | [●] |
| Refunds through electronic transfer of funds | Refunds through ECS, Direct Credit, RTGS or the ASBA process, as applicable |
| Legal Advisors to the Issue | Legal Advisors to the Issue being M/s. Arpan M. Rajput & Co. |
| Self Certified Syndicate Banks or SCSBs | The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf or at such other website as may be prescribed by SEBI from time to time. |
| Securities Act | U.S. Securities Act of 1933, as amended |

| Terms | Description |
|---|---|
| Stock Exchange | The Bombay Stock Exchange Limited |
| Sub Syndicate Member | A SEBI registered member of BSE appointed by the BRLM and / or Syndicate Member to act as a Sub Syndicate Member in the Issue |
| Syndicate Agreement | Agreement to be entered into amongst the BRLM, Syndicate Member(s) and our Company in relation to the collection of Bids (excluding Bids by ASBA Bidders) in the Issue |
| Syndicate Members/ Members of the Syndicate | Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Members are appointed by the BRLM and in this case, being [•] |
| Syndicate | Collectively, the Book Running Lead Managers , the Syndicate Members and the Sub Syndicate Members |
| TRS or Transaction Registration Slip | The slip or document issued by member of the Syndicate or the SCSBs (only on demand), as the case may be, to the Bidder as proof of registration of the Bid |
| U.S. Person | As defined in Regulation S under the Securities Act |
| U.S. QIBs | Qualified Institutional Buyers, as defined in Rule 144A under the Securities Act |
| Underwriters | The BRLM and the Syndicate Members |
| Underwriting Agreement | The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date |
| Working Days | Unless the context otherwise requires:<br>(i) Till the Bid / Issue closing date: All days other than a Saturday, Sunday or a public holiday;<br>(ii) Post the Bid / Issue closing date: All days other than a Sunday or a public holiday<br>And on which commercial banks in Mumbai are open for business in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010 |

**COMPANY RELATED TERMS**

| Terms | Description |
|---|---|
| AOA/Articles/ Articles of Association | Articles of Association of Altret Bio-Tech Limited |
| Auditors | The Statutory Auditors of Altret Bio-Tech Limited being M/s. B.N. Kedia & Co., Chartered Accountants |
| Bankers to our Company | Such entities which are disclosed as Bankers to our Company in the section titled *'General Information'* beginning on page 33 of the Draft Red Herring Prospectus |
| Board of Directors / Board or our Board | The Board of Directors of Altret Bio-Tech Limited, duly constituted from time to time, including any committee thereof |
| Director(s) | Director(s) of Altret Bio-Tech Limited, unless otherwise specified |
| Equity Shares | Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof |
| MOA/ Memorandum/ Memorandum of Association | Memorandum of Association of Altret Bio-Tech Limited |
| Project | Setting up Jatropha seed oil extraction plant, setting up neem seed oil & solvent extraction plant, setting up Bio-fertilizers and Bio-pesticides plant, to meet the working capital requirements of the Company |
| Promoters | Promoters of the Company being Mr. Sam Lokhandwala and Mr. Raj Lokhandwala |

| Terms | Description |
|---|---|
| Promoter Group | Our Promoter Group as defined under Clause 2 (zb) of the SEBI (ICDR) Regulations, 2009 including natural persons who form part of our Promoter Group and Promoter Group Companies and Entities |
| Promoter Group Companies/Group Companies / /Promoter Group Entities | Altret Chemicals Private Limited, Altret Performance Chemicals Gujarat Private Limited, Sam Finstock Services Private Limited and Altret Greenfuels Limited |
| Registered Office of our Company | 12/2881, "Altret House" Saiyedpura Main Road, Surat, Gujarat, India-395003 |
| RoC / Registrar of Companies | Registrar of Companies, Ahmedabad, Gujarat |

**TECHNICAL / INDUSTRY RELATED TERMS / ABBREVIATIONS**

| ABBREVIATION/ACRONYM | FULL FORM |
|---|---|
| Acre | One acre comprises 4,840 square yards, 43,560 square feet or about 4,047 square metres |
| B.O.D | Biochemical oxygen demand |
| Bio-fertilizers | Bio-fertilizer is a substance which contains living microorganisms which, when applied to seed, plant surfaces, or soil, colonizes the rhizosphere or the interior of the plant and promotes growth by increasing the supply or availability of primary nutrients to the host plant |
| Bio-pesticides | Bio-pesticides include naturally occurring substances that control pests (biochemical pesticides), microorganisms that control pests (microbial pesticides), and pesticidal substances produced by plants containing added genetic material (plant-incorporated protectants) or PIPs |
| Bio-diesel | Bio-diesel is a clean burning, eco-friendly natural fuel obtained from tree born oils by a chemical transformation process called transesterification carried out in a chemical processing plant. Transesterfication is an age old chemical process and is a time tested method of transforming vegetable oils or fats into Bio-diesel (alkyl esters of fatty acids) and glycerine plus some soaps etc |
| GHG | Green house gas |
| Jatropha Curcas/Jatropha | Jatropha Curcas is a small tree or shrub. Normally, it grows between three and five meters in height. The seeds become mature when the capsule changes from green to yellow, after two to four months from fertilization. These seeds have an oil content of approximately 37%. Jatropha oil is a non edible vegetable oil utilized for production of soap and used as lamp fuel and fuel in special diesel engines etc |
| HR / Hrs | Hours |
| ha | Hectare |
| KGS | Kilograms |
| KGS/Hr | Kilograms per hour |
| Kms | Kilometers |
| Mha | Million hectare area |
| R.C.C | Reinforced cement concrete |
| R&D | Research and development |
| TPD | Tonnes per day |
| TPH | Tonnes per hour |

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is extracted from (i) the restated financial statements of our Company for Fiscal Years 2011, 2010, 2009, 2008 and 2007 and for the six months period ended September 30, 2011 prepared in accordance with the applicable provisions of the Companies Act and the SEBI Regulations and set out in the section titled '*Financial Information*' on page 127. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI Regulations. Our fiscal years commence on April 1 and end on March 31. 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, US GAAP and IFRS. Our Company has 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. Accordingly, the degree to which the Indian GAAP financial statements 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. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

### CURRENCY OF PRESENTATION

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "$", "US$", "USD", "U.S.$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Draft Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

In this Draft Red Herring Prospectus, throughout all figures have been expressed in Lacs. The word "Lacs", "Lac", "Lacs" or "Lakh" means "One hundred thousand".

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

### INDUSTRY & MARKET DATA

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

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. For additional definitions, please refer the section titled *'Definitions and Abbreviations'* on page 1 of this Draft Red Herring Prospectus.

## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Red Herring Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business, plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Draft Red Herring Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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

- Our ability to successfully implement strategy, growth and expansion plans;
- Our dependence on key personnel;
- Government approvals;
- Our ability to comply with the financial conditions and other covenants of our borrowings;
- General economic and business conditions in India and other countries;
- Changes in political conditions in India as well in overseas countries;
- Occurrence of natural disasters or calamities affecting our areas of operations;
- A slowdown in economic growth in India as well as overseas;
- Changes in the foreign exchange control regulations in India and fluctuations in foreign exchange rates;
- Changes in the regulatory framework governing us;
- Any downgrading of India's debt rating by an independent agency.

For further discussion of factors that could cause Company's actual results to differ, see the section titled *'Risk Factors', 'Our Business'* and *'Management Discussion and Analysis of Financial Condition and Results of Operations'* beginning on pages 13, 84 and 146 respectively of this Draft Red Herring Prospectus . By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Forward looking statements reflects views as of the date of the Draft Red Herring Prospectus and not a guarantee of future performance. Neither our Company, our Directors and officers and the BRLM nor any of the Syndicate Members nor any of their respective affiliates has any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until the time of the grant of listing and trading approval by the Stock Exchange.

## SECTION II

## RISK FACTORS

***An Investment in equity involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Draft Red Herring Prospectus before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment.***

***Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Draft Red Herring Prospectus, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Financial Information" included in this Draft Red Herring Prospectus beginning on pages 84, 146 and 127 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.***

***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.***

1. **We do not own the land on which cultivation of Jatropha Curcas plants is being carried out. Termination of the lease agreements or failure to renew the same on acceptable terms may result into temporary suspension or even discontinuance of our cultivation activity; this may adversely affect our revenue and results of operations.**

   We have entered into following lease agreements with the land owners for carrying out agriculture activities:

| Sr. No | Description of property | Vendor/Lessor | Agreement/ Memorandum of Understanding Date | Area | Lease Period |
|---|---|---|---|---|---|
| 1 | Kutch Survey No. 24 & 32, Situated at Gam Saraspar Bhuj Distt; | Mr. Devendra Ajitrai Desai | 12/05/2009 | 15 Acres | 30 Years |
| 2 | Kutch Survey No. 29, Situated at Gam Saraspar Bhuj Dist; | Mr. Narendra Laxmichand Gajiwala | 12/05/2009 | 4 Acres & 11 Guntha | 30 Years |
| 3 | Kutch Survey No. 30, Situated at Gam Saraspar Bhuj Dist; | Mr. Abbasbhai Alihusen Rangoonwala | 12/05/2009 | 6 Acres & 23 Guntha | 30 Years |
| 4 | Kutch Survey No. 11 & 15, Situated at Gam Saraspar Bhuj Dist; | Mr. Raj Sam Lokhandwala, Director of Altret Bio-Tech Ltd. | 12/05/2009 | 26 Acres & 13 Guntha | 30 Years |
| 5 | Kutch Survey No. 8, Situated at Gam Saraspar Bhuj Dist; | Mr. Mohamadbhai Esabhai Pirani | 12/05/2009 | 15 Acres & 3 Guntha 1080 | 30 Years |
| 6 | Kutch Survey No. 114, Situated at Gam | Mrs. Shirin Akbar Mantri | 12/05/2009 | 8 Acres & 28 Guntha | 30 Years |

| Sr. No | Description of property | Vendor/Lessor | Agreement/ Memorandum of Understanding Date | Area | Lease Period |
|---|---|---|---|---|---|
| | Paya Bhuj Dist; | | | | |
| 7 | Kutch Survey No. 12 & 16, Situated at Gam Saraspar Bhuj Dist; | Mr. Sam Bakirbhai Lokhandwala, Director of Altret Bio-Tech Ltd. | 22/05/2009 | 26 Acres & 3 Guntha | 30 years |

We have entered into these lease agreements to carry on our cultivation activities. Any termination or failure to renew the agreements on acceptable terms may result in temporary suspension or even discontinuance of our cultivation activities, this may adversely affect our revenue and results of operations. For details of the above lease agreements, please refer to the section titled *'Our Business'* appearing on page 84 of this Draft Red Herring Prospectus.

2. **The Registered Office of our Company is not owned by us.**

The Registered Office of our Company is situated at 12/2881, "Altret House" Saiyedpura Main Road, Surat, Gujarat, which is owned by our Promoter, Mr. Sam Lokhandwala who has permitted us to use his premises as our Registered Office for monthly rent of Rs. 10,000/-.

3. **We have reported negative cash flows.**

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flows in certain financial years and which could affect our business and growth:

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| Net Cash flow from Operative activities | 30.10 | (83.25) | 25.77 | (160.72) | 58.96 | (0.59) |
| Net Cash Flow from Investing activities | (69.91) | (150.33) | (46.49) | (166.19) | (150.00) | (18.14) |
| Net Cash Flow from Financing activities | 56.05 | 247.32 | 19.93 | 323.40 | 95.30 | 19.36 |
| **Net Cash Flow for the Year** | **16.24** | **13.74** | **(0.78)** | **(3.51)** | **4.26** | **0.63** |

4. **We have not entered into any agreement with the suppliers for supply of proposed equipments, machines for the Project. Any delay in entering into such agreements may delay the implementation schedule, which may also lead to increase in prices of the equipments and machineries in future affecting our costs, revenue and profitability.**

We are yet to place orders for proposed equipments and machines for the Project, as specified in the *'Objects of the Issue'* on page 53 of this Draft Red Herring Prospectus. Any delay in procurement of equipments and machines etc may delay the implementation schedule. We may also be subject to risks on account of inflation in the price of equipments and machinery that we require. Hence our Project could face time and cost over-run which could have an adverse effect on the operations of our Company. Negotiations in respect of specification with suppliers have been commenced and the agreements will be entered in due course once the negotiations are completed and Issue proceeds are procured.

5. **Our Company does not have any long term supply contracts with our customers which may adversely affect our results of operations.**

Our Company does not have any long term commitments with our customers for purchases of our products. As a result, we may be dependent on the daily purchase orders received from

time to time. There is no assurance that our Company will continue to receive purchase orders for our products either on substantially the same terms or at all, which could have an adverse effect on our Company's operations and profitability. Further, any change in the buying pattern of our end users can adversely affect the business and results of operations of our Company.

6. **We anticipate competition for our proposed Project from established players in the market.**

   The products from our proposed Project of extraction of oil from Jatropha & neem seeds, production of Bio-fertilisers and Bio-pesticides are produced by a number of other producers. Players in this market generally compete with each other on key attributes such as technical competence, quality of products and services, pricing and track record. We would face competition on quality, technical competence, distribution channels and customer relationships. There could be no assurance that we will be able to compete successfully in future. Some of our competitors for our proposed Project may be able to price their products more attractively or may be able to distribute their products more effectively by establishing better distribution networks, or may have greater access to capital, superior manufacturing techniques, research and development, marketing and other resources. Our inability to remain sufficiently competitive will adversely and materially affect our business and operating results.

7. **Monsoons and climate conditions may adversely affect our business.**

   Our business operations may be materially and adversely affected by uneven monsoon and erratic climatic conditions, which may affect our cultivation. Meteorologically, our country has diversified and different weather conditions at different places. Sometimes, one region receives very heavy rainfall whereas other region receives scant rainfall. Any vagaries of weather and abnormal monsoon across the western region of India may ruin our cultivation and will also affect the business of the Company.

8. **Use of defective seeds could adversely affect our business and results of operation.**

   Quality defects in Jatropha Curcas seeds would directly affect the quality of our plantation. If defective or contaminated seeds are provided to us by our suppliers, it may lead to a large-scale quality disruption of our cultivation. Further, in order to attain the desired levels of yield from our plantation, certain precautions like utilization of the soil application, proper application of fertilizers, timely application of pesticides, timely supply of water *etc.* have to be followed. In the event of any failure on the part of the farmers, or adverse weather conditions, it may lead to loss of plants. Any of the aforesaid factors would have a material adverse effect on business, financial condition and results of operations.

9. **We may face risks of delays/non-receipt of the requisite regulatory approvals for our Objects arising out of the Issue. Any delay in receipt or non-receipt of such approval could result in cost and time overrun.**

   We would be applying for various licenses, approvals, registrations at various stages of implementation for the Project. Any delay in receipt or non-receipt of licenses or approvals that may be required for the Project could result in cost and time overrun, and accordingly adversely affecting our operations and profitability. For details, please refer to section titled *'Government & other Approvals'* on page 154 of this DRHP.

10. **We have taken unsecured loans of Rs. 56.06 Lacs as on September 30, 2011, which is repayable on demand. In case of untimely demand, we will have to arrange these funds which may carry higher cost of funding, which may have an impact on our financial operations.**

We have has taken unsecured loan of Rs. 56.06 Lacs as on September 30, 2011, which can be recalled at any time and in that event, it may affect the financial operations of our Company to that extent.

**11. Our business has experienced growth in the past, which we may not be able to sustain in the future.**

The total turnover of our Company has sustained the growth since FY 2006-07. Our Company has reported total income from operations of Rs. 43.35 Lacs in fiscal 2009 as compared to Rs. 19.75 Lacs in fiscal 2008 with a growth of 119.49 %, Rs. 62.12 Lacs in fiscal 2010 as compared to Rs. 43.35 Lacs in fiscal 2009 showing an increase of 43.30 %, Rs. 75.00 in fiscal 2011 as compared to Rs. 62.12 Lacs in fiscal 2010 with a growth of 20.73%. We may not be able to sustain our growth or maintain a similar rate of growth in the future due to non-availability of professionals with necessary skill sets, decline in the demand for our products due to increased competition, and lack of management resources or due to a general slowdown in the economy. A failure to sustain our growth may have adverse effect on our financial condition and results of operations.

**12. In the 12 months prior to the date of filing the Draft Red Herring Prospectus, the Company had issued Equity Shares at a price, which may be lower than the Issue Price.**

In the 12 months prior to the date of filing of the Draft Red Herring Prospectus, the Company had issued Equity Shares at a price, which may be lower than the Issue Price, as set forth below:

| Date of Allotment | Number of Equity Shares | Name of the Allottee | Reason for allotment | Face Value (In Rs.) | Issue Price (In Rs.) | Consideration |
|---|---|---|---|---|---|---|
| 25/03/2011 | 1,326,800 | Mr. Sam Lokhandwala | Further allotment | 10 | 10 | Cash |
| | 160,100 | Mr. Raj Lokhandwala | | 10 | 10 | Cash |
| | 92,100 | Ms. Zenab Rangoonwala | | 10 | 10 | Cash |
| 31/03/2011 | 32,000 | Ms. Renu Bhandari | | 10 | 48 | Cash |
| | 41,000 | Ms. Narmadaben Lakhani | | 10 | 48 | Cash |

**13. There could be potential conflicts of interest with our Group Company. Such conflicts of interest may have an adverse effect on our business, financial condition, results of operations and prospects.**

Our Promoters are directors on the board of M/s. Altret Chemicals Private Limited. M/s. Altret Chemicals Private Limited has some of the objects similar to that of our Company's business. For further details, see the section titled *'Our Promoter Group / Group Companies / Entities'* on page 116 of this Draft Red Herring Prospectus. As a result, a conflict of interest may occur between our business and the businesses of our Group Company which could have an adverse effect on our business, financial condition, results of operations and prospects. However, the management has taken the preventive measures to avoid such conflict of interest by virtue of entering into a non compete agreement with M/s. Altret Chemicals Private Limited dated February 07, 2012 for a period of fifteen years, whereas M/s. Altret Chemicals Private Limited have agreed not to enter into similar line of business of our Company.

**14. Delay in raising funds from the IPO could adversely impact the implementation schedule.**

The proposed expansion, as detailed in the chapter titled *"Objects of the Issue"* is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the

Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

**15. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.**

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 50,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board, will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of issue proceeds to the Stock Exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public through advertisement in newspapers.

**16. The Company has not appointed any independent agency for the appraisal of the proposed Project.**

The Project, for which we intend to use our Issue proceeds as mentioned in the objects of the Issue, has not been appraised by any bank or financial institution. The total cost of Project is our own estimates based on current conditions and are subject to changes in external circumstances or costs. Our estimates for total cost of Project has been based on various quotations received by us from different suppliers and our estimated long term working capital requirements may exceed which may require us to reschedule our Project expenditure and may have an adverse impact on our business, financial condition and results of operations.

**17. We have not obtained insurance coverage for our existing business operations which may not protect us against certain operating risks and this may have a material adverse impact on our business.**

We do not have insurance policies for our existing business operations. Therefore, we may not be protected against any damage or loss for events for which we are not insured and this may have a material and adverse impact on our business operations and profitability.

**18. We are dependent on our management team for success, whose loss could seriously impair the ability to continue to manage and expand business efficiently.**

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

**19. We have entered into certain related party transactions and may continue to do so.**

We have entered into related party transactions with our Promoters, Group Companies/Entities, Directors and related entities. While we believe that all such transactions have been conducted on the arms length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future. For

details of these transactions, please refer to section titled *'Related Party Transactions'* at page 125 of this DRHP.

**20. Our trademark is not registered under the Trade Marks Act and our ability to use the trademark may be impaired.**

Our Company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection. Our Company has made application for registration of logo "altret". We cannot guarantee that the pending application will be decided in the favour of the Company. If any of our trademarks are not registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease. For more details please refer to the paragraph titled *'Intellectual Property'* beginning of page 91 this Draft Red Herring Prospectus.

**21. We have limited experience in the business of proposed Projects. Lack of experience of our Company/ Promoters may affect our plans of manufacture and in turn could affect our business operations.**

The Company and its Promoters have been in the business of cultivation of Jatropha Curcas plants. The Company regularly supplies Jatropha seeds for extraction of Jatropha oil. Our Promoters do not have prior experience in erection and operation of seed oil extraction plant. Operating a Jatropha & neem seed oil extraction plants and Bio-fertilizers & Bio-pesticides plant would be relatively new areas for our Promoters. Lack of experience in these areas could affect our business operations.

**22. Our proposed project of extraction of oil from Jatropha seeds is significantly dependent on adequate and timely availability of Jatropha seeds. Non-availability or short supply of these seeds would adversely affect the business of the Company.**

The Jatropha seeds generated from cultivation of our Jatropha Curcas plants will be captively consumed for our proposed Jatropha seed oil extraction plant. However, the yield of Jatropha seeds from existing cultivation will not suffice the total requirement of Jatropha seeds of the Jatropha seed oil extraction plant. We plan to procure the additional requirement of Jatropha seeds from local mandies and from farmers with whom we plan to enter into consortium for supply of Jatropha seeds. However, there can be no assurance about the continued availability of these seeds in the quality, quantity and prices suitable for extraction of oil from the aforesaid alternative sources, which in turn could affect the business of our Company.

**23. The off-take of Bio-diesel is dependent upon the Company supplying the Bio-diesel at prices lower than the retail price of petroleum based Diesel.**

Petroleum based Diesel is presently at existing high price levels due to high excise levies. In the event that the excise duty levied on petroleum based diesel is reduced below the price of Bio-diesel, the Company may be unable to find buyers to sell the product, which would adversely affect the sustainability of the proposed project.

**24. Inadequate availability of manpower for cultivation of Jatropha Curcas plants might pose a problem.**

Jatropha Curcas cultivation involving raising plants in nurseries, planting and maintaining them and collection of seeds are labour intensive activities. Inadequate availability of manpower might pose a problem to us and affect our business operations.

**EXTERNAL RISK FACTORS**

1. **Political, economic and social changes in India could adversely affect our business.**

   Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares. India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors.

2. **Natural calamities and force majeure events may have an adverse impact on our business.**

   Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

3. **We are subject to risks arising from interest rate fluctuations on our borrowings, which could adversely affect our business, financial condition and results of operations.**

   Increases in interest rates could significantly affect our financial condition and results of operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt could be adversely affected with a concurrent adverse effect on our business, financial position and results of operations.

4. **Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.**

   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, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that 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 and internal controls. Moreover, our transition may be hampered by increasing competition for the relatively small number of IFRS-experienced accounting personnel available as more Indian

companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by an agreed deadline could have a material adverse effect on the price of our Equity Shares.

5. **Any increase in labour costs due to wage increases, strikes or claims arising from accidents could materially affect our business operations and financial condition.**

   Currently, our employees are not represented by any labour unions. We may hire additional employees as our business expands. Although in the past, we have not experienced any strikes, there is no assurance that we will not experience future disruptions to business operations due to problems with our workforce. If labour costs increase, our business operations and financial condition could be materially affected.

6. **Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

   Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, financial, banking or liquidity crises, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Our profitability may also be adversely affected by fixed costs and the possible inability to scale back other costs within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions. Additionally, during periods of adverse economic conditions, we may have difficulty accessing financial markets, which could make it more difficult or impossible for us to obtain funding for additional investments and acquisitions. A general market downturn, or a specific market dislocation, may result in lower investment returns, which would adversely affect our revenues.

7. **Restrictions on foreign investment limit our ability to raise debt or capital outside India.**

   Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to invest in us. Foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Board of India and the Foreign Investment Promotion Board. The Government of India has permitted 100% foreign direct investment in agriculture including seeds, plantation etc.

8. **Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.**

   Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

9. **Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**

   Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an

adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

**RISKS RELATING TO THE EQUITY SHARES**

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

The prices of our Equity Shares on the Stock Exchange may fluctuate after this Issue as a result of several factors, including:

- Volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- Perceptions about the performance of Bio-diesel industry;
- Changes in the estimates of our Company's performance or recommendations by financial analysts;
- Significant developments in India's fiscal and environmental regulations.
- There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the prices at which our Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.
- Our share price may be volatile post-listing. Also, no assurance can be given that an active trading market for our Equity Shares will develop or as to the liquidity or sustainability of any such market, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which shareholders will be able to sell their Equity Shares. If an active market for the Equity Shares fails to develop or be sustained, the trading price of the Equity Shares could fall. If an active trading market were to develop, the Equity Shares could trade at prices that may be lower than their Issue Price.

**11. Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.**

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

**12. We will require final listing and trading approval from the BSE prior to the commencement of trading of our Equity Shares.**

Our Equity Shares are a new issue of securities for which there is currently no trading market. We will apply to the Stock Exchange for final listing and trading approval after the allotment of the Equity Shares in the Issue. There can be no assurance that our Company will receive such approval on time or at all.

13. **There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.**

    Once listed, our Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the 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 breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits 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 the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

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

    Our Company has not paid dividends in the last five years. The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

15. **You will not be able to sell immediately on an Indian Stock Exchange any of the Equity Shares you purchase in the Issue.**

    Under the SEBI Regulations, we are permitted to allot the Equity Shares within 12 days of the Bid/Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your demat account with Depository Participants until approximately 12 days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account and final listing and trading approval are received from the Stock Exchange. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time periods.

**PROMINENT NOTES:**

1) **SIZE OF THE ISSUE**:

   Initial public offering of [●] Equity Shares of Rs. 10 each at a price of Rs [•] per Equity Share for cash (including share premium of Rs. [•] per share) aggregating up to Rs.2,700 Lacs (herein referred to as "the Issue"). The Issue would constitute [●] % of the fully diluted post Issue paid-up capital of the Company.

2) The average cost of acquisition of Equity Shares by the Promoters:

| Name of the Promoters | No. of Shares held | Average cost of Acquisition (in Rs.)* |
|---|---|---|
| Mr. Sam Lokhandwala | 47,69,800 | 10.77 |
| Mr. Raj Lokhandwala | 6,84,100 | 11.40 |

**The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer of the Equity Shares. For more information, please refer to the section titled 'Capital Structure' on page 42.*

3) Our Net worth as on March 31, 2011 is Rs. 748.85 Lacs as per Restated Financial Statements.

4) The Book Value per share as on March 31, 2011 is Rs. 12.20 as per Restated Financial Statements.

5) Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the Bombay Stock Exchange Limited, the Designated Stock Exchange. For more information, please refer to *'Basis of Allotment'* on page 207 of the Draft Red Herring prospectus.

6) Investors are advised to refer to the paragraph on *'Basis for Issue Price'* on page 63 of this Draft Red Herring Prospectus before making an investment in this issue.

7) No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, key management employee, associate companies, or Group Companies.

8) Investors may contact the BRLM or the Compliance Officer for any complaint /clarifications / information pertaining to the Issue. For contact details of the BRLM and the Compliance Officer, refer the front cover page.

9) Other than as stated in the section titled *'Capital Structure'* beginning on page 42 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash.

10) Except as mentioned in the sections titled *'Capital Structure'* beginning on page 42 of this Draft Red Herring Prospectus, we have not issued any Equity Shares in the last twelve months.

11) Trading in Equity Shares of our Company for all the Investors shall be in dematerialized form only.

12) The Issue is being made through a 100% Book Building Process wherein up to 50% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") (including 5% thereof to be allocated to Mutual Funds). Further, at least 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional bidders and at least 35% of the Issue will be available for allocation on a proportionate basis to the Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

13) Except as disclosed in the sections titled *'Our Promoters'*, and *'Our Management'* beginning on pages 113 and 102 respectively of this Draft Red Herring Prospectus, none of our Promoters, our Directors and our key managerial employees have any interest in our Company except to the extent of remuneration, and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding .

14) Any clarification or information relating to the Issue shall be made available by the BRLM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLM for any complaints pertaining to the Issue. Investors are free to contact the BRLM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.

15) For transactions in Equity Shares of our Company by the Promoter Group and Directors of our Company in the last six (6) months, please refer to section entitled *'Capital Structure'* on page 42 of this Draft Red Herring Prospectus.

16) Our Company and the BRLM shall update this DRHP in accordance with the Companies Act, 1956. All information shall be made available by our Company and the BRLM 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.

17) There are no contingent liabilities as on September 30, 2011, except as mentioned in the section entitled *'Financial Information'*on page 127 of this Draft Red Herring Prospectus.

18) Except as disclosed in the section titled *'Our Promoter Group / Group Companies / Entities'* on page 116, none of our Group Companies have business interest in our Company.

19) For interest of Promoters/Directors, please refer to the section titled *'Our Promoters'* beginning on page 113 of this Draft Red Herring Prospectus.

20) The details of transactions with the Group Companies/Group Enterprises and other related party transactions are as under:

**(Rs. in Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| **REVENUE ITEMS** | | | | | | |
| **Debits (A)** | | | | | | |
| *Key Management Personnel* | | | | | | |
| - Payment of Remuneration | | | | | | |
| Raj Lokhandwala | 3.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sam Lokhandwala | 3.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| - Payment of Rent | | | | | | |
| Raj Lokhandwala | 0.23 | 0.43 | 0.43 | 0.43 | 0.00 | 0.00 |
| Sam Lokhandwala | 0.23 | 0.43 | 0.43 | 0.43 | 0.00 | 0.00 |
| **Credits (B)** | | | | | | |
| **NON-REVENUE ITEMS** | | | | | | |
| **Debits (A)** | | | | | | |
| *Relatives of Key Management Personnel / Other Related Parties* | | | | | | |
| - Loans & Advances Repaid | | | | | | |
| Shailesh D. Rana | 0.00 | 0.00 | 0.07 | 0.00 | 0.00 | 0.00 |
| - Purchase of Technical Know-how | | | | | | |
| Altret Performance Chemicals Gujarat Pvt. Ltd. | 0.00 | 0.00 | 11.00 | 0.00 | 150.00 | 0.00 |
| - Lease Deposit | | | | | | |
| Raj Lokhandwala | 0.00 | 0.00 | 0.00 | 32.90 | 0.00 | 0.00 |
| Sam Lokhandwala | 0.00 | 0.00 | 0.00 | 32.60 | 0.00 | 0.00 |
| **Credits (B)** | | | | | | |
| - Loan Taken | | | | | | |
| *Key Management Personnel* | | | | | | |
| Raj Lokhandwala | 10.00 | 0.00 | 0.00 | 0.00 | 0.36 | 0.06 |
| Sam Lokhandwala | 42.15 | 0.00 | 0.00 | 0.40 | 1.23 | 0.07 |
| Shailesh D. Rana | 0.00 | 0.00 | 0.00 | 0.00 | 0.07 | 1.23 |
| *Relatives of Key Management Personnel / Other Related Parties* | | | | | | |
| Kaniza Lokhandwala | 3.70 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Khadiza Lokhandwala | 0.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

## SECTION III: INTRODUCTION

### SUMMARY

*This is only the summary and does not contain all information that you shall consider before investing in Equity Shares. You should read the entire Draft Red Herring Prospectus, including the information on 'Risk Factors' and related notes on page 13 of this DRHP before deciding to invest in Equity Shares.*

**INDUSTRY OVERVIEW**

**The Indian Economy**

India is the world's largest democracy in terms of population with Gross Domestic Production (GDP) of US$ 4,060 billion in 2010 in purchasing power parity (PPP) terms. This makes India the fifth largest economy in the world after the European Union, the United States of America, China and Japan in PPP terms, *(Source: CIA World Factbook)*. India is also amongst the fastest growing economies globally and its real GDP has grown at an average compounded rate of 8.4% per annum during the last five years upto FY 2011. *(Source- Central Statistics Office, Government of India)*

**Agriculture in India**

Agriculture remains the predominant sector in terms of employment and livelihood with more than half of India's workforce engaged in it as the principal occupation. Agriculture still contributes significantly to export earnings and is an important source of raw materials as well as of demand for many industries.

India's agriculture sector has an impressive long-term record of taking the country out of serious food shortages despite rapid population increase. This was achieved through a favourable interplay of infrastructure, technology, extension, and policy support backed by strong political will. The main source of long-run growth was technological augmentation of yields per unit of cropped area. This resulted in tripling of foodgrain yields, and foodgrain production increased from 51 million tonnes in 1950–51 to 217 million tonnes in 2006–07.
*(Source: Eleventh Five Year Plan 2007-12, Voume III, Planning Commission)*

**Bio-diesel Industry**

The concept dates back to 1885 when Dr. Rudolf Diesel built the first diesel engine with the full intention of running it on vegetative source. He first displayed his engine at the Paris show of 1900 and astounded everyone when he ran the patented engine on any hydrocarbon fuel available which included gasoline and peanut oil. Scientists discovered that the viscosity ( thickness) of vegetable oils could be reduced in a simple chemical process and that it could work well as diesel fuel in modern engine. This fuel is called Bio-diesel.

BIO-DIESEL is a clean burning, eco-friendly natural fuel obtained from tree born oils by a chemical transformation process called transesterification carried out in a chemical processing plant. Transesterfication is an age old chemical process and is a time tested method of transforming vegetable oils or fats into Bio-diesel (alkyl esters of fatty acids) and glycerine plus some soaps etc.

The chemistry lies in transforming the fatty acid chains into alkyl esters of respective fatty acids present in different feed oils used and isolation of glycerol present in the triglyceride molecule in the oils and fats.

**Bio-diesel Industry in India**

India accounts for 9.3% of world's total oil seed production and is the fourth largest edible oil producer in the world and still about 46% of total edible oil is imported to meet the domestic requirements and as such the question of diverting edible oil resources for Bio-diesel production in India does not arise. The only possibility seems to be the non-edible oil resources like Jatropha, pongamia, mahua, sal etc., which can be commercially grown on waste lands and the oil resources can be used for Bio-diesel production. *(Source: http://www.ijee.ieefoundation.org/)*

**Jatropha cultivation and oil extraction**

In April 2003, the committee on development of BIO-FUEL, under the auspices of the Planning Commission of India, presented its report that recommends a major multi-dimensional programme to replace 20% of India's diesel consumption. The National Planning Commission has integrated the Ministries of Petroleum, Rural Development, Poverty Alleviation and the Environmental Ministry and others. One objective is to blend petro-diesel with a planned 13 million tonne of Bio-Diesel by 2013 produced mainly from non-edible Jatropha oil, a smaller part from pongomia.

For this end, eleven millions hectares of unused lands were to be cultivated with Jatropha. To plant 11 million hectares Jatropha, the program had to become a "National Mission" and mass movement and wanted to mobilize a large number of stakeholders including individuals, communities, entrepreneurs, oil companies, business, industry, the financial sector as well as Government and most of its institutions. (*Source: www.jatrophabiodiesel.org)*

**Neem seed oil extraction**

Neem oil is extracted from neem leaf and need seed. Neem seed is widely used in the extraction process instead of neem leaf as the oil content is found to be more in seeds than in the leaf.

Neem oil extraction is done by mechanical pressing, steam pressure extraction and solvent extraction. Primary process of extraction consists of grade wise separation of seeds. Grading of seeds is done according to the amount of oil content in the seeds and with sizes as well.

Neem oil has been used in controlling plant pests and diseases. Many researches have shown that the spray solution of neem oil helps to control common pests like white flies, aphids, scales, mealy bugs, spider mites, locusts, thrips, and Japanese beetles, etc. Neem oil also works as a fungicide and helps control powdery mildew. Some people have also experienced good results with neem oil spray on black spot. Orchid owners use pure neem oil spray to control pests like mealybugs, spidermites, etc. One of the main ingredients in neem seed oil is azadirachtin that works as an insect growth regulator, thus preventing the larval stage to molt into an adult. As neem is very bitter in taste, it also works as an antifeedant thus making the leaves sprayed with it very distasteful for the bugs to eat, and the bugs choose to starve themselves than eat the leaves treated with neem. Neem oil is bio-degradable and has proven to be non-toxic to mammals, birds, bees or earthworms. It is biodegradable and breaks down easily and quickly. Neem has also proven to be not harmful to adult beneficial insects, since it primarily affects only plant sap-sucking insects, which feed upon the treated plants.

**Bio-fertilizers**

A Bio-fertilizer is a substance which contains living microorganisms which, when applied to seed, plant surfaces, or soil, colonizes the rhizosphere or the interior of the plant and promotes growth by increasing the supply or availability of primary nutrients to the host plant. Bio-fertilizers add nutrients through the natural processes of nitrogen fixation, solubilizing phosphorus, and stimulating plant growth through the synthesis of growth-promoting substances. Bio-fertilizers can be expected to reduce the use of chemical fertilizers and pesticides. The microorganisms in Bio-fertilizers restore the soil's natural nutrient cycle and build soil organic matter. Through the use of Bio-fertilizers, healthy plants can be grown, while enhancing the sustainability and the health of the soil. Since they play several roles, a preferred scientific term for such beneficial bacteria is "plant-growth promoting rhizobacteria" (PGPR). Therefore, they are extremely advantageous in enriching soil fertility and fulfilling plant nutrient requirements by supplying the organic nutrients through microorganism and their byproducts. Hence, Bio-fertilizers do not contain any chemicals which are harmful to the living soil.

**Bio-pesticides**

Bio-pesticides include naturally occurring substances that control pests (biochemical pesticides), microorganisms that control pests (microbial pesticides), and pesticidal substances produced by plants containing added genetic material (plant-incorporated protectants) or PIPs.

Conventional pesticides, by contrast, are generally synthetic materials that directly kill or inactivate the pests. For example, a plant in the presence of chitosan will naturally induce systemic resistance (ISR) to allow the plant to defend itself against disease, pathogens and pests. Bio-pesticides are considered ecofriendly and easy to use.

**BUSINESS OVERVIEW**

We are currently engaged in cultivation of Jatropha Curcas plants. The seeds developed from these plants are supplied to farmers in the vicinity of our plantation. We also supply Jatropha Curcas seedlings and saplings developed at our nursery.

Jatropha Curcas is a small tree or shrub. Normally, it grows between three and five meters in height. The seeds become mature when the capsule changes from green to yellow, after two to four months from fertilization. These seeds have an oil content of approximately 37%. Jatropha oil is a non edible vegetable oil utilized for production of soap and used as lamp fuel and fuel in special diesel engines etc.

We commenced cultivation of Jatropha Curcas plants in the fiscal 2006-07. Usually Jatropha Curcas plants take approximate 3-4 years to generate seeds. Our plantation began seeding during the fiscal 2010-11.

**SWOT**

**Strengths**

- Location advantage of the existing plantation
- knowledge of Industry-commercial & technical
- Established Jatropha plantation

**Weaknesses**

- Lack of in-house comprehensive value chain
- Dependent upon monsoon and climatic conditions for plantation
- Tiny customer base
- Insufficient Jatropha plantation to meet the Jatropha seeds requirement of the proposed Jatropha seed oil extraction plant

**Opportunities**

- Penetrate into new geographies
- Growing awareness for Bio-diesel

**Threats**

- Industry is prone to changes in government policies, any material changes in the duty or raw material prices may adversely impact our financials.
- There are no entry barriers in our industry which puts us to the threat of competition from new entrants.

## SUMMARY OF FINANCIAL DATA

**The following tables set forth summary financial information derived from our restated financial statements as of and for the years ended March 31, 2007, 2008, 2009, 2010, 2011 and for the period ended September 30, 2011. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI ICDR Regulations and presented under the section titled *'Financial Information'* on page 127. The summary financial information presented below should be read in conjunction with the chapter titled *'Management Discussion and Analysis of Financial Conditions and Results of Operations'* and *'Financial Information'* on pages 146 and 127 respectively.**

### ANNEXURE-01
### STATEMENT OF ASSETS AND LIABLITIES, AS RESTATED

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Fixed Assets-Gross Block | 537.26 | 498.34 | 370.33 | 168.47 | 168.13 | 18.14 |
| Less: Depreciation | 35.81 | 26.97 | 17.40 | 9.05 | 4.43 | 0.00 |
| **Net Block** | **501.45** | **471.37** | **352.93** | **159.42** | **163.70** | **18.14** |
| Less: Revaluation Reserve | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Block after adjustment for Revaluation Reserve | **501.45** | **471.37** | **352.93** | **159.42** | **163.70** | **18.14** |
| Capital Work in Progress | **63.79** | **32.80** | **10.48** | **165.85** | **0.00** | **0.00** |
| **Total (A)** | **565.24** | **504.17** | **363.41** | **325.27** | **163.70** | **18.14** |
| | | | | | | |
| **Investments (B)** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Current Assets, Loans and Advances** | | | | | | |
| Receivables | 14.32 | 5.89 | 5.80 | 3.10 | 0.00 | 0.00 |
| Inventories | 7.43 | 6.48 | 3.45 | 5.83 | 0.98 | 0.00 |
| Cash & Bank Balances | 30.59 | 14.35 | 0.61 | 1.39 | 4.89 | 0.63 |
| Deposits, Loans & Advances | 217.70 | 235.04 | 134.44 | 134.44 | 0.00 | 0.00 |
| **Total Current Assets ( C )** | 270.04 | 261.76 | 144.30 | 144.76 | 5.87 | 0.63 |
| **Total Assets (D) = (A) + (B) + ( C )** | **835.28** | **765.93** | **507.71** | **470.03** | **169.57** | **18.77** |
| **Liabilities & Provisions** | | | | | | |
| **Loan Funds :** | | | | | | |
| Secured Loans | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Unsecured Loans | 56.06 | 0.00 | 1.99 | 2.06 | 1.66 | 1.36 |
| **Current Liabilities & Provisions:** | | | | | | |
| Current Liabilities | 11.63 | 17.08 | 27.56 | 21.52 | 51.83 | 0.07 |
| Provisions | 0.00 | 0.00 | 0.00 | 0.00 | 0.47 | 0.00 |
| **Total Liabilities & Provisions (E)** | **67.69** | **17.08** | **29.55** | **23.58** | **53.96** | **1.43** |
| **Net Worth (D) - (E)** | **767.59** | **748.85** | **478.16** | **446.45** | **115.61** | **17.34** |
| **Represented By:** | | | | | | |
| Share Capital | 613.90 | 613.90 | 380.00 | 20.00 | 20.00 | 1.00 |
| Share Application Money | 0.00 | 0.00 | 0.00 | 340.00 | 17.00 | 17.00 |
| Reserves & Surplus | 166.02 | 147.28 | 98.16 | 86.45 | 78.61 | (0.66) |
| Less: Revaluation Reserve | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Reserves (Net of Revaluation Reserve) | 166.02 | 147.28 | 98.16 | 86.45 | 78.61 | 0.00 |
| **Sub Total Net Worth** | **779.92** | **761.18** | **478.16** | **446.45** | **115.61** | **17.34** |
| Preliminary Exp. to the extent not w/o | 12.33 | 12.33 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total Net Worth** | **767.59** | **748.85** | **478.16** | **446.45** | **115.61** | **17.34** |

**ANNEXURE-02**
**STATEMENT OF PROFIT AND LOSS, AS RESTATED**

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| **Income** | | | | | | |
| Agriculture Income | 55.35 | 75.00 | 62.12 | 43.35 | 19.75 | 0.00 |
| Increase/(Decrease) in Inventories | 0.95 | 3.03 | (2.37) | 4.85 | 0.98 | 0.00 |
| **Total** | **56.30** | **78.03** | **59.75** | **48.20** | **20.73** | **0.00** |
| | | | | | | |
| **Expenditure** | | | | | | |
| Materials Consumed | 3.01 | 8.11 | 7.97 | 10.02 | 6.32 | 0.00 |
| Labour Charges Paid | 9.90 | 24.34 | 21.98 | 18.98 | 3.75 | 0.00 |
| Employees Expenses | 2.82 | 5.75 | 4.45 | 3.60 | 1.14 | 0.00 |
| Administrative Expenses | 12.99 | 8.87 | 5.31 | 3.16 | 0.88 | 0.00 |
| Miscellaneous Expenditure | 0.00 | 0.00 | 0.00 | 0.00 | 0.45 | 0.66 |
| **Total** | **28.72** | **47.07** | **39.71** | **35.76** | **12.54** | **0.66** |
| **Profit before Depreciation, Interest and Tax** | **27.58** | **30.96** | **20.04** | **12.44** | **8.19** | **(0.66)** |
| Depreciation | 8.84 | 9.57 | 8.33 | 4.62 | 4.43 | 0.00 |
| **Profit before Interest & Tax** | **18.74** | **21.39** | **11.71** | **7.82** | **3.76** | **(0.66)** |
| Interest & Finance Charges | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Net Profit before Tax** | **18.74** | **21.39** | **11.71** | **7.82** | **3.76** | **(0.66)** |
| **Less:** Provision for Tax-Current Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.48 | 0.00 |
| **Net Profit After Tax** | **18.74** | **21.39** | **11.71** | **7.82** | **3.28** | **(0.66)** |

**ANNEXURE-03**
**STATEMENT OF CASH FLOW, AS RESTATED**

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | | |
| Net profit before tax | 18.74 | 21.39 | 11.71 | 7.82 | 3.76 | (0.66) |
| **Adjustment for:** | | | | | | |
| Add: Depreciation | 8.84 | 9.57 | 8.33 | 4.62 | 4.43 | 0.00 |
| **Operating Profit before Working capital changes** | **27.58** | **30.96** | **20.04** | **12.44** | **8.19** | **(0.66)** |
| **Adjustments for:** | | | | | | |
| Decrease (Increase) in Trade & Other Receivables | (8.42) | (0.09) | (2.70) | (3.10) | 0.00 | (0.66) |
| Decrease (Increase) in Inventories | (0.95) | (3.03) | 2.38 | (4.85) | (0.98) | 0.00 |
| Decrease (Increase) in Deposits, Loans & Advances | 17.34 | (100.60) | 0.00 | (134.44) | 0.00 | 0.00 |
| Increase (Decrease) in Current Liabilities | (5.45) | (10.49) | 6.05 | (30.31) | 51.75 | 0.07 |
| **Net Changes in Working Capital** | **2.52** | **(114.21)** | **5.73** | **(172.70)** | **50.77** | **(0.59)** |
| **Cash Generated from Operations** | **30.10** | **(83.25)** | **25.77** | **(160.26)** | **58.96** | **(0.59)** |
| **Taxes Paid (Including FBT)** | 0.00 | 0.00 | 0.00 | (0.46) | 0.00 | 0.00 |
| **Net Cash Flow from Operating Activities (A)** | **30.10** | **(83.25)** | **25.77** | **(160.72)** | **58.96** | **(0.59)** |
| | | | | | | |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | | | | |
| (Purchase) of Fixed Assets and Capital Work in Progress | (69.91) | (150.33) | (46.49) | (166.19) | (150.00) | (18.14) |

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| **Net Cash Flow from Investing Activities (B)** | **(69.91)** | **(150.33)** | **(46.49)** | **(166.19)** | **(150.00)** | **(18.14)** |
| | | | | | | |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | | | | |
| Issue of share capital | 0.00 | 233.90 | 360.00 | 0.00 | 19.00 | 1.00 |
| Share Application Money | | 0.00 | (340.00) | 323.00 | 0.00 | 17.00 |
| Share Premium | 0.00 | 27.74 | 0.00 | 0.00 | 76.00 | 0.00 |
| Unsecured Loans Taken/ (Repaid) | 56.05 | (1.99) | (0.07) | 0.40 | 0.30 | 1.36 |
| Preliminary Expenses Paid | 0.00 | (12.33) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Net Cash Flow from Financing Activities (C)** | **56.05** | **247.32** | **19.93** | **323.40** | **95.30** | **19.36** |
| **Net Increase / (Decrease) in Cash & Cash Equivalents** | **16.24** | **13.74** | **(0.78)** | **(3.51)** | **4.26** | **0.63** |
| | | | | | | |
| Cash and cash equivalents at the beginning of the year / Period | 14.35 | 0.61 | 1.39 | 4.89 | 0.63 | 0.00 |
| **Cash and cash equivalents at the end of the year/ Period** | **30.59** | **14.35** | **0.61** | **1.39** | **4.89** | **0.63** |

**Note:** The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) – 3 on Cash Flow Statements issued by the Institute of Chartered of Accountants of India.

**ISSUE DETAILS IN BRIEF**

| | |
|---|---|
| Public Issue # | [●] Equity Shares of face value of Rs. 10 each aggregating upto Rs. 2,700 Lacs |
| *of which* | |
| (A) Qualified Institutional Buyers Portion<br>*Of Which* | Upto [●] Equity Shares (not more than 50% of the Issue) |
| Anchor Investor Portion | Upto [●] Equity Shares* |
| **Net QIB Portion** | [●] Equity Shares of face value of Rs. 10 each |
| ***Of Which-*** | |
| Mutual Fund Portion (5% of the Net QIB Portion) | Of the above [●] Equity Shares, [●] Equity Shares shall be available for allocation on proportionate basis to Mutual Funds only |
| Balance for all QIBs including Mutual Funds | The balance [●] Equity Shares shall be available for allocation on proportionate basis to all QIBs, including Mutual Funds |
| (B) Non Institutional Portion | [●] Equity Shares of face value of Rs 10 each constituting not less than 15% of the Issue (Allocation on a proportionate basis) |
| (C) Retail Portion | [●] Equity Shares of face value of Rs 10 each constituting not less than 35% of the Issue (Allocation on a proportionate basis) |
| **Pre & Post Equity Shares** | |
| Equity Shares outstanding prior to the Issue | 6,139,000 Equity Shares of face value of Rs.10 each |
| Equity Shares outstanding after the Issue | [●] Equity Shares of face value of Rs.10 each |
| Objects of the Issue | Please see the section titled *'Objects of the Issue'* on page 53 of this Draft Red Herring Prospectus. |

# Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis subject to valid Bids being received at or above the Issue Price.

* Our Company may, in consultation with BRLM, consider participation by Anchor Investors upto 30% of the QIB Portion on a discretionary basis in accordance with applicable SEBI (ICDR) Regulations. 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 Anchor Investor Issue Price. For further details, please refer to the section titled *'Issue Procedure'* on page 175 of this Draft Red Herring Prospectus.

Note: Under subscription, if any, in any category would be allowed to be met with spill over from any other category at the sole discretion of our Company, in consultation with the Book Running Lead Manager.

## GENERAL INFORMATION

**Incorporation**

Our Company was originally incorporated as Altret Bio-Tech Private Limited on September 04, 2006 under the Companies Act, 1956 as a private limited Company vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. The status of our Company was changed to public limited company pursuant to a fresh certificate of incorporation consequent upon conversion from a private limited Company to a public limited Company issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli on November 02, 2011.

**Registered Office:**

12/2881, "Altret House"
Saiyedpura Main Road,
Surat, Gujarat
India-395003
**Tel.**: +91-261-2451807-809
**Fax**: +91-261-2434517
**E-mail** : ipo@altretbiotech.com
**Web site** : www.altretbiotech.com

**Corporate Identification Number:** U02429GJ2006PLC049007

**Address of Registrar of Companies**

We are registered with the RoC situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, India

For details in relation to the changes to the name of our Company, please refer to the section titled *'Our History and Corporate Structure'* beginning on page 99 of this Draft Red Herring Prospectus.

**Contact Person**: Ms. Smita Jain, Company Secretary & Compliance Officer,
Email: cs@altretbiotech.com

**Board of Directors**:

Our Board of Directors comprise of the following members:

| Name | Designation | DIN | Address |
|---|---|---|---|
| Mr. Sam Bakirbhai Lokhandwala | Executive Chairman | 00011415 | 35/A, Sarjan Society Athwalines, Surat – 395 001, Gujarat |
| Mr. Raj Sam Lokhandwala | Managing Director | 01923194 | 35/A, Sarjan Society Athwalines, Surat – 395 001, Gujarat |
| Mr. Nizar Keizarbhai Kapadia | Independent Director | 03629598 | A-101, Harmony Apts, Behind Convent School, EME Road, Fatehgunj, Vadodara-390 002, Gujarat |
| Mr. Dushyant Ambalal Patel | Independent Director | 03631253 | A& PO. Vijalpore, A-30, Gayatri Sankul Society, Tal-Jalalpore, Navsari- 396450, Gujarat |
| Mr. Mubinhusain Siddiqhusain Saiyed | Independent Director | 05144537 | 12/1923, 1st Floor, Nr. Kalabawa House, Saiyedwada, Saiyedpura, Surat - 395003, Gujarat |

For further details of Management of our Company, please refer to section titled *'Our Management'* on page 102 of this Draft Red Herring Prospectus.

**Company Secretary & Compliance Officer**

**Ms. Smita Jain**
12/2881, "Altret House"
Saiyedpura Main Road,
Surat, Gujarat
India-395003
Tel: +91-261-2451807-9;
Fax: +91-261-2434517;
Email: cs@altretbiotech.com

Investors can contact our Compliance Officer in case of any pre-Issue or post-Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

**Book Running Lead Manager**

**COMFORT SECURITIES LIMITED**
A-301, Hetal Arch,
S. V. Road, Malad (West),
Mumbai- 400 064.
Tel: 022 - 28449765
Fax: 022 - 28892527
Email: mbdivison@comfortsecurities.co.in
Website: www.comfortsecurities.co.in
Contact Person: Mr. Sarthak Vijlani / Mr. Deepak Mor
SEBI Regn. No: INM 000011328

**Legal Advisors to the Issue**

**ARPAN M. RAJPUT & CO.**
Advocates, High Court
154/21, Rashid Mansion,
1st Floor, Bora Bazaar Street,
Fort, Mumbai – 400 001
Telefax: +91-022-2262 2035
Email: arpanmrajput@rediffmail.com
Contact Person: Mr. Arpan M. Rajput

**Registrar to the Issue**

**SHAREPRO SERVICES (INDIA) PRIVATE LIMITED**
13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Sakinaka, Mumbai – 400 072
Tel: 022 6772 0300
Fax: 022 2859 1568
E-mail: sharepro@shareproservices.com
Website: www.shareproservices.com
Contact Person: Mr. Subhash Dhingreja
SEBI Regn. No: INR000001476

**Bankers to the Company**

**HDFC BANK LIMITED**

Chaitanya Jyoti, Maskati Plot Vibhag 2,
Plat #32, Opposite Raymonds showroom,
Dumas Road, Surat – 395 007
Tel: +91-261-2253851/2253852/2253857
Fax: +91-261-2253853
E-mail: amir.naviwala@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Amir Naviwala

**Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount ("**ASBA**") Process are provided on http://www.sebi.gov.in/pmd/scsb.pdf. For details on designated branches of SCSBs collecting the Bid cum Application Form, please refer to the above-mentioned SEBI link.

**Statutory Auditors**

**B. N. KEDIA & CO.**
Chartered Accountants
210-B, 21st Century Business Centre,
Near Udhna Darwaja, Ring Road,
Surat, Gujarat-395002
Ph. No. +91-261- 2345627 / 2302144
Email: kedia_kedia@yahoo.com.
Contact Person: Mr. Sunil Kedia

**Escrow Collection Bankers to the Issue**

[•]

**Syndicate Member(S)**

[•]

**IPO grading**

[•]

We have appointed above-mentioned IPO Grading Agency for grading of proposed Initial Public Offering of our Company. This IPO Grading Agency has assigned [•] grade to the Initial Public Offering of our Company. The rationale of the IPO Grading Agency for assigning [•] grade is enclosed on page [•] of the Red Herring Prospectus.

Investors should carefully consider all of the information provided in this Draft Red Herring Prospectus including IPO grading information and should make their own judgment prior to making any investment in this Issue. This IPO grading does not take cognizance of the Issue Price of our Equity Shares and it is not a recommendation to buy, sell or hold our Equity Shares.

**Credit Rating**

As the Issue is of Equity shares, credit rating is not mandatory.

**Trustees**

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

**Brokers to the Issue**

All members of the recognized Stock Exchange would be eligible to act as Brokers to the Issue.

**Monitoring Agency**

As the net proceeds of the Issue will be less than Rs. 50,000 Lacs, under the SEBI (ICDR) Regulations it is not required that a monitoring agency be appointed by our Company.

**Appraiser**

The proposed Project has not been appraised by any agency and the Project cost and means of finance are based on estimates made by our Management.

**Inter-se allocation of responsibilities**

Comfort Securities Limited being the sole Book Running Lead Manager shall be responsible for the following:

1. Capital structuring with the relative components and formalities such as type of instruments.
2. Due diligence of our Company including our operations, management and business plans. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus and statutory advertisement including memorandum containing salient features of the Prospectus. (The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, the RoC and SEBI including finalization of Prospectus and the RoC filing of the same.)
3. Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, road show presentations, FAQs and corporate films.
4. Appointment of other intermediaries namely, Registrar, printers, advertising agency and Bankers to the Issue.
5. Institutional marketing of the Issue, which will cover, inter alia,

a. Finalizing the list and division of investors for one to one meetings and
b. Finalizing road show schedule and investor meeting schedules
c. Selection of Underwriters
d. Holding Conferences and Brokers Meetings

6. Non-Institutional and retail marketing of the Issue, which will cover, inter alia,

a. Formulating marketing strategies, preparation of publicity budget;
b. Finalizing media and public relations strategy;
c. Finalizing centres for holding conferences of stock brokers, investors etc;
d. Finalizing collection centres;
e. Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material;
f. Co-ordination with Stock Exchange for book building software, bidding terminals and mock trading;
g. Selection of Underwriters;
h. Holding Conferences and Brokers Meetings;

7. Follow – up with the bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.
8. The post bidding activities including management of escrow accounts, coordination of non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc.
9. The post issue activities will involve essential follow up steps, which include the finalization of listing of instruments, dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.
10. Underwriting arrangements involving invoking underwriting obligations in case of under-subscription.

**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 Issue Price is finalized after the Bid/Issue Closing Date.

The principal parties involved in the Book Building Process are:

- The Company;
- The Book Running Lead Manager, in this case being Comfort Securities Limited.;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE and eligible to act as Underwriters. The Syndicate Members are appointed by the Book Running Lead Manager;
- Registrar to the Issue;
- Escrow Collection Banks and
- Self Certified Syndicate Banks

This Issue is being made through a 100% Book Building Process wherein upto 50% of the Issue shall be allotted on a proportionate basis to eligible Qualified Institutional Buyers ("QIBs"), provided that our Company in consultation with the BRLM may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis, out of which at least one third will be available for allocation to domestic mutual funds only ("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. Further 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB portion shall be available for allocation on a proportionate basis to all eligible Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion (excluding the Anchor Investor Portion) and allocated proportionately to the QIB Bidders. If the aggregate demand for mutual funds is greater than 5% of the QIB Portion, allocation shall be made to the Mutual Funds proportionately to the extent of Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. Further, not less than 15% of the Issue shall be made available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall made available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

The Company shall comply with the SEBI Regulations and any other directions issued by SEBI for this Issue. In this regard, we have appointed the Comfort Securities Limited as the Book Running Lead Manager to manage the Issue.

The process of Book Building under the SEBI Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue. In accordance with the SEBI ICDR Regulations, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Allocation to the Anchor Investors will be on a discretionary basis. For further details,please refer to section '*Issue Procedure'* on page 175.

**Illustration of Book Building and Price Discovery Process** *(Investors should note 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, assuming a price band of Rs. 40/- to Rs. 48/- per share, issue size of 6,000 equity shares and receipt of nine bids from bidders, details of which are shown in the table below, the illustrative book would be as below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book as shown below indicates the demand for the shares of the Company at various prices and is collated from bids from various investors.

| Bid Quantity | Bid Price (Rs.) | Cumulative Quantity | Subscription |
|---|---|---|---|
| 500 | 48 | 500 | 8.33% |
| 700 | 47 | 1200 | 20.00 % |
| 1,000 | 46 | 2200 | 36.67% |
| 400 | 45 | 2600 | 43.33% |
| 500 | 44 | 3100 | 51.67% |
| 200 | 43 | 3300 | 55.00% |
| 2,700 | 42 | 6000 | 100.00% |
| 800 | 41 | 6800 | 113.33% |
| 1,200 | 40 | 8000 | 133.33% |

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e. Rs. 42/- in the above example. The issuer, in consultation with the BRLM will finalize the issue price at or below such cut-off price i.e. at or below Rs. 42/-. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

**Steps to be taken by the Bidders for Bidding**

1. Check eligibility for making a bid (for further details, please refer to the section titled '*Issue Procedure*' on page 175). Specific attention of ASBA Bidders is invited to the section titled '*Issue Procedure*' on page 175;

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;

4. Ensure that you have mentioned your PAN in the Bid cum Application Form (for further details, see the section titled '*Issue Procedure*' on page 175). Bidders are specifically requested not to submit their GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

5. Ensure the correctness of your Demographic Details (as defined under the paragraph titled '*Bidder's Depository Account Details*', in section titled '*Issue Procedure*' on page 192 ), given in the Bid cum Application Form, and the details recorded with your Depository Participant; and

6. Bids by ASBA Bidders have to be submitted to the SCSBs at the Designated Branches or Members of the Syndicate (at ASBA Bidding Locations). ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSBs to ensure that their ASBA Form is not rejected.

**Bid/Issue Programme**

*Bidding Period/Issue Period*

| BID / ISSUE OPENS ON*: [●] | BID / ISSUE CLOSES ON: [●] |
|---|---|

**Our Company may consider participation by Anchor Investors in terms of the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date. Bids by Anchor Investors may be submitted to the members of Syndicate or their affiliates. The number of Equity Shares allocated to each Anchor Investor shall be made available in the public domain by the BRLM, before the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non- Institutional Bidders where the Bid Amount is in excess of Rs. 200,000 and (ii) until 5.00 p.m. or such extended time as permitted by the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 200,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided the BSE.

In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

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 the times mentioned above on the Bid/Issue Closing Date. All times is Indian Standard Time. 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 public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e. Monday to Friday (excluding any public holidays).

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 20% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band subject to the total Bid /Issue Period not exceeding 10 working

days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely disseminated by notification to the BSE, by issuing a press release and also by indicating the changes on the web sites of the BRLMs and at the terminals of the Syndicate.

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 BRLM and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received at or above the Issue Price. For further details, please see the section titled '*Issue Procedure*' on page 175.

**Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 all non- retail Investors i.e. QIBs and Non Institutional Investors are mandatorily required to utilize the ASBA facility to submit their Bids and participate in this Issue. For further details please see the section titled '*Issue Procedure*' on page 175.**

**Attention of all QIBs is specifically drawn to the fact that all QIBs (including Anchor Investors) are required to pay the entire Bid Amount at the time of the submission of the Bid cum Application Form. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid / Issue Period. In accordance with the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion are not allowed to withdraw their Bids after the QIB Bid Closing Date. Further, allocation to QIBs will be on a proportionate basis.**

For further details, see the sections titled '*Terms of the Issue*' and '*Issue Procedure*' on pages 166 and 175 respectively. Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed the BRLM to manage this Issue and procure subscriptions to this Issue.

**The Book Building Process is subject to change from time to time and investors are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Issue.**

**Withdrawal of the Issue**

The Company, in consultation with the BRLM, reserves the right not to proceed with the issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchange where the specified securities are proposed to be listed shall also be informed promptly. If the Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approval of the Stock Exchange, which our Company shall apply for only after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchange.

In the event of withdrawal of this Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, on and from the expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

In the event that our Company decides not to proceed with this Issue after Bid/ Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with SEBI.

**Underwriting Agreement**

After the determination of the Issue Price but prior to filing of the Prospectus with Registrar of Companies, Ahmedabad, Gujarat will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and not joint, and are subject to certain conditions as specified in such agreement.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:
*(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with Registrar of Companies,* Ahmedabad, Gujarat*)*

| Name and Address of the Underwriters | Indicative Number of Equity shares to be Underwritten | Amount Underwritten (Rupees In Lacs) |
|---|---|---|
| **COMFORT SECURITIES LIMITED**<br>A-301, Hetal Arch, S. V. Road, Malad (West),<br>Mumbai- 400 064.<br>Tel : 022 28449765<br>Fax: 022 28892527<br>Email: mbdivision@comfortsecurities.co.in<br>Website: www.comfortsecurities.co.in<br>Contact Person: Mr. Sarthak Vijlani /<br>Mr. Deepak Mor<br>SEBI Regn. No: INM 000011328 | [•] | [•] |
| [•] | [•] | [•] |
| **Total** | [•] | [•] |

The above-mentioned amount is an indicative underwriting and would be finalized after pricing and actual allocation. The above underwriting agreement is dated [•]. In the opinion of the Board of Directors of the Company (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI and are eligible to underwrite as per applicable guideline.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLM and the Syndicate Members shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure/subscribe to the extent of the defaulted amount. For further details about allocation please refer to the section titled *'Other Regulatory and Statutory Disclosures'* on page 156 of this Offer Document.

**CAPITAL STRUCTURE**

***(Rs. in Lacs, except share data)***

| | Aggregate Nominal Value | Aggregate value at Issue Price |
|---|---|---|
| **(A) Authorized Share Capital** | | |
| 13,000,000 Equity Shares of Rs. 10/- each | **1,300.00** | |
| **(B) Issued, Subscribed and Paid-up Equity Capital** | | |
| 6,139,000 Equity Shares of Rs. 10/- each | **613.90** | |
| **(C) Present Issue in terms of this Draft Red Herring Prospectus**[1] | | |
| [•] Equity Shares of Rs. 10/- each | [•] | **[•]** |
| **Of which** | | |
| Qualified Institutional Buyers Portion of up to **[•]** Equity Shares[2] | **[•]** | [•] |
| Non Institutional Portion of at least **[•]** Equity Shares | **[•]** | [•] |
| Retail Portion of at least **[•]** Equity Shares | **[•]** | [•] |
| **(D) Issued, Subscribed and Paid-up Equity Capital after the Issue** | | |
| **[•]** Equity Shares of Rs. 10/- each (fully paid up) | **[•]** | |
| **(E) Share Premium Account** | | |
| Before the Issue | 103.74 | |
| After the Issue[3] | **[•]** | |

[1]This Issue has been authorized by the Board of Directors pursuant to a board resolution dated November 21, 2011 and by the shareholders of our Company pursuant to a special resolution dated December 21, 2011 passed at the EGM of shareholders under section 81 (1A) of the Companies Act.

Under-subscription, if any, in QIB, Retail and Non-Institutional Category would be met with spill-over from other categories or a combination of categories. Such inter-se spillover, if any, will be at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price. Investors may note that in case of over-subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis.

[2]Our Company may allocate up to 30% of the QIB Portion to Anchor Investors on discretionary basis in accordance with applicable SEBI ICDR Regulations. 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 being done to Anchor Investors. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. Further attention of all **QIBs** (except Anchor Investors) is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid after the Bid/Issue Closing Date; and (b) each QIB, including a Mutual Fund, is required to deposit an amount of 100% with its Bid-cum-Application Form. **Anchor Investors** are required to note that (a)the Bidding for Anchor Investors shall open one Working Day prior to the Bid/ Issue Opening Date and shall be completed the same day; (b) All Anchor Investors are required to deposit an amount of 100% with its Bid-cum-Application Form; and (c) In the event the Issue Price is greater than Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and such price shall be paid by the Anchor Investors by the Pay-in-Date. In the event the Issue Price is lower than the said price, the Allotment to Anchor Investors shall be at the higher price i.e. the Anchor Investor Issue Price. For further details, please refer to the section titled *'Issue Procedure'* on page 175 of this Draft Red Herring Prospectus.

[3]The Securities Premium Account shall be determined after the Book Building Process.

**DETAILS OF CHANGES IN AUTHORISED CAPITAL**

| Sr. No. | Date of shareholders meeting | Authorised Capital (Rs.) | Face Value (Rs.) | No. of Shares | Particulars | Meeting AGM/EGM |
|---|---|---|---|---|---|---|
| 1 | --- | Rs. 5 Lacs | 10/- | 50,000 | Incorporation | Incorporation |
| 2 | 08/03/2008 | From Rs. 5 Lacs to Rs. 20 Lacs | 10/- | 200,000 | Increase | EGM |
| 3 | 30/01/2010 | From Rs. 20 Lacs to Rs. 400 Lacs | 10/- | 4,000,000 | Increase | EGM |
| 4 | 15/12/2010 | From Rs. 400 Lacs to Rs. 1,000 Lacs | 10/- | 10,000,000 | Increase | EGM |
| 5 | 11/11/2011 | From Rs. 1,000 Lacs to Rs. 1,300 Lacs | 10/- | 13,000,000 | Increase | EGM |

**NOTES FORMING PART OF THE CAPITAL STRUCTURE:**

**1. Equity share capital history of our Company**

| Date of Issue/ Allotment | Number of Equity Shares allotted | Cumulative no. of shares | Face Value (Rs.) | Issue Price (Rs.) | Consideration (cash, bonus, consideration other than cash*) | Nature for allotment (bonus, swap etc.) | Securities Premium Account (Rs.) | Cumulative Share Premium (Rs.) |
|---|---|---|---|---|---|---|---|---|
| 04/09/2006 | 10,000 | 10,000 | 10 | 10 | Cash | Subscription to MOA (i) | Nil | Nil |
| 31/03/2008 | 190,000 | 200,000 | 10 | 50 | Consideration other than Cash | Allotment pursuant to a MOU for acquiring technical know how (ii) | 7,600,000 | 7,600,000 |
| 01/02/2010 | 3,600,000 | 3,800,000 | 10 | 10 | Cash | Further allotment (iii) | Nil | 7,600,000 |
| 15/12/2010 | 450,000 | 4,250,000 | 10 | 10 | Cash | Further allotment (iv) | Nil | 7,600,000 |
| 31/01/2011 | 2,37,000 | 44,87,000 | 10 | 10 | Cash | Further allotment (v) | Nil | 7,600,000 |
| 25/03/2011 | 1,579,000 | 6,066,000 | 10 | 10 | Cash | Further allotment (vi) | Nil | 7,600,000 |
| 31/03/2011 | 73,000 | 6,139,000 | 10 | 48 | Cash | Further allotment (vii) | 2,774,000 | 10,374,000 |

(i) Initial allotment of 10,000 Equity Shares to the subscribers of the MOA of the Company being 5,000 Equity Shares to Mr. Sam Lokhandwala and 5,000 Equity Shares to Mr. Shailendra Rana.

(ii) The Company has entered into a MOU dated April 01, 2007 with M/s. Altret Performance Chemicals Gujarat Private Limited for acquisition of technology know how for cultivation of Jatropha Curcas seeds for a total consideration of Rs. 161 Lacs. Out of the total consideration of Rs. 161 Lacs, Rs. 66 Lacs has been paid in cash and Company has allotted 190,000 Equity Shares @ Rs. 50/- per share on 31/03/2008 towards remaining consideration.

(iii) Further allotment of 3,100,000 Equity Shares to Mr. Sam Lokhandwala and 500,000 Equity Shares to Mr. Raj Lokhandwala.

(iv) Further allotment of 50,000 Equity Shares to Mr. Murad Pirani, 50,000 Equity Shares to Mr. Salima Pirani, 50,000 Equity Shares to Mr. Mohmmad Pirani, 25,000 Equity Shares to Mr. Nizar Kapadia, 25,000 Equity Shares to Mr. Amatulla Kapadia, 250,000 Equity Shares to Mr. Sam Lokhandwala.

(v) Further allotment of 67,000 Equity Shares to Ms. Kaniza Lokhandwala, 140,000 Equity Shares to Ms. Khadiza Lokhandwala, 30,000 Equity Shares to Mr. Ali Rangoonwala.

(vi) Further allotment of 1,326,800 Equity Shares to Mr. Sam Lokhandwala, 160,100 Equity Shares to Mr. Raj Lokhandwala, 92,100 Equity Shares to Ms. Zenab Rangoonwala.

(vii) Further allotment of 32,000 Equity Shares to Ms. Renu Bhandari and 41,000 Equity Shares to Ms. Narmadaben Lakhani.

**2. Issue of Equity Shares in the last one year**

Except as stated below we have not issued any Equity Shares in the preceding one year and some of these Equity Shares may have been issued at a price lower than the Issue Price:

| Date of Allotment | Number of Equity Shares | Name of the Allottee | Relationship with the Promoters | Reason for allotment | Face Value (In Rs.) | Issue Price (In Rs.) |
|---|---|---|---|---|---|---|
| 25/03/2011 | 1,326,800 | Mr. Sam Lokhandwala | Promoter | Further allotment | 10 | 10 |
| | 160,100 | Mr. Raj Lokhandwala | Promoter | | 10 | 10 |
| | 92,100 | Ms. Zenab Rangoonwala | Promoter Group | | 10 | 10 |
| 31/03/2011 | 32,000 | Ms. Renu Bhandari | No | | 10 | 48 |
| | 41,000 | Ms. Narmadaben Lakhani | No | | 10 | 48 |

**3. Issue of Equity Shares for consideration other than cash**

| Date of Issue | Number of Equity Shares Issued | Person to whom shares are issued | Reason for Issue | Benefits accrued to our Company | Face Value (In Rs.) | Issue Price (In Rs.) |
|---|---|---|---|---|---|---|
| 31/03/2008 | 190,000 | M/s. Altret Performance Chemicals Gujarat Private Limited | Acquisition of technology know how for cultivation of Jatropha Curcas seeds | Acquisition of technology know | 10 | 50 |

**4.** We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956.

**5. Shareholding of our Promoters**

Following is the build-up of Promoters' shareholdings:

**(i) Mr. Sam Lokhandwala**

| Date of Allotment / Transfer | Consideration (Cash/ other than Cash etc.) | No. of shares | Face Value (Rs.) | Issue Price/ Purchase Price (Rs.) | Remarks | Pre-Issue Shareholding % | Post Issue Shareholding % |
|---|---|---|---|---|---|---|---|
| 04/09/2006 | Cash | 5,000 | 10 | 10 | Allotment due to subscription to MOA | - | - |
| 01/02/2010 | Cash | 3,100,000 | 10 | 10 | Further allotment | - | - |
| 23/09/2010 | Cash | 56,000 | 10 | 50 | Transfer from M/s. Altret Performance | - | - |

| Date of Allotment / Transfer | Consideration (Cash/ other than Cash etc.) | No. of shares | Face Value (Rs.) | Issue Price/ Purchase Price (Rs.) | Remarks | Pre-Issue Shareholding % | Post Issue Shareholding % |
|---|---|---|---|---|---|---|---|
| | | | | | Chemicals Gujarat Private Limited | | |
| 15/12/2010 | Cash | 250,000 | 10 | 10 | Further allotment | - | - |
| 25/03/2011 | Cash | 1,326,800 | 10 | 10 | Further allotment | - | - |
| 26/09/2011 | Cash | 32,000 | 10 | 55 | Transfer from Ms. Renu Bhandari | - | - |
| | **TOTAL (A)** | **4,769,800** | | | | **77.70** | **[●]** |

**(ii) Mr. Raj Lokhandwala**

| Date of Allotment / Transfer | Consideration (Cash/ other than Cash etc.) | No. of shares | Face Value (Rs.) | Issue Price/ Purchase Price (Rs.) | Remarks | Pre-Issue Shareholding % | Post Issue Shareholding % |
|---|---|---|---|---|---|---|---|
| 01/02/2010 | Cash | 500,000 | 10 | 10 | Further allotment | - | - |
| 23/09/2010 | Cash | 24,000 | 10 | 50 | Transfer from M/s. Altret Performance Chemicals Gujarat Private Limited | - | - |
| 25/03/2011 | Cash | 160,100 | 10 | 10 | Further allotment | - | - |
| | **TOTAL (B)** | **684,100** | | | | **11.14** | **[●]** |

**6. Details of Promoters contribution locked-in for three years**

Pursuant to the SEBI ICDR Regulations, an aggregate of 20% of the post-Issue paid-up Equity Share Capital of our Company held by our Promoters shall be locked in for a period of three (3) years from the date of Allotment. The lock-in of the Promoters contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares. None of the Shares held by our Promoters are held in dematerialized form.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue Equity Share capital of our Company as Promoters contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution from the date of filing of this DRHP until the commencement of the lock-in period specified above.

As per clause (a) sub-regulation (1) Regulation 32 of the SEBI ICDR Regulations, and in terms of the aforementioned table of Promoters share capital built-up, the below mentioned Equity Shares, held by our Promoters, as per sub-regulation (a) of Regulation 36 of SEBI ICDR Regulations shall be locked in for a period of three (3) years from the date of Allotment:

| Name of Promoters | No. of shares locked in | Face value (Rs.) | Date of allotment/ transfer | Issue Price / Purchase Price (Rs. per share) | % of Pre Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
|---|---|---|---|---|---|---|
| Mr. Sam Lokhandwala | [●] | 10 | [●] | [●] | [●] | [●] |
| Mr. Raj Lokhandwala | [●] | 10 | [●] | [●] | [●] | [●] |
| **Total** | [●] | | [●] | [●] | [●] | [●] |

*(The aforesaid table will be finalized after the issue price and the number of shares to be issued is finalized in prospectus.)*

The above Equity Shares are eligible for computation of Promoter's contribution and lock-in in terms of Regulation 33 (1) of the SEBI Regulations as discussed below:

We further confirm that the minimum Promoter contribution of 20% which is subject to lock-in for three years does not consist of:

• Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.

• Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.

• Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

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

• Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum promoters' contribution subject to lock-in.

• Equity shares issued to our promoters on conversion of partnership firms into limited companies.

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post -Issue paid-up Equity Share Capital from the date of allotment in the proposed public issue. Promoters' contribution does not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

Shares held by the person other than the Promoters, prior to this Issue, which are subject to lock in as per Regulation 37 of SEBI (ICDR) Regulations, 2009 may be transferred to any other person holding shares which are locked in, subject to continuation of lock -in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

Shares held by Promoter(s) which are locked in as per the relevant provisions of Regulation 36 of the SEBI Regulations, may be transferred to and amongst Promoter/Promoter group or to a new promoter or persons in control of the Company, subject to continuation of lock -in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011, as applicable. As per Regulation 39 of SEBI (ICDR) Regulations, 2009, the locked-in Equity Shares held by the Promoter(s) can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of such loan.

Provided that if securities are locked in as minimum Promoters' contribution under Regulation 36 of the SEBI Regulations, the same may be pledged, only if, in addition to fulfilling the requirements of this clause, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue. Other than those shares that are locked in as Promoters' contribution for three years, the entire pre-issue share capital will be locked in for a period of one year from the date of allotment in this public issue.

*Details of Equity Shares locked in for one year*

In terms of regulation 37 of the SEBI ICDR Regulations, other than the above Equity Shares that are locked in for a period of three (3) years, the entire pre-Issue Equity Share Capital of our Company would be locked-in for a period of one (1) year from the date of Allotment of Equity Shares in the Issue.

*Lock-in of Equity Shares allotted to Anchor Investors*

Further, if our Company decides to issue Equity Shares to Anchor Investors, these Equity Shares Allotted, in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

**7. Shareholding Pattern of our Company**

[A] The following table presents the Shareholding pattern of our Company:

| Category of Shareholder | No. of Shareholders | Pre-Issue | | Post-Issue | | Shares Pledged or otherwise encumbered | |
|---|---|---|---|---|---|---|---|
| | | No. of Equity Shares | As a % of Issued Equity | No. of Equity Shares | As a % of Issued Equity | Number of shares | As a % |
| **Shareholding of Promoters and Promoter group** | | | | | | | |
| **INDIAN** | | | | | | | |
| **Individuals/HUFs** Directors/Relatives | 5 | 5,868,000 | 95.59% | 5,868,000 | [●] | --- | --- |
| **Central Govt. / State Govts.** | --- | --- | --- | --- | --- | --- | --- |
| **Bodies Corporate** | --- | --- | --- | --- | --- | --- | --- |
| **Financial Institutions/Banks** | --- | --- | --- | --- | --- | --- | --- |
| **Sub Total A (1)** | 5 | 5,868,000 | 95.59% | 5,868,000 | [●] | --- | --- |
| **FOREIGN** | | | | | | | |
| **Bodies Corporate** | --- | --- | --- | --- | --- | --- | --- |
| **Individual** | --- | --- | --- | --- | --- | --- | --- |
| **Institutions** | --- | --- | --- | --- | --- | --- | --- |
| **Any Others (specify)** | --- | --- | --- | --- | --- | --- | --- |
| **Sub Total A (2)** | --- | --- | --- | --- | --- | --- | --- |
| **Total Shareholding of Promoter group A (1) + A (2)** | 5 | 5,868,000 | 95.59% | 5,868,000 | [●] | --- | --- |
| **PUBLIC SHAREHOLDING** | | | | | | | |
| ***Institutions*** | | | | | | | |
| **Central Govt./** | --- | --- | --- | **[●]** | **[●]** | --- | --- |

| Category of Shareholder | No. of Shareholders | Pre-Issue | | Post-Issue | | Shares Pledged or otherwise encumbered | |
|---|---|---|---|---|---|---|---|
| | | No. of Equity Shares | As a % of Issued Equity | No. of Equity Shares | As a % of Issued Equity | Number of shares | As a % |
| **State Govts.** | | | | | | | |
| **Financial Institutions/Banks** | --- | --- | --- | **[●]** | **[●]** | --- | --- |
| **Mutual Funds/UTI** | --- | --- | --- | **[●]** | **[●]** | --- | --- |
| **Venture Capital Funds** | --- | --- | --- | **[●]** | **[●]** | --- | --- |
| **Insurance Companies** | --- | --- | --- | **[●]** | **[●]** | --- | --- |
| **Foreign Institutions Investors** | --- | --- | --- | **[●]** | **[●]** | --- | --- |
| **Foreign Venture Capital Investors** | --- | --- | --- | **[●]** | **[●]** | --- | --- |
| **Any Others (Specify)** | --- | --- | --- | **[●]** | **[●]** | --- | --- |
| **Sub Total B (1)** | **---** | **---** | **---** | **[●]** | **[●]** | **---** | **---** |
| ***Non Institutions*** | | | | | | | |
| **Bodies Corporate** | **---** | **---** | **---** | **[●]** | **[●]** | **---** | **---** |
| **Individuals-shareholders holding normal share capital upto Rs. 2 lacs** | --- | --- | --- | **[●]** | **[●]** | --- | --- |
| **Individuals-shareholders holding normal Share capital in excess of Rs.2 lacs** | 7 | 271,000 | 4.41% | **[●]** | **[●]** | --- | --- |
| **Trust** | --- | --- | --- | **[●]** | **[●]** | --- | --- |
| **Any Other (i) Clearing Member** | **---** | --- | --- | **[●]** | **[●]** | --- | --- |
| **Directors/Relatives** | | --- | --- | **[●]** | **[●]** | --- | --- |
| **Employees** | **---** | --- | --- | **[●]** | **[●]** | --- | --- |
| **Foreign Nationals** | --- | --- | --- | **[●]** | **[●]** | --- | --- |
| **NRIs** | --- | --- | --- | **[●]** | **[●]** | --- | --- |
| **OCB'S** | --- | --- | --- | **[●]** | **[●]** | --- | --- |
| **Person Acting in Concert** | **---** | --- | --- | **[●]** | **[●]** | --- | --- |
| **Sub Total B(2)** | 7 | 271,000 | 4.41% | **[●]** | **[●]** | **---** | **---** |
| **Total Public Shareholding B(1) + B(2)** | **7** | **271,000** | **4.41%** | **[●]** | **[●]** | **---** | **---** |
| **Total A+B** | **12** | **6,139,000** | **100%** | **[●]** | **100%** | **---** | **---** |
| **Shares held by Custodians and against which Depository receipts have been issued** | --- | --- | --- | --- | --- | --- | --- |
| **Grand Total A+B+C** | **12** | **6,139,000** | **100%** | **[●]** | **100%** | --- | --- |

[B] **Shareholding of our Promoters and Promoter Group**

The table below presents the current shareholding pattern of our Promoters and Promoter Group as per clause 35 of the Equity Listing Agreement.

| Sr. No. | Name of the Shareholder | Pre-Issue | | Post-Issue | | Shares pledged or otherwise encumbered | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Equity Shares | As a % of Issued Share Capital | No. of Equity Shares | As a % of Issued Share Capital | Number | As a percentage | As a % of grand Total (a)+(b)+(c) of Sub-clause (i)(a) |
| **A** | **Promoters** | | | | | | | |
| 1 | Mr. Sam Lokhandwala | 4,769,800 | 77.70% | 4,769,800 | [●] | - | - | - |
| 2 | Mr. Raj Lokhandwala | 6,84,100 | 11.14% | 6,84,100 | [●] | - | - | - |
| | **Total (A)** | **5,453,900** | **88.84%** | **5,453,900** | [●] | - | - | - |
| **B** | **Promoter Group** | | | | | | | |
| 3 | Ms. Kaniza Lokhandwala | 177,000 | 2.88% | 177,000 | [●] | - | - | - |
| 4 | Ms. Khadiza Lokhandwala | 140,000 | 2.28% | 140,000 | [●] | - | - | - |
| 5 | Ms. Zenab Rangoonwala | 97,100 | 1.59% | 97,100 | [●] | - | - | - |
| | **Total (B)** | **414,100** | **6.75%** | **414,100** | [●] | - | - | - |
| | **Total** | **5,868,000** | **95.59%** | **5,868,000** | [●] | - | - | - |

[C(i)] Shareholding of persons belonging to the category 'Public' and holding more than 1% of our Equity Shares

| S. No. | Name of Shareholder | Pre-Issue | | Post-Issue | |
|---|---|---|---|---|---|
| | | No. of Shares | Shares as % of total no. of shares | No. of Shares | Shares as % of total no. of shares |
| | | | | | |
| **--- NIL---** | | | | | |
| | | | | | |

[C(ii)] Shareholding of persons (together with public acting in concert of non promoter category) belonging to the category 'Public' and holding more than 5% of our Equity Shares

| S. No. | Name of Shareholder | Pre-Issue | | Post-Issue | |
|---|---|---|---|---|---|
| | | No. of Shares | Shares as % of total no. of shares | No. of Shares | Shares as % of total no. of shares |
| | | | | | |
| **--- NIL---** | | | | | |
| | | | | | |

**8. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:**

| Name of the Promoters | No. of Shares held | Average cost of Acquisition (in Rs.) |
|---|---|---|
| Mr. Sam Lokhandwala | 47,69,800 | 10.77 |
| Mr. Raj Lokhandwala | 6,84,100 | 11.40 |

**9. Except as stated below none of our Directors or KMP holds Equity Shares of our Company as on date of this Draft Red Herring Prospectus:**

| Sr. No. | Shareholder | No. of Equity Shares | Percentage of Pre Issue capital |
|---|---|---|---|
| 1 | Mr. Sam Lokhandwala | 4,769,800 | 77.70% |
| 2 | Mr. Raj Lokhandwala | 684,100 | 11.14% |
| 3 | Mr. Nizar Kapadia | 25,000 | 0.41% |

**10.** Details of top ten Shareholders of our Company

(a) Top ten shareholders as on the date of filing of the Draft Red Herring Prospectus.

| No. | Name of Shareholders | No. of Equity shares held | % of pre-issue shareholding |
|---|---|---|---|
| 1 | Mr. Sam Lokhandwala | 4,769,800 | 77.70% |
| 2 | Mr. Raj Lokhandwala | 684,100 | 11.14% |
| 3 | Ms. Kaniza Lokhandwala | 177,000 | 2.88% |
| 4 | Ms. Khadiza Lokhnadwala | 140,000 | 2.28% |
| 5 | Ms. Zenab Rangoonwala | 97,100 | 1.59% |
| 6 | Mr. Murad Pirani | 50,000 | 0.81% |
| 7 | Ms. Salima Pirani | 50,000 | 0.81% |
| 8 | Mr. Mohmmad Pirani | 50,000 | 0.81% |
| 9 | Ms. Narmadaben Lakhani | 41,000 | 0.67% |
| 10 | Mr. Ali Rangoonwala | 30,000 | 0.49% |
| | **Total** | **6,089,000** | **99.19%** |

(b) Top ten shareholders, ten (10) days prior to filing of Draft Red Herring Prospectus

| No. | Name of Shareholders | No. of Equity shares held | % of pre-issue shareholding |
|---|---|---|---|
| 1 | Mr. Sam Lokhandwala | 4,769,800 | 77.70% |
| 2 | Mr. Raj Lokhandwala | 684,100 | 11.14% |
| 3 | Ms. Kaniza Lokhandwala | 177,000 | 2.88% |
| 4 | Ms. Khadiza Lokhnadwala | 140,000 | 2.28% |
| 5 | Ms. Zenab Rangoonwala | 97,100 | 1.59% |
| 6 | Mr. Murad Pirani | 50,000 | 0.81% |
| 7 | Ms. Salima Pirani | 50,000 | 0.81% |
| 8 | Mr. Mohmmad Pirani | 50,000 | 0.81% |
| 9 | Ms. Narmadaben Lakhani | 41,000 | 0.67% |
| 10 | Mr. Ali Rangoonwala | 30,000 | 0.49% |
| | **Total** | **6,089,000** | **99.19%** |

(c) Top ten shareholders, two (2) years prior to filing the Draft Red Herring Prospectus

| No. | Name of Shareholders | No. of Equity shares held | % of pre-issue shareholding |
|---|---|---|---|
| 1. | Mr. Sam Lokhandwala | 3,105,000 | 81.71% |
| 2. | Mr. Shailendra Rana | 5,000 | 0.13% |
| 3. | Altret Performance Chemicals Gujarat Pvt. Ltd | 190,000 | 5.00% |
| 4. | Mr. Raj Lokhandwala | 500,000 | 13.16% |
| | **Total** | **38,00,000** | **100.00%** |

**11.** There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/BRLM for purchase of Equity Shares offered through the Draft Red Herring Prospectus.

**12.** Our Company has not raised any bridge loans against the proceeds of this Issue.

**13.** Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on *'Basis of Allotment'* on page 207 of this Draft Red Herring Prospectus.

**14.** An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the Basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot.

Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.

**15.** As on date of filing of this Draft Red Herring Prospectus with SEBI, the entire issued Share Capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.

**16.** On the date of filing the Draft Red Herring Prospectus with SEBI, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

**17.** Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus Shares out of capitalization of revaluation reserves.

**18.** Lead Manager to the Issue viz. Comfort Securities Limited does not hold any Equity Shares of our Company.

**19.** Our Company has not revalued its assets since incorporation.

**20.** Our Company has not made any public issue since incorporation.

**21.** There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.

**22.** There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, 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 to be issued pursuant to the Issue have been listed.

**23.** Except as disclosed in the DRHP, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

**24.** At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.

**25.** Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.

**26.** In the Issue, in case of over-subscription in all categories, upto 50% of the Issue shall be available for allocation on a proportionate basis to QIBs out of which up to 5% of the QIB portion shall be available for allocation on a proportionate basis to Mutual Funds and the balance of the Net QIB portion to QIBs including Mutual Funds, a minimum of 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and a minimum of 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLM.

**27.** An investor cannot make a Bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

**28.** No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this issue.

**29.** Our Company has twelve (12) members as on the date of filing of this Draft Red Herring Prospectus.

## OBJECTS OF THE ISSUE

The objects of the Issue are to finance our business expansion plans and achieve the benefits of listing on the Stock Exchange.

**The objects of the Issue are as stated below:**

1. Setting up Jatropha & neem seed oil extraction & solvent extraction plant
2. Setting up Bio-fertilizers & Bio-pesticides plant
3. To meet the working capital requirements of the Company
4. General corporate expenses
5. To meet the expenses of the Issue

The main objects of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

We propose to meet the entire requirement of funds for the Objects from the Proceeds of the Issue. Accordingly, the requirement under Regulation 4(2) (g) of the SEBI ICDR Regulations of firm arrangements of finance through verifiable means for the 75% of the stated means of finance excluding the Issue Proceeds does not arise.

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The details of the proceeds of the Issue are summarized in the table below: -

**(Rs. In Lacs)**

| No. | Particulars | Amount |
|---|---|---|
| **I** | Setting up Jatropha & neem seed oil extraction & solvent extraction plant | 1,190.14 |
| | | |
| **II** | Setting up Bio-fertilizers & Bio-pesticides plant | 478.70 |
| | | |
| **III** | To meet the working capital requirements of the Company | 500.00 |
| | | |
| **IV** | General corporate expenses | [•] |
| | | |
| **V** | Issue Expenses | [•] |
| | | |
| | **TOTAL** | **[•]** |

**MEANS OF FINANCE**

**(Rs. in Lacs)**

| Particulars | Amount |
|---|---|
| Initial Public Offering | [•] |
| Internal Accruals | [•] |
| **Total** | **[•]** |

The entire fund requirement towards the aforesaid Objects of the Issue is proposed to be funded through the proceeds from the Issue.

In the event of a shortfall in raising the requisite capital from the proceeds of the Issue, towards meeting the Objects of the Issue, the extent of the shortfall will be met by internal accruals and/or from fresh debt.

**DETAILS OF THE OBJECTS OF THE ISSUE**

**I. SETTING UP JATROPHA & NEEM SEED OIL & SOLVENT EXTRACTION PLANT**

Our Company has acquired leasehold rights on land situated at survey no. 114, Village Paya, Bhuj District, Kutch on admeasuring eight (8) Acres and also land situated at Survey nos. 8,11,12,15,16,24,29,30 & 32, Village Saraspur, Bhuj District, Kutch approximating to ninety two (92) Acres aggregating to hundred (100) Acres.

At present, approximately 85-90 Acres of the aforesaid land is being utilized for Jatropha Curcas plantation including certain portion of land whereby we have installed irrigation facilities consisting of borewells and ponds. At present, we are into business of selling the seeds, seedlings & saplings of Jatropha.

We plan to set up plant for Jatropha & neem seed oil & solvent extraction at a total cost of Rs. 1,190.14 Lacs. The estimated break up of cost for set up plant for Jatropha & neem seed oil & solvent extraction is as under:

| Sr. No. | Expenditure Items | Amount (Rs. in Lacs) |
|---|---|---|
| 1. | Jatropha seed oil extraction plant | 233.94 |
| 2. | Neem seed oil extraction plant | 205.96 |
| 3. | Neem seed oil solvent extraction plant | 231.42 |
| 4. | Steam generation boiler | 70.18 |
| 5. | Land & site development including civil works | 425.30 |
| 6. | Provision for contingencies | 23.34 |
| | **Total** | **1,190.14** |

***Jatropha seed oil extraction plant***

We propose to set up Jatropha seed oil extraction plant having capacity of 100 TPD at the leased land situated at Village Saraspur, Bhuj, Kutch. We are already utilizing the aforesaid land for farming of Jatropha, this would enable us to utilize the Jatropha seeds in our proposed plant for captive use as well as we plan to procure Jatropha seeds from local mandies. Further, we propose to enter into consortium with farmers for procuring raw materials being Jatropha seeds for seed oil extraction plant. Seed oil extraction plant is used to extract oil directly from Jatropha seeds. Jatropha oil is used as Bio-diesel for the diesel fuel requirements and it can be used directly after extraction (i.e. without refining) in diesel generators and engines. Once this plant is grown the plant has a useful lifespan of several decades. During its life, Jatropha requires very little water when compared to other cash crops.

As per the quotations received from Navdurga Trading Co., Unjha, Gujarat, the total cost for setting up Jatropha seed oil extraction plant is Rs. 233.94 Lacs. The Jatropha seed oil extraction plant consists of conveyer, elevator, seed breaker, cleaner, oil expeller, hopper and storage tanks etc.

***Neem seed oil extraction plant***

The company plans to set up a neem seed oil extraction plant with a capacity of 50 TPD. Neem seed oil is used for preparing cosmetics including soap, hair products, body hygiene creams, hand creams and

also used in traditional medicines. Oil milling is used to pre press the seeds which leaves 14% to 18% oil in the pressed cake. These methods results in higher capacity and lower power consumption and maintenance. In Kutch region neem seeds are available in plenty, as well the end product being the neem seed oil is easily saleable in the market.

As per the quotations received from Navdurga Trading Co., Unjha, Gujarat the total cost for setting up neem seed oil extraction plant is Rs. 205.96 Lacs. The neem seed oil extraction plant comprises of conveyer, elevator, seed breaker, cleaner, oil expeller, hopper and storage tanks etc.

***Neem seed oil solvent extraction plant***

From the first process of extracting oil from neem seeds, only 70% of the oil content of the seeds can be obtained because the first process is mechanical screw process. Further, under first process we obtain neem oil cake containing less than 20% oil. The oil cake can further be processed with the help of solvent extraction plant to extract remaining oil. This would benefit us in reduction of cost of operations and to achieve increased yield per hectare of seeds procured. Under this process, a solvent known as hexane (a petroleum bye product) is used to extract the oil.

As per the quotations received from Troika Processes Private Limited, Mumbai the total cost for setting up neem seed oil solvent extraction plant is Rs. 231.42 Lacs. The detailed bifurcation of the cost is as under:

| Particulars | Amount (Rs. in Lacs) |
|---|---|
| Preparatory equipment | 9.00 |
| Main equipment for solvent extraction line comprising of extractor, conveyer, desolventiser, condensers, recuperation, & other related equipment | 75.00 |
| Pump Sets | 9.50 |
| Drives | 13.50 |
| Piping materials for circulation of water, steam, oil, solvent etc. | 12.50 |
| Electrical installation | 8.00 |
| Outgoing conveyor | 5.00 |
| Other auxiliaries including supporting steel structure, oil & solvent storage tanks, water cooling & circulation system, heat insulation, painting and erectioning charges etc. including taxes & Duties | 98.92 |
| **Total** | **231.42** |

***Steam generation boiler***

Jatropha seeds are stiff by its physical properties, to break the seed it needs to be softened by using steam generated in the boilers to be installed in the premises. The capacity of the boiler would be 4.25 TPH net steam from 30°C steam boiler. It's a semi automatic, horizontal, smoke tube, multi tubular, dry back coal fired boiler having evaporation capacity of 5000 KGS/HR. Net steam generation will be 4,250 KGS/HR from feed water of 30°C.

For setting up steam boiler, we have procured quotation from Fuelpac Boilers & Engg. Co. (I) Pvt Ltd., Mumbai. The estimated cost for the boiler would be Rs. 70.18 Lacs as per the quotation.

***Land & site development including civil works***

Our land situated at survey no. 114, Village Paya, Bhuj District, Kutch on admeasuring eight (8) Acres and also land situated at Survey nos. 8,11,12,15,16,24,29,30 & 32, Village Saraspur, Bhuj District,

Kutch approximating to ninety two (92) Acres aggregating to hundred (100) Acres, of which approximately 85-90 Acres is being utilized for cultivation and plantation of Jatropha Curcas and irrigation facilities. In the remaining land in the vicinity, we propose to set up the Jatropha and neem seed oil extraction and solvent extraction plant. We will have to develop the infrastructure and the civil structural work therein to implement the same. We have approached Mr. Kiran K. Shah, consulting engineer, architectural planner & interior designer who has provided an aggregate quotation of Rs. 425.30 Lacs for the overall site development and civil work; the bifurcation of the same is as under:

| Particulars | Total Area of construction | Rate (Amount in Rs.) | Amount (Rs. in Lacs) |
|---|---|---|---|
| Construction for Jatropha oil extraction plant | 14,400 Sq. Ft. | 800.00 | 115.20 |
| Construction for neem oil & solvent extraction plant | 18,000 Sq. Ft. | 800.00 | 144.00 |
| Storage for de-oiled cake of solvent extraction plant | 10,500 Sq. Ft. | 800.00 | 84.00 |
| Structure for raw material & fertilizers | 7,200 Sq. Ft. | 800.00 | 57.60 |
| Construction of water pond and water tank | 350,000 Liters | 7.00 | 24.50 |
| **Total** | | | **425.30** |

***Provision for Contingencies***

In the event of any cost overruns due to any changes in quoted prices of plant & machinery for which orders have not yet been placed, or on account of time variation, transportation cost, insurance, unexpected price rise due to factors beyond our control, contingencies have been provided to cover any such eventuality which may occur. Contingencies of Rs. 23.34 Lacs have been estimated, which is approximately 2% of the cost of setting up Jatropha & neem seed oil & solvent extraction plant.

**II. SETTING UP BIO-FERTILIZERS & BIO-PESTICIDES PLANT**

The estimated break up of cost for set up plant for Bio-fertilizers & Bio-pesticides plant is as under:

| Sr. No. | Expenditure Items | Amount (Rs. in Lacs) |
|---|---|---|
| 1. | Bio-fertilizers & Bio-pesticides plant | 223.07 |
| 2. | Factory building construction including other civil works | 246.24 |
| 3. | Provision for contingencies | 9.39 |
| | **Total** | **478.70** |

***Bio-fertilizers & Bio-pesticides plant***

We propose to set up Bio-fertilizers & Bio-pesticides plant at our land located at 271, 272 and 273 at Village Mirzapur, Navsari, Gujarat. It has been felt consistently that qualitative agri-produce alongwith retaining fertility of the land in the long term is the bottom line in agriculture operations. To cultivate such agri produce, Bio-fertilizers and Bio-pesticides are to be used in the cultivation process. To cater to the emergent demand for Bio-fertilizers and Bio-pesticides we plan to set up this plant.

We have procured quotations from Ikon Instruments, Delhi for the following instruments used for manufacturing of Bio-fertilizers & Bio-pesticides. The total estimated cost as per the quotations is Rs. 223.07 Lacs. The detailed break-up of the individual components is as under:

***(Rs. in Lacs)***

| Code | Particulars | Quantity | Price | Total price |
|---|---|---|---|---|
| IK 104 | Autoclave vertical fully automatic digital | 5 | 1.56 | 7.96 |
| IK 105A | Autoclave horizontal cylindrical | 5 | 3.20 | 16.32 |
| IK 106 180LT | Horizontal high pressure rectangular steam sterilizer | 5 | 6.79 | 34.63 |
| IK106 240LT | Horizontal high pressure rectangular steam sterilizer | 5 | 7.13 | 36.36 |
| IK 108 900C | Muffle furnace rectangular | 2 | 0.46 | 0.94 |
| IK 108 1200C | Muffle furnace rectangular | 2 | 0.65 | 1.33 |
| IK 109A | Oven universal | 3 | 0.90 | 2.75 |
| IK 110A | Bacteriological incubator | 3 | 0.86 | 2.63 |
| IK 111 | Oven incubator combined | 2 | 0.96 | 1.96 |
| IK 116 | Humidity and temperature control cabinet | 2 | 0.72 | 1.47 |
| IK 117 | Humidity and temperature control cabinet | 4 | 1.35 | 5.51 |
| IK 120 | B.O.D. incubator | 4 | 1.12 | 4.57 |
| IK 121 | Deep freezer low temp cabinet | 4 | 1.92 | 7.83 |
| IK 124 | Plant growth chamber | 4 | 3.98 | 16.24 |
| IK 125 | Rectangular water bath | 3 | 0.06 | 0.17 |
| IK 126 | Water Bath rectangular thermostatic | 3 | 0.16 | 0.49 |
| IK 127B | Microprocessor based PID controlled | 3 | 0.27 | 0.82 |
| IK 128 | High precision water bath | 2 | 0.44 | 0.90 |
| IK 129 | Refrigerated water bath (low temperature) | 2 | 0.95 | 1.94 |
| IK 132 | Water Bath incubator shaker (metabolic shaker) | 4 | 1.13 | 4.61 |
| IK 137 | Horizontal laminar flow cabinet | 4 | 1.45 | 5.92 |
| IK 138 | Vertical laminar air flow cabinet | 4 | 1.52 | 6.20 |
| IK 139A | Biological safety cabinet | 4 | 1.89 | 7.71 |
| IK 140 | Fume hood (wooden) light duty | 4 | 1.34 | 5.47 |
| IK 143 1500MM | Air curtain | 3 | 0.24 | 0.73 |
| IK 143 1800MM | Air curtain | 3 | 0.28 | 0.86 |
| IK 146 | De-humidifier | 2 | 0.84 | 1.71 |
| IK 146 SS | De-humidifier | 2 | 0.95 | 1.94 |
| IK 147 | Lyophilizer (freeze dryer) | 4 | 3.12 | 12.73 |
| IK 148 | Water still (wall mounting) | 2 | 0.24 | 0.49 |
| Distillation Single | Distillation unit | 3 | 0.26 | 0.80 |
| Distillation Double | Distillation unit | 3 | 0.42 | 1.29 |
| Distillation Triple | Distillation unit | 3 | 0.60 | 1.84 |
| IK 153 | Deionizer (digital) | 2 | 0.82 | 1.67 |
| 1K 155A | Flocculator (jar testing apparatus) | 2 | 0.61 | 1.24 |
| IK 161A | Heating mantle (deluxe model) digital | 2 | 0.07 | 0.14 |
| IK 163B | Multi magnetic stirrer | 2 | 0.36 | 0.73 |
| IK 164 | Laboratory stirrer | 2 | 0.28 | 0.57 |
| IK 166 | Emulsifier (homogenizer) | 2 | 0.24 | 0.49 |
| IK 178 | V.D.R.L. rotator | 2 | 0.20 | 0.40 |
| IK 182 250ML | Rotary flask shaker | 3 | 0.76 | 2.33 |
| IK 182 500ML | Rotary flask shaker | 3 | 0.76 | 2.33 |
| IK 182 1000ML | Rotary flask shaker | 3 | 0.76 | 2.33 |
| IK 183 | Orbital shaking incubator (microprocessor) | 4 | 1.85 | 7.55 |
| IK 211 | Bomb calorimeter (digital with safety device) | 2 | 0.70 | 1.43 |

| Code | Particulars | Quantity | Price | Total price |
|---|---|---|---|---|
| IK 214 | Pipette dryer | 2 | 0.09 | 0.18 |
| IK 215 | Automatic pipette washer | 2 | 0.09 | 0.17 |
| IK 216 | Glassware dryer | 2 | 0.15 | 0.31 |
| IK 217 | Bottle washing machine | 3 | 0.77 | 2.36 |
| IK 222 | Infra red moisture balance | 2 | 0.12 | 0.23 |
| IK 229 | Slide carrying tray | 2 | 0.00 | 0.00 |
| IK 304 | Microprocessor based ph meter | 2 | 0.19 | 0.38 |
| IK 308 | Microprocessor conductivity /tds/ temp. meter | 2 | 0.19 | 0.38 |
| IK 312 | Digital dissolved oxygen analyzer | 2 | 0.14 | 0.29 |
| IK 316 | Auto Karl Fischer Titri meter | 2 | 0.23 | 0.46 |
| | **Total** | | | **223.07** |

***Land & site development including civil works***

We propose to develop our land situated at 271, 272 and 273 at Village Mirzapur, Navsari, Gujarat by construction of compound wall around the whole site with R.C.C. and brick work, construction of factory building in the main compound and we propose to construct administrative block in the same premises. Total cost of the construction including civil works in relation to same works out to Rs. 246.24 Lacs as per the quotation received from Mr. Kiran K. Shah, consulting engineer, architectural planner & interior designer.

***Provision for Contingencies***

In the event of any cost overruns due to any changes in quoted prices of plant & machinery for which orders have not yet been placed or civil work, or on account of time variation, transportation cost, insurance, unexpected price rise due to factors beyond our control, contingencies have been provided to cover any such eventuality which may occur. Contingencies of Rs. 9.39 Lacs have been estimated, which is approximately 2% of the cost of setting up the Bio-fertilizers & Bio-pesticides plant.

**III. TO MEET THE WORKING CAPITAL REQUIREMENTS OF THE COMPANY**

Our Company is currently into cultivation of Jatropha plants. Now we propose to venture into Jatropha and neem seed oil extraction. Currently we are not enjoying any credit facilities from the banks or financial institutions but considering our expansion into oil seed processing and manufacturing bio-fertilizers and bio-pesticides would entail the requirements for working capital in the Company.

At present, the working capital gap of the company is negligible as we are mainly into cultivation and considering the size and nature of the activities of the company, there is hardly any requirement of working capital. With the proposed expansion, we have assessed the working capital of Fiscal 2013 and 2014 at Rs. 407.03 Lacs and Rs. 678.38 Lacs respectively. The funding pattern of the requirement for the working capital is as below:

(A) Issue Proceeds: We intend to utilize Rs. 300.00 Lacs and Rs. 500.00 Lacs towards the total working capital requirements for Fiscal 2013 and 2014 respectively.

(B) Internal Accruals (including funds already into the system): We intend to utilize Rs. 107.03 Lacs and Rs. 178.38 Lacs towards the total working capital requirements for Fiscal 2013 and 2014 respectively.

We have estimated the working capital requirement, which is as under:

(Rs. In Lacs)

| Particulars | | Basis (days) | Amount (Fiscal 2013) Estimated | Basis (days) | Amount (Fiscal 2014) Estimated |
|---|---|---|---|---|---|
| Inventories | Raw Materials | | | | |
| | Jatropha seeds | 45 | 42.19 | 45 | 70.31 |
| | Neem seeds | 90 | 50.63 | 90 | 84.38 |
| | Neem oil cake | 15 | 10.97 | 15 | 18.28 |
| | Bio-fertilizers | 10 | 2.16 | 10 | 3.60 |
| | Finished goods | 15 | 37.00 | 15 | 61.67 |
| Debtors | | 45 | 377.59 | 45 | 629.31 |
| **Total (A)** | | | **520.53** | | **867.55** |
| **Less:** | | | | | |
| Creditors & expenses payable | | 45 | 113.50 | 45 | 189.17 |
| **Total (B)** | | | **113.50** | | **189.17** |
| **Net Working Capital (A-B)** | | | **407.03** | | **678.38** |

***Justification of Holding Level***

- Raw Materials (Jatropha seeds):

We have estimated the level of raw material holding for Jatropha seeds at 45 days for Fiscal 2013 and 2014. We will have to maintain the stock of seeds for optimal running of Jatropha seed extraction oil plant at all the times, we believe that the level of inventory at 45 days would be satisfactory.

- Raw Materials (Neem seeds):

We have estimated the level of raw material holding for neem seeds at 90 days for Fiscal 2013 and 2014. We will have to maintain the stock of seeds for optimal running of neem seed extraction oil plant at all the times, since the neem seeds are not available throughout the year, we will have to stock them for longer period. Further, we believe that the average level of inventory at 90 days would be satisfactory.

- Raw Materials (Neem oil cake):

We have estimated the level of raw material holding for neem oil cake at 15 days for Fiscal 2013 and 2014. Considering the requirement of solvent extraction plant and production of oil cake from our extraction plant, we believe that the level of inventory at 15 days would be satisfactory.

- Raw Materials (Bio-fertilizers):

We have estimated the level of raw material holding for Bio-fertilizers at 10 days for Fiscal 2013 and 2014, which we believe would be satisfactory.

- Receivables (Sales):

The level of receivables is estimated at 45 days. This level assumed is considered satisfactory.

- Creditors:

Creditors in our business would mainly consists of farmers and local suppliers from whom the Jatropha and neem seeds would be procured. We believe the holding period for creditors would be 45 days approx.

## IV. GENERAL CORPORATE EXPENSES

Our Company in accordance with the policies set up by our Board, will have flexibility in applying the remaining Net proceeds of this issue aggregating [•] Lacs, for general corporate purpose towards, financing normal capital expenditure, strategic initiatives, expanding into new geographies, pre-operative expenses, brand building exercise and strengthening our marketing capabilities.

## V. TO MEET THE EXPENSES OF THE ISSUE

The total estimated expenses are Rs. [•] Lacs which is [•] % of Issue Size. The details of Issue expenses are tabulated below:

***(Rs. In Lacs)***

| No. | Particulars | Amount | % of Total Issue size | % of Issue Expenses |
|---|---|---|---|---|
| 1 | Issue management fees | [•] | [•] | [•] |
| 2 | Registrars fees | [•] | [•] | [•] |
| 3 | IPO Grading expenses | [•] | [•] | [•] |
| 3 | Fee for legal counsel | [•] | [•] | [•] |
| 4 | Printing and distribution of issue stationery | [•] | [•] | [•] |
| 5 | Advertising and marketing expenses | [•] | [•] | [•] |
| 6 | Other expenses (stamp duty, initial listing fees, depository fees, charges for using the book building software of the exchanges and other related expenses) | [•] | [•] | [•] |
| 7 | Contingencies | [•] | [•] | [•] |
| | **Total** | [•] | [•] | [•] |

Proposed year-wise deployment of funds:

The overall cost of the proposed Project and the proposed quarter wise break up of deployment of funds are as under:

***(Rs. In Lacs)***

| Particulars | Already Incurred | FY 2011 - 12 | FY 2012 - 13 | FY 2013 - 14 | TOTAL |
|---|---|---|---|---|---|
| Setting up Jatropha & neem seed oil extraction & solvent extraction plant | Nil | Nil | 1,190.14 | Nil | **1,190.14** |
| Setting up Bio-fertilizers & Bio-pesticides plant | 30.01 | Nil | 448.69 | Nil | **478.70** |
| To meet the working capital requirements of the Company | Nil | Nil | 300.00 | 200.00 | **500.00** |
| General Corporate Purposes | Nil | [•] | [•] | [•] | **[•]** |
| Issue Expenses | 8.85 | [•] | [•] | Nil | **[•]** |

**The status of implementation as per our current business plan is as follows:**

| No. | Activity | Start Date | Completion Date |
|---|---|---|---|
| **1. SETTING UP JATROPHA & NEEM SEED OIL EXTRACTION & SOLVENT EXTRACTION PLANT** | | | |
| 1 | Land & site development | May, 2012 | August, 2012 |
| 2 | Installation of oil extraction plants | September, 2012 | November, 2012 |
| 3 | Commencement of activities | November, 2012 | December, 2012 |
| | | | |
| **2. SETTING UP BIO-FERTILIZERS & BIO-PESTICIDES PLANT** | | | |
| 1 | Civil Work | May, 2012 | August, 2012 |
| 2 | Setting up plant | September, 2012 | September, 2012 |

**Details of funds already deployed till date and sources of funds deployed**

The funds deployed up to December 31, 2011 pursuant to the object of this Issue on the Project as certified by the Auditors of our Company, viz. B. N. Kedia & Co., Chartered Accountants pursuant to their certificate dated December 31, 2011 is given below:

(Rs. in Lacs)

| Deployment of Funds | Amount |
|---|---|
| Project related | 30.01 |
| Issue related expenses | 8.85 |
| **Total** | **38.86** |

(Rs. in Lacs)

| Sources of Funds | Amount |
|---|---|
| Internal accruals | 38.86 |
| Bank finance | Nil |
| **Total** | **38.86** |

**Appraisal by appraising agency**

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

**Shortfall of funds**

Any shortfall in meeting the Project cost will be met by way of internal accruals and / or through additional funding by banks and/ or unsecured loans.

**Interim use of funds**

The Company in accordance with the policies established by the Board, will have flexibility in deploying Issue proceeds received by us from the Issue during the interim period pending utilization for the Objects of the Issue as described above. The particular composition, timing and schedule of deployment of the Issue proceeds will be determined by us based upon the deployment of the projects. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

**Monitoring of utilization of funds:**

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lacs, under the SEBI Regulations it is not mandatory for us to appoint a monitoring agency.

Our Company undertakes to disclose the utilization of proceeds in its financial statements. We will disclose the utilization of Issue proceeds under a separate head in our Company's financial statement for F.Y. 2012-13, F.Y. 2013-14 clearly specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreement with the Stock Exchange.

According to clause 43A of the Listing Agreement, we shall furnish to Stock Exchange on a quarterly basis along with the quarterly results under clause 41 of the listing agreement, a statement indicating the material deviations in the use of proceeds of the Issue from the object of Issue as indicated on page 53 of this DRHP. The information shall be published in the newspapers and also be available for publicly dissemination on the website of Stock Exchange & our Company.

According to Clause 49 of the Listing Agreement, Our Company shall on a quarterly basis along with the quarterly results under clause 41 of the listing agreement disclose to our Audit Committee the statement of uses / application of funds (bifurcating in to major category heads) raised through this Issue and also a statement indicating the material deviations in the use of proceeds of the Issue from the object of Issue as indicated on page 53 of this DRHP. Audit Committee shall review these statements and shall accordingly make the appropriate recommendations to our Board.

No part of the proceeds of this Issue will be paid as consideration to our Promoters, directors, key managerial employees, or companies promoted by our Promoters.

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM based on assessment of market demand for the Equity Shares offered by way of book building.

***Investors should read the following summary with the Risk Factors included from page number 13-24 and the details about our Company and its financial statements included on page 76 and 127 respectively in this Draft Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and you may lose all or part of your investments.***

### QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the Issue price, are:

**Leveraging the knowledge of our Promoters**

Our Company is promoted by Mr. Sam Lokhandwala and Mr. Raj Lokhandwala, who have knowledge in this line of business. Mr. Raj Lokhandwala is a qualified B.E (chemical) and has knowledge of technology and agri-inputs, which has enabled the Company to cultivate quality plantation.

**Growth driven**

Our Company has witnessed growth in past few years. Turnover of our Company have increased from Rs. 19.75 Lacs in the fiscal 2007-08 to Rs.75.00 Lacs in the fiscal 2010-11 resulting in the increase of 279.75% over the past 4 years. Profit after tax of our Company have increased from Rs. 3.28 Lacs to Rs. 21.39 Lacs resulting in the increase of 552.13 % over the past 4 years.

**Location advantage of the plantation**

Our plantation is well accessible by road as well as rail. Further, the climate at our plantation is conducive for cultivation of Jatropha Curcas plants. Manpower in the form of skilled farmers and unskilled workers are easily available in the proximity of our plantation. They are hired on daily charge basis.

**Emphasis on quality of the plantation**

We have acquired technical know how from M/s. Altret Performance Chemicals Gujarat Private Limited pertaining to Jatropha Curcas seeds selection & storage, water management & storage, termite problems resolution, heat management, pruning, development of green house for the nursery, soil selection, pest management, etc. Such acquisition of know how has helped ourselves to develop quality Jatropha plantation.

### QUANTITATIVE FACTORS

Information presented in this section is derived from the Company's restated financial statements prepared in accordance with Indian GAAP and SEBI Regulations. Some of the quantitative factors, which form the basis for computing the price, are as follows:

**1. Basic Earning Per Equity Share (EPS) (on Rs. 10 per share)**

a) **Basic Earnings Per Share**

| *Year* | Earnings per Share (Rs.) | Weight |
|---|---|---|
| FY 2008-09 | 3.91 | 1 |
| FY 2009-10 | 1.50 | 2 |
| FY 2010-11 | 0.53 | 3 |
| **Weighted Average** | **1.42** | |
| **Audited six (6) Months ended September 30, 2011*** | 0.31 | |

** The EPS is actual and if annualized EPS works out to Rs. 0.62 per share.*

Notes:

- EPS Calculations have been done in accordance with Accounting Standard 20-"Earning per Share" issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.
- The above statement should be read with significant accounting policies and the notes to the restated summary statements as appearing in the chapter *'Financial Information'* of our Company beginning on page 127 of this Draft Red Herring Prospectus.
- The face value of each equity shares is Rs.10.

**2. Price Earning (P/E) Ratio in relation to the Issue Price of Rs. [●] per share of Rs. 10 each**

| Particulars | P/E at the lower end of Price band (no. of times) | P/E at the higher end of Price band (no. of times) |
|---|---|---|
| Based on the EPS of Rs. 0.53 for Financial Year 2010-2011 | **[●]** | **[●]** |
| Based on the Weighted Average EPS of Rs. 1.42 | **[●]** | **[●]** |
| Based on the annualized EPS of Rs. 0.62 for six (6) Months ended September 30, 2011 | **[●]** | **[●]** |

**3. Return on Net worth (RONW)**

| *Year* | RONW (%) | Weight |
|---|---|---|
| FY 2008-09 | 1.75 | 1 |
| FY 2009-10 | 2.45 | 2 |

| *Year* | RONW (%) | Weight |
|---|---|---|
| FY 2010-11 | 2.86 | 3 |
| **Weighted Average** | **2.54** | |
| September 30, 2011 | **2.44** | |

**Net worth has been computed by aggregating share capital, reserves and surplus and adjusting for revaluation reserves, as per the Company's restated audited financial statements.*

**4. Minimum RONW to maintain the Pre-issue EPS is [●]**

a) At the Floor price of Rs. [●] per share - [●] % based on restated financial Statements
b) At the Cap price of Rs. [●] per share - [●] % based on restated financial Statements

**5. Net Asset Value per Equity Share**

| | Particulars | NAV (Rs.) |
|---|---|---|
| a) | As on 31st March, 2011 | 12.20 |
| b) | As on September 30, 2011 | 12.50 |
| c) | After Issue | **[●]** |
| d) | Issue Price | **[●]** |

**6. Comparison of accounting ratios with Industry peers**

*There are not any comparable listed peer group companies in the segment of our current business operation in which we operate, hence Industry wise data is not available. Therefore, comparison amongst peers is not disclosed.*

The Issue Price of Rs. [●] has been determined by our Company in consultation with the BRLM and on the basis of assessment of market demand for the Equity Shares through the Book Building Process. BRLM believes that the Issue Price of Rs. [●] is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors and our financials as set out in the Auditors Report in the Draft Red Herring Prospectus to have a more informed view about the investment proposition.

The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times the face value of the Equity Shares.

## STATEMENT OF TAX BENEFITS

To,
**The Board of Directors**
Altret Bio-Tech Limited
12/2881. "Altret House",
Sayedpura Main Road,
Surat – 395 003

Dear Sirs,
Sub: Statement of possible tax benefits available to the company and its shareholders on proposed Public Issue of Shares under the existing tax laws

On your request, we have enumerated as per annexure annexed, the various possible tax benefits available to the company, its shareholders , FII's and venture capital companies / mutual funds as per the existing Tax laws in force. It is to be noted that these benefits are available to the respective persons subject to the fulfillment of various conditions prescribed under the concerned sections of the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is subject to the fulfillment of such conditions. The benefits enumerated in the annexure are not exhaustive and the same 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, investors need to consult their own tax consultant with respect to the specific tax implications arising out of their subscription to the issue.

The Draft Direct Tax Code, Bill 2009 (DTC) has been released by the ministry of Finance for public comments. DTC, which is expected to change the tax structure, is open for discussion and after which it will take the form of law. DTC is expected to be implemented from Assessment year 2013-14 and would replace existing Act (s). Any proposals in DTC may alter the tax benefits discussed in the Annexure. However, since, DTC is yet to be introduced; the impacts of provisions contained in the DTC have not been discussed in this statement of tax benefits.

We do not express any opinion or provide any assurance whether:
• the Company or its shareholders will continue to obtain these benefits in future; or
• the Conditions prescribed for availing the benefits have been or would be met.

The contents of the annexure 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.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable to Altret Bio-Tech 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 of intentional misconduct.

Yours faithfully,
For **B.N. Kedia & Co.**
Chartered Accountants
Sd/-
**(Sunil Kedia)**
**Partner**
**Membership No.75887**
**Firm Regn. No.:001652N**
**Place: Surat**
**Date: December 31, 2011**

**ANNEXURE**

**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO ALTRET BIO-TECH LIMTIED AND TO ITS SHAREHOLDERS**

**A) SPECIAL TAX BENEFIT FOR ALTRET BIO-TECH LIMTIED AND ITS SHAREHOLDERS**

**I. Special Benefits available to the Company**

The business activity of the company of plantation and cultivation and seedling and sapling sales is covered within the scope of definition of "Agriculture Income" as defined under provisions of section 2(1A) of the Income Tax Act, 1961 as amended by Finance Act 2009. Accordingly Company is eligible to claim 100 % tax exemption on its Agriculture Income under provisions of Section 10(1) of Income Tax Act, 1961 subject to fulfillment of conditions prescribed there in.
It is pertinent to note that Rule 7 of Income Tax Rules, 1962 provides that in cases where income is partially agriculture and partially from business, the market value of the agricultural produce which has been raised by the assessee or received by him as rent in kind and which has been utilised as a raw material shall be deducted from the sale receipts and will be treated as agriculture income. Remaining will be treated as non-agricultural income and special tax benefits as provided for under section 10(1) of the Income Tax Act, 1961 will not be available to company with respect to such non-agriculture income.

**II. Special Benefits available to the Shareholders of the Company**

There are no special tax benefits available to the equity shareholders.

**B) OTHER GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS**

The following tax benefits shall be available to the company and its Shareholders under Direct tax law

**Under the Income-Tax Act, 1961 ("the Act"):**

**I. Benefits available to the Company**

1. **Depreciation**

   As per the provisions of Section 32 of the Act, the company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under.

   In accordance with and subject to the conditions specified in Section 32(1) (iia) of the Act, the company is entitled to an additional depreciation allowance of 20% of the cost of new machines acquired and put to use during a year.

2. **Dividend Income**

   Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.

3. **Income from Mutual Funds / Units**

   As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

Income received in respect of units from the Administrator of the specified undertaking; or

Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) "Administrator" means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a company as referred to in section 2(h) of the said Act.

**4. Income from Long Term Capital Gain**

As per section 10(38) of the Act, long term capital gains arising to the Company 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 would not be liable to tax in the hands of the Company.

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

(i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

(ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating "book profits" under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax as follows-

| **Book Profit** | **A.Y.-2011-12** | **A.Y.-2012-13** |
|---|---|---|
| If book profit is less than or equal to Rs. 1 Crore | 18.54 % | 19.055% |
| If book profit is more than Rs. 1 Crore | 19.93 % | 20.01% |

**5.** Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

**6.** As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).

**7.** 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 capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money 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 long term specified asset is transferred or converted into money.
A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

**8.** As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented 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% (plus applicable surcharge plus education cess plus secondary and higher education cess )

**9. Preliminary Expenses**

Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.

**10. Credit for Minimum Alternate Taxes ("MAT")**

Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

**II. Benefits to the Resident Shareholders of the Company under the Income-Tax Act, 1961:**

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

**2.** 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. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

**3.** Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the

sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.

4. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

5. As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.

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 capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money 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 long-term specified asset is transferred or converted into money.
   A "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

   (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

   (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

7. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
8. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

9. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head —Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

**III. Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)**

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.

3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

4. 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 capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money 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 long-term specified asset is transferred or converted into money.

   A "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

   (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

   (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

**6.** Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

**7.** Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:

(i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionally taxed at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).

(ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

(iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

(iv) As per section 115H of the Act, where the 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 the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the 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.

(v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.

**8.** The tax rates and consequent taxation mentioned above shall 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.

**IV. Foreign Institutional Investors (FIIs)**

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.

3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:
**Nature of income & Rate of tax (%)**

| Nature of Income | Rate of Tax (%) |
|---|---|
| Long-Term Capital Gain | 10 |
| Short-Term Capital Gain (Referred to Section 111A) | 15 |
| Short-Term Capital Gain (other than under section 111A) | 30 |

The above tax rates have to be increased by the applicable surcharge, education cess, and secondary and higher education cess.

4. 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. 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 capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money 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 long-term specified asset is transferred or converted into money.
A "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

6. The tax rates and consequent taxation mentioned above shall 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.

7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

**V. Venture Capital Companies/Funds**

1. Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

**VI. Mutual Funds**

1. 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 there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

**Under the Wealth Tax Act, 1957**

**Benefits to shareholders of the Company**

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2 (ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.

**Tax Treaty Benefits**

An investor has an option to be governed by the provisions of the Income Tax Act, 1967 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

**Notes:**

- 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;

- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;

- This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and

The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

## SECTION IV: ABOUT OUR COMPANY

## INDUSTRY OVERVIEW

*The information in this chapter has been extracted from publicly available documents prepared by various sources etc. This data has not been prepared or independently verified by us or the BRLM or any of their or our respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled 'Risk Factors' on page 13 of this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based on such information*

### The Indian Economy

India is the world's largest democracy in terms of population with Gross Domestic Production (GDP) of US$ 4,060 billion in 2010 in purchasing power parity (PPP) terms. This makes India the fifth largest economy in the world after the European Union, the United States of America, China and Japan in PPP terms, *(Source: CIA World Factbook)*. India is also amongst the fastest growing economies globally and its real GDP has grown at an average compounded rate of 8.4% per annum during the last five years upto FY 2011. *(Source- Central Statistics Office, Government of India)*

GDP growth moderated to 6.9 per cent in Q2 of 2011-12 from 7.7 per cent in Q1 and 8.8 per cent in the corresponding quarter a year ago. The deceleration in economic activity in Q2 was mainly on account of a sharp moderation in industrial growth. On the expenditure side, investment showed a significant slowdown. Overall, during the first half (April-September) of 2011-12, GDP growth slowed down to 7.3 per cent from 8.6 per cent last year.

On a y-o-y basis, headline WPI inflation moderated to 9.1 per cent in November from 9.7 per cent in October, driven largely by decline in primary food articles inflation. Fuel group inflation went up marginally. Notably, non-food manufactured products inflation remains elevated, actually increasing to 7.9 per cent in November from 7.6 per cent in October, reflecting rising input costs. The new combined (rural and urban) consumer price index (base: 2010=100) rose further to 114.2 in October from 113.1 in September. Inflation in terms of other consumer price indices was in the range of 9.4 to 9.7 per cent in October 2011. Reassuringly, headline momentum indicators, such as the seasonally adjusted month-on-month and 3-month moving average rolling quarterly inflation rate, show continuing signs of moderation. *(Source: RBI Mid-Quarter Monetary Policy Review: December 2011)*

### Agriculture in India

Agriculture remains the predominant sector in terms of employment and livelihood with more than half of India's workforce engaged in it as the principal occupation. Agriculture still contributes significantly to export earnings and is an important source of raw materials as well as of demand for many industries.

India's agriculture sector has an impressive long-term record of taking the country out of serious food shortages despite rapid population increase. This was achieved through a favourable interplay of infrastructure, technology, extension, and policy support backed by strong political will. The main source of long-run growth was technological augmentation of yields per unit of cropped area. This resulted in tripling of foodgrain yields, and foodgrain production increased from 51 million tonnes in 1950–51 to 217 million tonnes in 2006–07.

*(Source: Eleventh Five Year Plan 2007-12, Voume III, Planning Commission)*

Agriculture sector has touched a growth rate of 4.4% in the second quarter of 2010-11 thereby achieving an overall growth rate of 3.8% during the first half of 2010-11. The sector witnessed a growth of 5.1 per cent in 2005-06, 4.2 per cent in 2006-07, 5.8 per cent in 2007-08, (-) 0.1 percent in 2008-09

at 2004-05 prices. The low growth rate of 0.4 percent recorded by this sector in 2009-10 was mainly due to poor rainfall in 2009. As per the Advance Estimates (AE) of Central Statistical Organization for the year 2010-11, the agricultural sector contributed about 14.2 per cent to the GDP, at 2004-05 prices. There has been a continuous decline in the share of agriculture in the GDP from 17.4 percent in 2006-07 to 14.2 percent in 2010- 11 as per Advance Estimates at 2004-05 prices. Falling share of agriculture in GDP is an expected outcome in a fast growing and structurally changing economy.

**GDP of Agriculture and Allied Sectors:**

**(Rs. In Crores)**

| Particulars | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|---|---|---|---|---|
| GDP of Agriculture and Allied Sectors | 619190 | 655080 | 654118 | 656975 | 692499 |
| % to total GDP | 17.40 | 16.80 | 15.70 | 14.60 | 14.20 |

*(Source: Annual Report 2010-11, Ministry of Agriculture)*

**Bio-diesel Industry**

The concept dates back to 1885 when Dr. Rudolf Diesel built the first diesel engine with the full intention of running it on vegetative source. He first displayed his engine at the Paris show of 1900 and astounded everyone when he ran the patented engine on any hydrocarbon fuel available which included gasoline and peanut oil. Scientists discovered that the viscosity ( thickness) of vegetable oils could be reduced in a simple chemical process and that it could work well as diesel fuel in modern engine. **This fuel is called Bio-diesel.**

BIO-DIESEL is a clean burning, eco-friendly natural fuel obtained from tree born oils by a chemical transformation process called transesterification carried out in a chemical processing plant. Transesterfication is an age old chemical process and is a time tested method of transforming vegetable oils or fats into Bio-diesel (alkyl esters of fatty acids) and glycerine plus some soaps etc.

The chemistry lies in transforming the fatty acid chains into alkyl esters of respective fatty acids present in different feed oils used and isolation of glycerol present in the triglyceride molecule in the oils and fats.

Industrial production of Bio-diesel consists of the following three distinct processing phases and three basic equipment line ups:

***(1) Processing/expulsion of oil from oil seeds such as:***

| | |
|---|---|
| a. Jatropha Curcas | b. Pongamia Pinnata |
| c. Madhucha | d. Rice Bran Oil |
| e. Neem Oil | f. Rubber Seed Oil |
| g. Sal Seed Oil | h. Palm Oil |
| i. Cotton Seed Oil | j. Rape Seed Oil |
| k. Sunflower Oil | l. Soyabean Oil |
| m. Castor Oil | n. Used Vegetable Oil |
| o. Fish Oil | p. Animal Fats/Tallows |

Many other edible and non edible oils available in the Indian subcontinent and across the globe are also used as feed stock for Bio-diesel.

With the beginning of the Bio-diesel era, there is a tremendous thrust all over the globe in cultivating non edible oil seeds particularly JATROPHA CURCAS which has been identified as the most

commercially viable oil seed for Bio-diesel industry. Jatropha is a plant of tropics and hence tropical countries like India and Africa with huge land mass emerged as the green field for Jatropha, karanj, madhucha, sal, neem and some other non edible oil seeds and others remain buyers.

***(2) Oil Purification – Degumming & refining:***

This process requires physical & chemical refining machineries. Bio-diesel can only be produced from RBD (refined, bleached & degummed oils).

***(3) Transesterification reactors & processors:***

Transesterfication is a chemical process by which the triglycerides in the oil is separated and the long chain organic acids are converted into their methyl or ethyl esters through a series of reactors,settlers, centrifuge, flash evaporators, neutralisers and dryers to give the end product - Bio-diesel.

The advantages of Bio-diesel are:

- Bio-diesel is the most valuable form of renewable energy that can be used directly in any existing, unmodified diesel engine.
- Smaller trade deficit: Producing more biofuels will save foreign exchange and reduce energy expenditures and allow developing countries to put more of their resources into health, education and other services for their neediest citizens.
- Economic growth: Biofuels create new markets for agricultural products and stimulate rural development because biofuels are generated from crops; they hold enormous potential for farmers.
- Cleaner air: Biofuels burn more cleanly than gasoline and diesel. Using biofuels means producing fewer emissions of carbon monoxide, particulates, and toxic chemicals that cause smog, aggravate respiratory and heart disease, and contribute to thousands of premature deaths each year.
- Less global warming: Biofuels contain carbon that was taken out of the atmosphere by plants and trees as they grew. The fossil fuels are adding huge amounts of stored carbon dioxide (CO2) to the atmosphere, where it traps the Earth's heat like a heavy blanket and causes the world to warm. Studies show that Bio-diesel reduces CO2 emissions to a considerable extent and in some cases all most nearly to zero.

**Bio-diesel Industry in India**

India accounts for 9.3% of world's total oil seed production and is the fourth largest edible oil producer in the world and still about 46% of total edible oil is imported to meet the domestic requirements and as such the question of diverting edible oil resources for Bio-diesel production in India does not arise. The only possibility seems to be the non-edible oil resources like Jatropha, pongamia, mahua, sal etc., which can be commercially grown on waste lands and the oil resources can be used for Bio-diesel production. *(Source: http://www.ijee.ieefoundation.org/)*

Bio-diesel has the potential to contribute to India's energy supply and to decrease its dependency on oil imports. Due to high economic growth, continuous population growth, and increasing urbanisation, Indian energy and oil demand has risen significantly and will keep on rising in the near future. With a constant domestic oil production at only 33-34 million tonnes per year, India depends strongly on oil imports to satisfy the increasing energy demand, exposing the Indian economy to the oil price fluctuations of the world market. From 1990/91 to 2006/07, Indian oil imports increased dramatically from 21 to 111 million tonnes. As world market prices for crude oil tripled during the same period, imports have a strong effect on India's foreign exchange expenditure, its trade balance and economy as a whole. Bio-diesel production has the potential to reduce pressure on oil imports.

A second potential of Bio-diesel is to reduce India's carbon-dioxide emissions. To achieve its development targets, the Government of India aims to achieve 8% growth in GDP, requiring substantial additional energy inputs. Therefore, economic growth is directly linked to growing GHG emissions, which have increased by about 7 % annually during the 1990s. Despite relatively low levels of per capita emissions, estimations suggest that until 2020 they will increase by 400% compared to 1990. As the Government of India is committed to promote renewable energies and to shift to a low carbon growth trajectory promotion of Bio-diesel is one way of reaching this goal.

The third potential of Bio-diesel is to contribute to the rural economy and to create employment and income for the rural poor. While the Indian economy has grown rapidly in the last decade, little development has taken place in the rural areas, home to three quarters of the Indian poor. Bio-diesel has the potential to trigger private and public investments in rural areas, improve the diversification of agriculture, generate additional employment and income for farmers as well as for landless people, and increase the productivity of underutilised agricultural land.

Rural energy security is a fourth concern to which Bio-diesel might contribute. According to the 2001 Census of India, less than 50% of India's rural population has access to electricity. Since electricity not only increases living standards but is also indispensable for many productive and economic activities, there is a close connection between access to electricity The Indian Ministry of Power has set the target to electrify about 80,000 villages by 2012. Out of these, 18,000 villages in remote and inaccessible locations need decentralised solutions for energy supply and poverty alleviation. Bio-diesel if produced in the respective villages, can be one option for decentralised, reliable and affordable electricity supply and a renewable energy source.

In India, large amounts of land are not suitable for productive purposes due to harsh agro climatic conditions or unsustainable usage. Being more drought resistant than most other crops and trees, oil-bearing trees can be an option to contribute to the rehabilitation of degraded land through stabilising soil, improving manure cover and bringing degraded land back to productive use.
*(Source: http://www.compete-bioafrica.net)*

Jatropha Curcas has been identified as one of the important source for Bio-diesel production in India. As per the survey of Government of India, out of total land area, 60 Mha are classified as waste and degraded land. India has third largest road network in Asia having road length of about 3 million kms and the land area along the road can be used for growing the Jatropha and pongamia crops and the available oil can be converted into Bio-diesel. Similarly, the land along the track of Indian railway of about 63,140 km can also be easily used for cultivation of Jatropha Curcas.
*(Source: http://www.ijee.ieefoundation.org/)*

**Jatropha cultivation and oil extraction**

In April 2003, the committee on development of BIO-FUEL, under the auspices of the Planning Commission of India, presented its report that recommends a major multi-dimensional programme to replace 20% of India's diesel consumption. The National Planning Commission has integrated the Ministries of Petroleum, Rural Development, Poverty Alleviation and the Environmental Ministry and others. One objective is to blend petro-diesel with a planned 13 million tonne of Bio-diesel by 2013 produced mainly from non-edible Jatropha oil, a smaller part from pongomia.

For this end, eleven millions hectares of unused lands were to be cultivated with Jatropha. To plant 11 million hectares Jatropha, the program had to become a "National Mission" and mass movement and wanted to mobilize a large number of stakeholders including individuals, communities, entrepreneurs, oil companies, business, industry, the financial sector as well as Government and most of its institutions.
*Source: www.jatrophabiodiesel.org*

Jatropha plant is generally cultivated for the purpose of extracting Jatropha oil from Jatropha Curcas. The seeds are the primary source from which the oil is extracted. Owing to the toxicity of Jatropha seeds, they are not used by humans. The major goal of Jatropha cultivation, therefore, is performed for the sake of extracting Jatropha oil.

The oil content is 30%-40% in the seed. The oil contains 21% saturated fatty acids and 79% unsaturated fatty acids. These are some of the chemical elements in the seed, cursin, which is poisonous and render the oil not appropriate for human consumption.

Oil from Jatropha Curcas: Jatropha oil is an important product from the plant for meeting the cooking and lighting needs of the rural population, boiler fuel for industrial purpose or as a viable substitute for diesel. About one- third of the energy in the fruit of Jatropha can be extracted as oil that has a similar energy value to diesel fuel. Jatropha oil can be used directly in diesel engines added to diesel fuel as an extender or transesterified to a Bio-diesel fuel.

Oil cake from Jatropha Curcas: It is rich in nitrogen, phosphorous and potassium and can be used as organic manure. By thermodynamic conversion process, pyrolysis, useful products can be obtained from the Jatropha oil cake.
*(Source: www.isca.co.in)*

**Jatropha Cultivation**

**Jatropha Plant**

**Jatropha Fruit**

**State-wise area undertaken by NOVOD for Jatropha Plantation**

| State | Area (ha) |
|---|---|
| Andhra Pradesh | **44** |
| Bihar | **10** |
| Chhatisgarh | **190** |
| Gujarat | **240** |
| Haryana | **140** |
| Karnataka | **80** |
| Madhya Pradesh | **260** |
| Maharashtra | **150** |
| Mizoram | **20** |

| State | Area (ha) |
|---|---|
| Rajasthan | **275** |
| Tamil Nadu | **60** |
| Uttaranchal | **50** |
| Uttar Pradesh | **200** |

*Source: www. pcra-biofuels.org*

**Neem seed oil extraction**

Neem oil is extracted from neem leaf and need seed. Neem seed is widely used in the extraction process instead of neem leaf as the oil content is found to be more in seeds than in the leaf.

Neem oil extraction is done by mechanical pressing, steam pressure extraction and solvent extraction. Primary process of extraction consists of grade wise separation of seeds. Grading of seeds is done according to the amount of oil content in the seeds and with sizes as well.

Firstly, the fruits are collected in a drum, and the kernels are separated to obtain the seeds. Later the seeds are woven dried and then feed into the oil extracting machine in case of mechanical pressing method. The neem oil is obtained by pressing it mechanically and collected in a drum. Thus filtration is done to remove the various unwanted particles left in the extracted oil in order to obtain pure neem oil.

In case of steam pressure extraction method, the neem seeds after the drying process are feed into the steam boiler. This process makes the extraction process easier. The seeds get swollen by steaming thus the oil in squeezing becomes easy. The process of steaming is accompanied by increasing of pressure in the boiler which drives the oil out from the seed without any pressing. In some industries, the left seed's kernels after the steam boiling is pressed to further extraction of oil up to 98% leaving just the outer layer of the seeds. The same filtering process is followed as done in the mechanical pressing method.

In solvent extraction method, solvents like petrol or white gasoline is mixed with the seeds after woven drying. The solvents help in extracting the neem oil out of the kernel up to certain percent. Added to that the neem seeds are pressed if needed. The resulting oil is stored in a silo where the pure neem oil is recovered from the crude one. Other than these above mentioned methods, a latest extraction method called cold pressing is being adopted in many neem oil manufacturing industries. In the method of cold pressing, it is seen that the purest form of neem oil is obtained along with the presence of active compounds. The oil extracted using cold press method seems to be lighter in color as well as odor when compared with other methods.

Neem oil has been used in controlling plant pests and diseases. Many researches have shown that the spray solution of neem oil helps to control common pests like white flies, aphids, scales, mealy bugs, spider mites, locusts, thrips, and Japanese beetles, etc. Neem oil also works as a fungicide and helps control powdery mildew. Some people have also experienced good results with neem oil spray on black spot. Orchid owners use pure neem oil spray to control pests like mealybugs, spidermites, etc. One of the main ingredients in neem seed oil is azadirachtin that works as an insect growth regulator, thus preventing the larval stage to molt into an adult. As neem is very bitter in taste, it also works as an antifeedant thus making the leaves sprayed with it very distasteful for the bugs to eat, and the bugs choose to starve themselves than eat the leaves treated with neem. Neem oil is bio-degradable and has proven to be non-toxic to mammals, birds, bees or earthworms. It is biodegradable and breaks down easily and quickly. Neem has also proven to be not harmful to adult beneficial insects, since it primarily affects only plant sap-sucking insects, which feed upon the treated plants.

**Bio-fertilizers**

A Bio-fertilizer is a substance which contains living microorganisms which, when applied to seed, plant surfaces, or soil, colonizes the rhizosphere or the interior of the plant and promotes growth by increasing the supply or availability of primary nutrients to the host plant. Bio-fertilizers add nutrients through the natural processes of nitrogen fixation, solubilizing phosphorus, and stimulating plant growth through the synthesis of growth-promoting substances. Bio-fertilizers can be expected to reduce the use of chemical fertilizers and pesticides. The microorganisms in Bio-fertilizers restore the soil's natural nutrient cycle and build soil organic matter. Through the use of Bio-fertilizers, healthy plants can be grown, while enhancing the sustainability and the health of the soil. Since they play several roles, a preferred scientific term for such beneficial bacteria is "plant-growth promoting rhizobacteria" (PGPR). Therefore, they are extremely advantageous in enriching soil fertility and fulfilling plant nutrient requirements by supplying the organic nutrients through microorganism and their byproducts. Hence, Bio-fertilizers do not contain any chemicals which are harmful to the living soil.

Bio-fertilizers are eco-friendly organic agro-input and more cost-effective than chemical fertilizers. Bio-fertilizers such as rhizobium, azotobacter, azospirillum and blue green algae (BGA) have been in use a long time. Rhizobiuminoculant is used for leguminous crops. Azotobacter can be used with crops like wheat, maize, mustard, cotton, potato and other vegetable crops. Azospirillum inoculations are recommended mainly for sorghum, millets, maize, sugarcane and wheat. Blue green algae belonging to a general cyanobacteria genus, nostoc or anabaena or tolypothrix or aulosira, fix atmospheric nitrogen and are used as inoculations for paddy crop grown both under upland and low-land conditions. Anabaena in association with water fern azolla contributes nitrogen up to 60 kg/ha/season and also enriches soils with organic matter.

Other types of bacteria, so-called phosphate-solubilizing bacteria, such as pantoea agglomerans strain P5 or pseudomonas putida strain P13, are able to solubilize the insoluble phosphate from organic and inorganic phosphate sources. In fact, due to immobilization of phosphate by mineral ions such as Fe, Al and Ca or organic acids, the rate of available phosphate (Pi) in soil is well below plant needs. In addition, chemical Pi fertilizers are also immobilized in the soil, immediately, so that less than 20 percent of added fertilizer is absorbed by plants. Therefore, reduction in Pi resources, on one hand, and environmental pollutions resulting from both production and applications of chemical Pi fertilizer, on the other hand, have already demanded the use of new generation of phosphate fertilizers globally known as phosphate-solubilizing bacteria or phosphate Bio-fertilizers.

**Bio-pesticides**

Bio-pesticides include naturally occurring substances that control pests (biochemical pesticides), microorganisms that control pests (microbial pesticides), and pesticidal substances produced by plants containing added genetic material (plant-incorporated protectants) or PIPs.

Bio-pesticides are biochemical pesticides that are naturally occurring substances that control pests by nontoxic mechanisms. Conventional pesticides, by contrast, are generally synthetic materials that directly kill or inactivate the pests. For example, a plant in the presence of chitosan will naturally induce systemic resistance (ISR) to allow the plant to defend itself against disease, pathogens and pests. Bio-pesticides are considered ecofriendly and easy to use.

Bio-pesticides are key components of integrated pest management (IPM) programmes, and are receiving much practical attention as a means to reduce the load of synthetic chemical products being used to control plant diseases.

Bio-pesticides fall into three major classes:

- Microbial pesticides which consist of bacteria, entomopathogenic fungi or viruses (and sometimes includes the metabolites that bacteria or fungi produce). Entomopathogenic nematodes are also often classed as microbial pesticides, even though they are multicellular.

- Plant incorporated protectants (PIPs) have genetic material from other species incorporated into their genetic material (i.e. GM crops).

- Biochemical pesticides are naturally occurring substances that control pests by nontoxic mechanisms.

Bio-pesticides have usually no known function in photosynthesis, growth or other basic aspects of plant physiology; however, their biological activity against insect pests, nematodes, fungi and other organisms is well documented. Every plant species has developed a built-in unique chemical complex structure that protects it from pests. The plant kingdom offers a diverse array of complex chemical structures and almost every imaginable biological activity. These biodegradable, economical and renewable alternatives are used especially under organic farming systems.

Bio-pesticides, key components of integrated pest management (IPM) programmes, are receiving much practical attention as a means to reduce the load of synthetic chemical products being used to control plant diseases. In most cropping systems, biological pesticides should not necessarily be viewed as wholesale replacements for chemical control of plant pests and diseases, but rather as a growing category of efficacious supplements that can be used as rotation agents to retard the onset of resistance to chemical pesticides and improve sustainability. In organic cropping systems, Bio-pesticides can represent valuable tools that further supplement the rich collection of cultural practices that ensure against crop loss to diseases.

## OUR BUSINESS

*In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Altret Bio-Tech Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with 'Risk Factors' on page 13 and 'Industry Overview' on page 76 of the Draft Red Herring Prospectus.*

**Business overview**

Our Company was originally incorporated as Altret Bio-Tech Private Limited on September 04, 2006 under the Companies Act, 1956 as a private limited Company vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. For further details in relation to the changes to the name of our Company, please refer to the section titled *'Our History and Corporate Structure'* beginning on page 99 of this Draft Red Herring Prospectus.

We are currently engaged in cultivation of Jatropha Curcas plants. The seeds developed from these plants are supplied to farmers in the vicinity of our plantation. We also supply Jatropha Curcas seedlings and saplings developed at our nursery.

Jatropha Curcas is a small tree or shrub. Normally, it grows between three and five meters in height. The seeds become mature when the capsule changes from green to yellow, after two to four months from fertilization. These seeds have an oil content of approximately 37%. Jatropha oil is a non edible vegetable oil utilized for production of soap and used as lamp fuel and fuel in special diesel engines etc.

We commenced cultivation of Jatropha Curcas plants in the fiscal 2006-07. Usually Jatropha Curcas plants take approximate 3-4 years to generate seeds. Our plantation began seeding during the fiscal 2010-11.

We have acquired leasehold rights on land situated at Survey No. 114, Village Paya, Bhuj District, Kutch admeasuring eight (8) Acres and also land situated at Survey nos. 8,11,12,15,16,24,29,30 & 32, Village Saraspur, Bhuj District, Kutch approximating to ninety two (92) Acres aggregating to hundred (100) Acres.

At present, approximately 85-90 Acres of the aforesaid land is being utilized for Jatropha Curcas plantation including certain portion of the land whereby we have installed irrigation facilities consisting of borewells and ponds. Further, for the remaining portion we propose to set up a Jatropha seed oil extraction plant and neem seed oil & solvent extraction plant as detailed in the chapter titled *'Objects of the Issue'* on page 53 of the DRHP.

**Our competitive strengths**

**Leveraging the knowledge of our Promoters**

Our Company is promoted by Mr. Sam Lokhandwala and Mr. Raj Lokhandwala, who have knowledge in this line of business. Mr. Raj Lokhandwala is a qualified B.E (chemical) and has knowledge of technology and agri-inputs, which has enabled the Company to cultivate quality plantation.

**Growth driven**

Our Company has witnessed growth in past few years. Turnover of our Company have increased from Rs. 19.75 Lacs in the fiscal 2007-08 to Rs.75.00 Lacs in the fiscal 2010-11 resulting in the increase of 279.75% over the past 4 years. Profit after tax of our Company have increased from Rs. 3.28 Lacs to Rs. 21.39 Lacs resulting in the increase of 552.13 % over the past 4 years.

**Location advantage of the plantation**

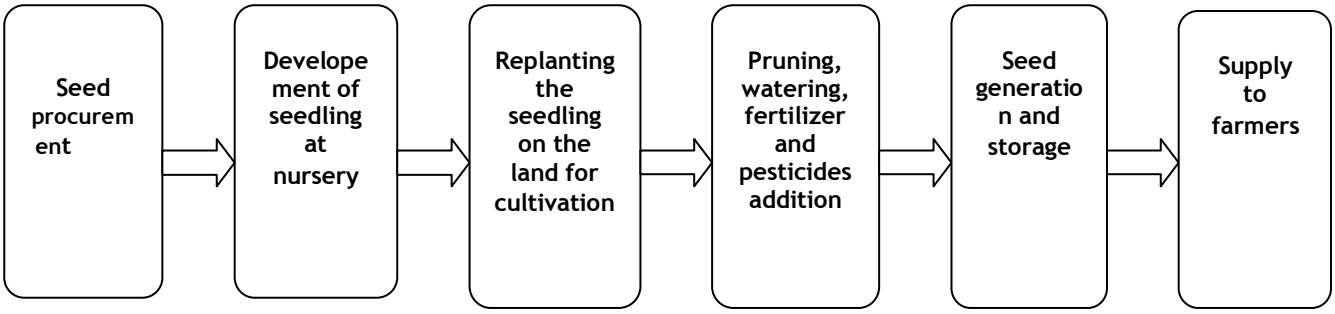
Our plantation is well accessible by road as well as rail. Further, the climate at our plantation is conducive for cultivation of Jatropha Curcas plants. Man power in the form of skilled farmers and unskilled workers are easily available in the proximity of our plantation. They are hired on daily charge basis.

**Emphasis on quality of the plantation**

We have acquired technical know how from M/s. Altret Performance Chemicals Gujarat Private Limited pertaining to Jatropha Curcas seeds selection & storage, water management & storage, termite problems resolution, heat management, pruning, development of green house for the nursery, soil selection, pest management, etc. Such acquisition of know how has helped ourselves to develop quality Jatropha plantation.

**Images of our plantation:**

**Flow of cultivation of Jatropha Curcas plant**




The broad process of cultivation of the Jatropha plant is as under:

- Seed procurement
- Development of seedling at our nursery from the seeds procured
- Plantation of seedling at our land under cultivation
- Pruning, watering, fertilizer and pesticides addition
- Generation of seeds
- Storage and packing
- Supply to farmers

**Collaborations**

We had entered into a MOU dated April 01, 2007 with M/s. Altret Performance Chemicals Gujarat Private Limited for acquisition of technology know how for cultivation of Jatropha Curcas seeds for a total consideration of Rs. 161 Lacs. However, as on date of this DRHP, there is no technical or financial collaboration agreement which the Company has entered into.

**Raw material & other utilities**

**Raw Material**

The main raw materials for cultivation of Jatropha Curcas plants are Jatropha seeds, fertilizers, pesticides and manure. We acquire seeds from local outlets. Fertilizers, pesticides and manure are acquired from open market.

| Raw Material | Quantity required per Acre | Imported/ Indigenous |
|---|---|---|
| Jatropha Seeds | 3.3 Kg | Indigenous |
| Fertilizers | 50 Kg | Indigenous |
| Pesticides | 30 Kg | Indigenous |
| Manure | 50 Kg | Indigenous |

Our Company has not entered into long term contracts with the suppliers of these raw materials, but has a tacit understanding with its regular suppliers.

**Utilities**

The cultivation land of our Company is primarily situated in Kutch. Climate is conducive for cultivation of Jatropha. Man power in the form of skilled farmers and unskilled workers are easily available in the proximity of the land. They are hired on daily charge basis.

**Water**

Water is required mainly during the plantation process of Jatropha and is adequately available from our bore wells and ponds located at our plantation land. We carry out rain water harvesting and store water in our ponds with a total capacity of 900,000 litres to meet the water requirement of the plant.

**Manpower**

The details of manpower employed by us as on date of filing of the DRHP are as under:

| Sr. no | Category | No. of employees |
|---|---|---|
| 1. | Company Secretary | 1 |
| 2. | Farm supervisor | 2 |
| 3. | Accounts & Finance | 2 |
| 4. | Marketing | 1 |
| 5. | Office staff | 3 |
| | **TOTAL** | **9** |

For our cultivation activities, man power in the form of skilled farmers and unskilled workers are easily available in the proximity of the land. They are hired on daily charge basis.

**Competition**

The Indian agriculture market is largely fragmented comprising of organized and unorganized sectors. Every district may have its own clutch of unorganized agriculturists. The rates vary depending upon the demand supply pattern prevailing in the market. Geographies also play a vital role in deciding the rates. The produce from Jatropha Curcas plants is marketable in the mandies and open market.

We anticipate competition for our proposed Project from established players in the market.

Some of our competitors in the proposed Project segment are listed as under:

For Jatropha seed oil extraction

1. M/s. Green Palm Company
2. M/s. Bhushan Oil Mill Private Limited
3. M/s. Sunrise Agriland Development and Research Private Limited

For neem seed oil extraction

1. M/s. Fortune Biotech Limited
2. M/s. Apex Herbex
3. M/s. Agro Extracts Limited

For Bio-fertilizers and Bio-pesticides

1. M/s. Shree Biocare Solutions Private Limited
2. M/s. Ecosense Lab (India) Private Limited
3. M/s. Asean Agritechnologies (India) Private Limited

**Marketing arrangement**

At present we supply the Jatropha seedlings, saplings and seeds to farmers of our vicinity, who in turn supply it to nursery and seed oil extraction plants. The marketing strategy is the combination of direct marketing, using our distribution network. Discussion with farmers, educating and creating awareness among farmers is also part of our marketing strategy.

**Quality**

Our driving force has always been the quality of Jatropha plantation, as the same would enable us for maintaining long term relations with our customers.

The key factors that influence the oil yield of Jatropha are climate, quality of the soil, irrigation, weeding, use of fertilizer, crop density, use of pesticides etc. We had entered into a MOU dated April 01, 2007 with M/s. Altret Performance Chemicals Gujarat Private Limited for acquisition of technology know how for cultivation of Jatropha Curcas seeds which has facilitated us to improve the growth and yield of Jatropha.

We use recommended and approved Jatropha seeds, fertilizers, pesticides and manure of such standards which provide the better output.

**Our existing product**

We are currently engaged in cultivation of Jatropha Curcas plant. The seeds developed from these plants are supplied to farmers in the vicinity of our plantation. We also supply Jatropha Curcas seedlings developed at our nursery. Jatropha has the following major utilities amongst others:

*Jatropha leaves:* They have medicinal properties and are used as massage material for strained muscles, brewed tea to combat malaria etc.

*Jatropha seeds:* Seeds are used to produce insecticides and extraction of oil which is used as a biofuel.

*Jatropha oil:* It is used for production of soap and used as lamp fuel and fuel in special diesel engines etc

*Jatropha cake:* It is used as on organic manure.

**Capacity & capacity utilization**

**Existing:**

At present we do not have any manufacturing facility and hence capacity details are not available. The following table represents our Jatropha Curcas seeds production:

| Particulars | 30.09.2011 | 2010-11 |
|---|---|---|
| Volume in tonnes | 2.42 | 3.40 |

**Proposed:**
**Jatropha seed oil extraction plant**

| Particulars | 2012-13 | | 2013-14 | | 2014-15 | |
|---|---|---|---|---|---|---|
| Volume in tonnes (per annum) | Installed Capacity | Capacity Utilisation | Installed Capacity | Capacity Utilisation | Installed Capacity | Capacity Utilisation |
| | 30,000 | 13,500 | 30,000 | 22,500 | 30,000 | 27,000 |

**Neem seed oil extraction & solvent extraction plant**

| Particulars | 2012-13 | | 2013-14 | | 2014-15 | |
|---|---|---|---|---|---|---|
| Volume in tonnes (per annum) | Installed Capacity | Capacity Utilisation | Installed Capacity | Capacity Utilisation | Installed Capacity | Capacity Utilisation |
| | 30,000 | 13,500 | 30,000 | 22,500 | 30,000 | 27,000 |

**Bio-fertilizer & Bio-pesticides plant**

| Particulars | 2012-13 | | 2013-14 | | 2014-15 | |
|---|---|---|---|---|---|---|
| Volume in tonnes (per annum) | Installed Capacity | Capacity Utilisation | Installed Capacity | Capacity Utilisation | Installed Capacity | Capacity Utilisation |
| | 360 | 170 | 360 | 280 | 360 | 330 |

**Export possibility and obligation**

Our Company doesn't have any export obligation as we are not exporting any material.

**Our business strategy**

**Availability of comprehensive value chain in-house**

In order to complete the value chain by providing the synergy of forward integration, we propose to set up a Jatropha seed oil extraction plant wherein Jatropha seeds will be utilized for captive consumption to produce Jatropha oil more detailed in the section titled '*Objects of the Issue*' on page 53 of the

DRHP. Jatropha seeds will be readily available from our existing plantation and for meeting the additional seeds requirement, the same will be procured indigenously.

**Penetrate into Bio-diesel industry**

Bio-diesel has the potential to contribute to India's energy supply and to decrease its dependency on oil imports. Hence, we plan to penetrate into this industry to benefit from opportunities obtainable by setting up Jatropha seed oil extraction plant to produce Jatropha seed oil.

**Penetrate into Bio-fertilizers & Bio-pesticides industry**

The entire agriculture sector is supported by the fertilizer and pesticide industry. Bio-fertilizer is a substance which contains living microorganisms which, when applied to seed, plant surfaces, or soil, colonizes the rhizosphere or the interior of the plant and promotes growth by increasing the supply or availability of primary nutrients to the host plant. Bio-pesticides are extensively used for protecting the plants from harmful pests. We plan to penetrate into Bio-fertilizers & Bio-pesticides industry. For details, refer to the section titled *'Objects of the Issue'* on page 53 of this Draft Red Herring Prospectus.

**Contract farming**

We propose to set up a Jatropha seed oil extraction plant with a capacity of 100 tonnes per day. In order to meet the total requirement of Jatropha seeds of the proposed plant, we intend to form a consortium of farmers by entering into development agreement with them, where we would take care of their plantations and in return they would sell the seeds to us at certain fixed rates. By applying this model, we would be able to get more farmers to do Jatropha plantations for us and also give some fixed returns to those people who own land but do not want to get into hassle of plantation.

**SWOT**

**Strengths**

- Location advantage of the existing plantation
- knowledge of Industry-commercial & technical
- Established Jatropha plantation

**Weaknesses**

- Lack of in-house comprehensive value chain
- Dependent upon monsoon and climatic conditions for plantation
- Tiny customer base
- Insufficient Jatropha plantation to meet the Jatropha seeds requirement of the proposed Jatropha seed oil extraction plant

**Opportunities**

- Penetrate into new geographies
- Growing awareness for Bio-diesel

**Threats**

- Industry is prone to changes in government policies, any material changes in the duty or raw material prices may adversely impact our financials.

- There are no entry barriers in our industry which puts us to the threat of competition from new entrants.

**Intellectual Property**

We have applied for registration of our corporate logo along with the word "altret" under Class 35 with the Registrar of Trademarks. For further details of approvals relating to intellectual property, please refer to section titled *'Government & Other Approvals'* beginning on page 154 of the DRHP.

**Our Properties**

The details of property occupied, leased or owned by the Company are as under:

| Sr. No. | Location | Title (Leased /Owned) | Date of Agreement / Acquisition | Tenure |
|---|---|---|---|---|
| 1. | Kutch survey no. 114, Gam Paya Bhuj District, Gujarat | Leased | 12.05.2009 | 30 years |
| 2. | Kutch survey no. 30, Gam Saraspar Bhuj District, Gujarat | Leased | 12.05.2009 | 30 years |
| 3. | Kutch survey no. 29, Gam Saraspar Bhuj District, Gujarat | Leased | 12.05.2009 | 30 years |
| 4. | Kutch survey no. 12 & 16, Gam Saraspar Bhuj District, Gujarat | Leased | 22.05.2009 | 30 years |
| 5. | Kutch survey no. 8, Gam Saraspar Bhuj District, Gujarat | Leased | 12.05.2009 | 30 years |
| 6. | Kutch survey no. 11 & 15, Gam Saraspar Bhuj District, Gujarat | Leased | 12.05.2009 | 30 years |
| 7. | Kutch survey no. 24 & 32, Gam Saraspar Bhuj District, Gujarat | Leased | 12.05.2009 | 30 years |
| 8. | 12/2881, "Altret House" Saiyedpura Main Road, Surat, Gujarat | Leased | 01.11.2011 | 33 months |
| 9. | 271, Gam Mirzapur, Jalalpor, Navsari District, Gujarat | Owned | 15.07.2011 | NA |
| 10. | 272 , Gam Mirzapur, Jalalpor, Navsari District, Gujarat | Owned | 15.07.2011 | NA |
| 11. | 273 , Gam Mirzapur, Jalalpor, Navsari District, Gujarat | Owned | 06.01.2012 | NA |

All land acquired by the Company situated at 271,272,273 Gam Mirzapur, Jalalpor, Navsari District, Gujarat has a clear title, is duly registered in the name of the Company and has no pending approvals.

Land situated at 271 and 272 Gam Mirzapur, Jalalpor, Navsari District, Gujarat is acquired from Ms. Pragnaben Shah for consideration of Rs. 2,350,265/- and Rs. 771,720/- respectively. Further, land situated at 273,Gam Mirzapur, Jalalpor, Navsari District, Gujarat is acquired from Mr. Natubhai Patel , Mr. Thakorbhai Patel , Mr. Ishwarbhai Patel , Mrs. Manchiben Patel , Mrs. Parvatiben Patel and Mr. Sanjaybhai Patel for consideration of Rs. 2,315,160/-.

Our Company does not propose to acquire any land from the IPO Proceeds.

The entities/persons from which our Company has acquired the land are not related to any of the Promoters / Directors of our Company.

***Note 1: Interest in property by our Promoter***

(i) Our Registered Office situated at 12/2881, "Altret House" Saiyedpura Main Road, Surat, Gujarat is on lease for 33 months starting from 01/11/2011. The office is taken on lease from Mr. Sam Lokhandwala, our Promoter for a monthly rental of Rs. 10,000/- who is deemed to be interested to the extent of lease rent received by him from our Company.

(ii) Our leasehold land situated at Kutch survey no. 12 & 16, Gam Saraspar Bhuj District, Gujarat is on lease for 30 years starting from 22/05/2009. The land is taken on lease from Mr. Sam Lokhandwala, our Promoter for a yearly rental of Rs. 43,000/- who is deemed to be interested to the extent of lease rent received by him from our Company.

(iii) Our leasehold land situated at Kutch survey no. 11 & 15, Gam Saraspar Bhuj District, Gujarat is on lease for 30 years starting from 12/05/2009. The land is taken on lease from Mr. Raj Lokhandwala, our Promoter for a yearly rental of Rs. 43,000/- who is deemed to be interested to the extent of lease rent received by him from our Company.

***Note 2: Purchase of property***

We have not entered into any agreement to buy/sell any property with the Promoters or Director or a proposed director who had any interest direct or indirect during the preceding two years.

**Insurance policies**

We do not have insurance policies for our existing business operations.

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.*

**Industrial Laws**

***The Factories Act, 1948***

The Factories Act, 1948 ("Factories Act") seeks to regulate labour employed in factories & makes provisions for the safety, health, and welfare of the workers. It applies to industries in which 10 or more than 10 workers are employed on any day of the preceding 12 months. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment, registration & licensing of factories. The Factories Act provides that occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, 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. The Factories Act also provides for fines to be paid and imprisonment by the manager of the factory in case of any contravention of the provisions of the Factories Act.

***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, was under the influence of drugs or alcohol or (iii) where the workman willfully disobeyed safety rules.

***Minimum Wages Act, 1948***

The Minimum Wages Act, 1948 provides that the State Governments may stipulate the minimum wages applicable to a particular industry. Workers are to be paid for overtime at rates stipulated by the appropriate State Government. Any contravention may result in imprisonment up to six months or a fine up to Rs. 5,000.

***Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 (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 Rs. 10,000 per month and have worked for a minimum period of 30 days in a year. The Bonus Act mandates that every employee receive a bonus. Bonus is calculated on the basis of the salary or wage earned by the employee during the accounting year. The minimum bonus to be paid to each employee is either 8.33% of the salary or wage or Rs. 100, whichever is higher, and must be paid irrespective of the existence of any allocable surplus or profits. If the allocable surplus or profit exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. Contravention of the Bonus Act by a company is punishable with imprisonment up to six months or a fine up to Rs. 1,000 or both against those individuals in charge at the time of contravention of the Bonus Act.

***Payment of Gratuity Act, 1972***

Under the Payment of Gratuity Act, 1972, an employee in a factory or any other establishment in which 20 or more than 20 persons are employed on any day during an accounting year who is in 'continuous service' for a period of five years notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee is eligible for gratuity upon his retirement, superannuation, death or disablement.

***The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950***

The Act provides for mainly for the safety of life and property of persons from the danger of explosions of steam boilers and for achieving uniformity in registration and inspection during operation and maintenance of boilers in India.

***Maternity Benefit Act, 1961***

The Maternity Benefit Act, 1961 provides that a woman who has worked for at least 80 days in the 12months preceding her expected date of delivery is eligible for maternity benefits, which include leave for six weeks immediately preceding the scheduled date of delivery and average daily wages for this period. Contravention of this Act is punishable by imprisonment up to one year or a fine up to Rs. 5,000 or both. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks.

***The Equal Remuneration Act, 1976 ("Equal Remuneration Act") and Equal Remuneration Rules, 1976***

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 was implemented. The Act provides that no discrimination shall be shown on the basis of sex for performing similar works and that equal remuneration shall be paid to both men and women when the same work is being done.

***The Employees' Provident Funds and Miscellaneous Provisions Act, 1952***

The Employees' Provident Funds and Miscellaneous Provisions Act provides for the compulsory institution of contributory provident funds, pension funds and deposit linked insurance funds for employees. The act aims to ensure a retiral benefit to secure the future of the employee after retirement. The Act applies to industries employing 20 or more persons and any other class of establishments employing 20 or more persons notified by the Government.

***The Employees State Insurance Act, 1948***

The Employees State Insurance Act, 1948 ("ESI Act") provides for certain benefits to employees incase of sickness, maternity and employment injury. The Act applies to all factories (including Government factories but excluding seasonal factories) employing ten or more persons and carrying on a manufacturing process with the aid of power or employing 20 or more persons and carrying on a manufacturing process without the aid of power and such other establishments as the Government may specify. Every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages up to Rs. 10,000 per month is entitled to be insured under the ESI Act.

***Industrial Disputes Act, 1947***

The Industrial Disputes Act, 1947 (the "ID Act") provides the machinery and procedure for the investigation and settlement of industrial disputes. It also provides certain safeguards to workers and

aims to improve the service conditions of industrial labour. When a dispute exists or is apprehended, the appropriate government is empowered to refer the dispute to an authority mentioned under the ID Act in order to prevent the occurrence or continuance of the dispute. Reference may be made to a labour court, tribunal or arbitrator, as the case may be, to prevent a strike or lock-out while a proceeding is pending. Wide powers have been given to the labour courts and tribunals under the ID Act while adjudicating a dispute to grant appropriate relief such as modification of contract of employment or to reinstate workmen with ancillary relief.

***Contract Labour (Regulation and Abolition) Act, 1970***

The Company is regulated by the provisions of the Contract Labour (Regulation and Abolition) Act,1970 (the "CLRA") which requires the Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labourers. The CLRA vests responsibility in the principal employer of an establishment, to which the CLRA applies, to make an application to the concerned officer for registration of the concerned establishment. In the absence of such registration, contract labour cannot be employed in the concerned establishment. Likewise, every contractor, to whom the CLRA applies, is required to obtain a license and may not undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, restrooms, 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 within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

***The Payment of Wages Act, 1936***

The Payment of Wages Act, 1936 is a central legislation which applies to the persons employed in the factories and to persons employed in industrial or other establishments specified in sub-clauses (a) to(g) of clause (ii) of section 2 of the Act. This Act does not apply on workers whose wages payable in respect of a wage period average Rs. 1,600 a month or more. The Act has been enacted with the intention of ensuring timely payment of wages to the workers and for payment of wages without unauthorized deductions. A worker, who either has not been paid wages in time or an unauthorized deductions have been made from his/her wages, can file a claim either directly or through a Trade Union or through an Inspector under this Act, before with the Authority appointed under the Payment of Wages Act.

**Intellectual Property Rights**

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for the protection of patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

***Trade Marks***

The Trade Marks Act, 1999 ("**Trademark Act**") governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. However, the registration of a trademark that is not inherently distinctive on the basis of intent to use may be difficult to obtain. Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten

years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. The average timeline for the completion of the entire registration process is three to four years. However, it is likely that this timeline may be reduced in the near future due to initiatives which have been recently undertaken to expedite trademark filings.

## TAX LAWS

### Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax Return for every Previous Year by 31st October of the Assessment Year .Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

### Value Added Tax

Value Added Tax ("**VAT**") is a system of multi-point levy on each of the entities in the supply chain with the facility of set-off input tax whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is essentially a consumption tax applicable to all commercial activities involving the production and distribution of goods, and each State that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register themselves and obtain a registration number.

### Sales Tax

The tax on sale of movable goods within India is governed by the provisions of the Central Sales Tax Act, 1956 or relevant state law depending upon the movement of goods pursuant to the relevant sale. If the goods move inter-state pursuant to a sale arrangement, then the taxability of such sale is determined by the Central Sales Tax Act, 1956. On the other hand, when the taxability of an arrangement of sale of movable goods which does not contemplate movement of goods outside the state where the sale is taking place is determined as per the local sales tax/VAT legislations in place within such state.

### Indian Stamp Act, 1899

The Indian Stamp Act, 1899 ("Stamp Act") and the relevant State Stamp Acts provide for the imposition of stamp duty at specified rates on instruments listed in Schedule I of the Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are inadmissible in a court of law and have no evidentiary value. Public officials have the power to impound such documents and if the executor wants to rectify them, he may have to pay a penalty of up to 10 times the original stamp value.

### Central Excise Act, 1944

Excise duty is levied on production of goods but the liability of excise duty arises only on removal of goods from the place of storage, i.e., factory or warehouse. Unless specifically exempted, excise duty is levied even if the duty was paid on the raw material used in production.

## Other Laws

### *The Legal Metrology Act, 2009*

The Legal Metrology Act, 2009 (the "Legal Metrology Act") has come into effect after its publication in the Official Gazette on January 14, 2010 and has been operative since March 1, 2011. The Legal Metrology Act replaces The Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are:

- Appointment of Government approved Test Centres for verification of weights and measures;
- Allowing the companies to nominate a person who will be held responsible for breach of provisions of the Act; and
- Simplified definition of Packaged Commodity and more stringent punishment for violation of provisions.

### *Environmental Regulations*

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India include the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 (the "Environment Protection Act"). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (the "PCBs"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation if the authorities are aware of or suspect pollution that is not in accordance with such regulations. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be renewed annually.

### *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.

### *Regulation of Foreign Investment in India*

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the

FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the "automatic route" within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

***Shops and Establishments Legislations***

Under the provisions of local shops and establishments, legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

**The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable.' The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

**The Competition Act, 2002**

The Competition Act, 2002 (the "**Competition Act**") prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "**CCI**") as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as 'Individuals' and 'Group'. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

## OUR HISTORY AND CORPORATE STRUCTURE

**History & background**

Our Company was originally incorporated as Altret Bio-Tech Private Limited on September 04, 2006 under the Companies Act, 1956 as a private limited Company vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. The status of our Company was changed to public limited company pursuant to a fresh certificate of incorporation consequent upon conversion from a private limited Company to a public limited Company issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli on November 02, 2011.

Our Company is registered under the Companies Act, 1956 with registration no. U02429GJ2006PLC049007

We are currently engaged in cultivation of Jatropha Curcas plants. The seeds developed from these plants are supplied to farmers in the vicinity of our plantation. We also supply Jatropha Curcas seedlings and saplings developed at our nursery. For further details of the business of the Company, please refer to the section entitled '*Our Business*' on page 84 in this Draft Red Herring Prospectus.

The Registered Office of our Company is situated at 12/2881, "Altret House", Sayedpura Main Road, Surat – 395 003, Gujarat, India.

**Changes in the Registered Office of our Company since inception:**

There has not been any change in the Registered Office of the Company since inception.

**Main objects of our Company**

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

1. To carry on business of research development in bio agricultural products for commercial purpose and to manufacture and deal in bio agricultural products of any nature in India or elsewhere.

2. To carry on business of oil extraction and processing of agricultural products of industrial and domestic consumption.

3. To carry on the business of manufacturer, trading, import, export of bio-fertilizers, organic fertilizers, pesticides & insecticides & oil extraction based on Jatropha seeds & neem seeds.

**Changes in the Memorandum of Association:**

The following changes have been made in the Memorandum of Association of our Company since inception:

| Date | Amendment |
|---|---|
| 8-Mar-2008 | Increase in the authorized share capital of our Company from Rs. 5 Lacs divided into 50,000 Equity Shares of Rs. 10 each to Rs. 20 Lacs divided into 200,000 Equity Shares of Rs. 10 each. |
| 30-Jan-2010 | Increase in the authorized share capital of our Company from Rs. 20 Lacs divided into 200,000 Equity Shares of Rs. 10 each to Rs. 400 Lacs divided into 4,000,000 Equity Shares of Rs. 10 each. |

| Date | Amendment |
|---|---|
| 15-Dec-2010 | Increase in the authorized share capital of our Company from Rs. 400 Lacs divided into 4,000,000 Equity Shares of Rs. 10 each to Rs. 1,000 Lacs divided into 10,000,000 Equity Shares of Rs. 10 each. |
| 02-Nov-2011 | Conversion of our Company from Private Limited to Limited and subsequently name changed from Altret Bio-Tech Private Limited to Altret Bio-Tech Limited |
| 11-Nov-2011 | Increase in the authorized share capital of our Company from Rs. 1,000 Lacs divided into 10,000,000 Equity Shares of Rs. 10 each to Rs. 1,300 Lacs divided into 13,000,000 Equity Shares of Rs. 10 each. |
| 11-Nov-2011 | Change in clause III A of the Memorandum of Association.<br>Insertion of following additional main object clause of our Company:<br>"To carry on the business of manufacturer, trading, import, export of bio-fertilizers, organic fertilizers, pesticides & insecticides & oil extraction based on Jatropha seeds & neem seeds." |

**Major events and milestones**

| Year | Particulars |
|---|---|
| 2006 | Incorporation of the Company in the name and style of Altret Bio-Tech Private Limited |
| 2009 | Acquisition of leasehold rights for cultivation of Jatropha Curcas |
| 2010 | Generation of Jatropha seeds from the Jatropha Curcas plants |
| 2011 | Conversion of Company into public limited company |

**Holding company of our Company**

Our Company has no holding company as on the date of filing of the Draft Red Herring Prospectus.

**Subsidiary of our Company**

Our Company has no subsidiary company as on the date of filing of the Draft Red Herring Prospectus.

**Defaults or rescheduling of borrowings with financial institutions or banks**

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Draft Red Herring Prospectus.

**Time or cost overrun in setting up projects**

There have been no time and cost overruns with respect to any projects undertaken by our Company.

**Shareholders agreement**

As of date of this Draft Red Herring Prospectus, our Company has not entered into any shareholders agreement.

**Non compete agreement**

(i) A non compete agreement has been executed on February 07, 2012 between our Company and Altret Chemicals Private Limited, a Promoter Group Company with similar objects, wherein Altret Chemicals Private Limited have agreed not to enter into similar line of business of our Company. The said agreement is valid for a period of fifteen years from the date of execution.

(ii) A non compete agreement has been executed on February 07, 2012 between our Company and Altret Performance Chemicals Gujarat Private Limited, a Promoter Group Company engaged into the business of chemical and allied activities, wherein Altret Performance Chemicals Gujarat Private Limited have agreed not to enter into similar line of business of our Company. The said agreement is valid for a period of fifteen years from the date of execution.

**Other material agreements**

As of date of this Draft Red Herring Prospectus, our Company has not entered into any material agreement other than in the ordinary course of business.

**Strategic partners**

As of date of this Draft Red Herring Prospectus, our Company has no strategic partners and is not part of any strategic partnerships.

**Financial partners**

At present, our Company does not have any financial partners

**Lock-out or strikes**

There have been no lock-outs or strikes in our Company since the date of its incorporation.

**Shareholders / Members:**

Our Company has twelve (12) members as on the date of filing of this Draft Red Herring Prospectus.

## OUR MANAGEMENT

**Board of Directors**

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has five (5) directors on Board. The following table sets forth current details regarding our Board of Directors:

| Name, Father's name, Address, Occupation, Nationality, tenure & DIN | Age | Status of Directorship in our Company | Other Directorships |
|---|---|---|---|
| 1. Mr. Sam Lokhandwala<br>S/o Mr. Bakirbhai Lokhandwala<br>35/A, Sarjan Society Athwalines, Surat – 395 001, Gujarat, India<br>Occupation: Business<br>Nationality: Indian<br>Tenure: Five years w.e.f. April 01, 2011<br>DIN: 00011415 | 60 Yrs | Executive Chairman | 1. Altret Performance Chemicals Gujarat Private Limited<br><br>2. Altret Chemicals Private Limited<br><br>3. Sam Finstock Services Private Limited |
| 2. Mr. Raj Lokhandwala<br>S/o Mr. Sam Lokhandwala<br>35/A, Sarjan Society Athwalines, Surat – 395 001, Gujarat, India<br>Occupation: Business<br>Nationality: Indian<br>Tenure: Five years w.e.f. April 01, 2011<br>DIN: 01923194 | 29 Yrs | Managing Director | 1. Altret Performance Chemicals Gujarat Private Limited<br><br>2. Altret Chemicals Private Limited<br><br>3. Sam Finstock Services Private Limited |
| 3. Mr. Nizar Kapadia<br>S/o Mr. Keizarbhai Kapadia<br>A-101, Harmony Apts, Behind Convent School, EME Road, Fatehgunj, Vadodara-390 002, Gujarat – 390002, Gujarat, India<br>Occupation: Service<br>Nationality: Indian<br>Tenure: Retire by rotation<br>DIN: 03629598 | 54 Yrs | Independent Director | Nil |
| 4. Mr. Dushyant Patel<br>S/o Mr. Ambalal Patel<br>A& PO. Vijalpore, A-30, Gayatri Sankul Soc., Tal-Jalalpore, Navsari- 396450, Gujarat, India<br>Occupation: Professional<br>Nationality: Indian<br>Tenure: Retire by rotation<br>DIN: 03631253 | 28 Yrs | Independent Director | Nil |
| 5. Mr. Mubinhusain Saiyed<br>S/o Siddhiqhusain Saiyed<br>12/1923, 1st Floor, Nr. Kalabawa House, Saiyedwada, Saiyedpura, Surat - 395003, Gujarat, India<br>Occupation: Professional<br>Nationality: Indian<br>Tenure: Retire by rotation<br>DIN: 05144537 | 32 Yrs | Independent Director | Nil |

**Note:**

As on the date of the Draft Red Herring Prospectus:

1. None of the above mentioned Directors are on the RBI list of willful defaulters as on date.

2. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Draft Red Herring Prospectus or (b) delisted from the stock exchanges.

3. None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

**Details of Directors**

**Mr. Sam Lokhandwala** aged 60 years, is the founder Promoter & Executive Chairman of our Company. He is a commerce graduate and has also attained Bachelors Degree in Law (General) from V.T. Choksi Sarvajanik Law College, South Gujarat University. He has industrial experience of over 35 years. He looks after the overall planning & management of our Company. He has been on the Board of Directors of our Company since incorporation and has been designated as Executive Chairman of our Company w.e.f. April 01, 2011.

**Mr. Raj Lokhandwala** aged 29 years, is the Managing Director of our Company. He holds Bachelors Degree in Engineering (Chemical) from University of Pune and has completed the Post Graduate Programme in Management from S.P.Jain Institute of Management & Research. He has been involved in operations of our Company for over 3 years and looks into areas such as framing business policies, making strategic decisions, marketing and business development of our Company etc. He joined our Company as the Director in the year 2008 and has been designated as Managing Director of our Company w.e.f. April 01, 2011.

**Mr. Nizar Kapadia** aged 54 years, is the Independent Director of our Company. He is a science graduate from Sardar Patel University, Gujarat. Currently he is holding the position of Assistant Vice President with Reliance Industries Limited and is looking after its logistics and supply chain management. He joined our Company as an Independent Director in the year 2011.

**Mr. Dushyant Patel** aged 28 years, is the Independent Director of our Company. He holds a Bachelors Degree in Physiotherapy. Currently, he is practicing as a professional in physiotherapy. He joined our Company as an Independent Director in the year 2011.

**Mr. Mubinhusain Saiyed aged** 32 years, is the Independent director of our Company. He holds a Bachelors Degree in Commerce and is also a qualified Cost & Works Accountant from ICWA. He also holds an executive programme certificate from ICSI. As an Independent Director of our Company, and CWA by profession he brings value addition to our Company. He joined our Company as an Independent Director in the year 2011.

**Confirmations**

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the stock exchanges , during the term of their directorship in any such company.

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

**Nature of Family relationship among Directors**

| Name of the Director | Relatives |
|---|---|
| Mr. Sam Lokhandwala | Father of Mr. Raj Lokhandwala |
| Mr. Raj Lokhandwala | Son of Mr. Sam Lokhandwala |

***Borrowing Powers of the Directors***

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on 21/12/2011 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 50 Crores.

**Terms of appointment and compensation of our Directors**

| | |
|---|---|
| **Name** | Mr. Sam Lokhandwala |
| **Designation** | Executive Chairman |
| **Period** | Five (5) years |
| **Date of Appointment** | 01/04/2011 |
| **Remuneration** | **Particular** — **Amount (in Rs.) (p.a. )**<br>Salary — 600,000<br>**Total** — **600,000**<br><br>Remuneration excludes the reimbursement expenses.<br>In the event of absence or inadequacy of net profits in any financial year of the Company during the tenure, the remuneration shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 or any statutory modification thereof. |
| **Remuneration paid in FY March 31, 2011** | Nil |

| | |
|---|---|
| **Name** | Mr. Raj Lokhandwala |
| **Designation** | Managing Director |
| **Period** | Five (5) years |
| **Date of Appointment** | 01/04/2011 |

| | |
|---|---|
| **Remuneration** | **Particular** — **Amount (in Rs.) (p.a. )**<br>Salary — 600,000<br>**Total** — **600,000**<br><br>Remuneration excludes the reimbursement expenses.<br>In the event of absence or inadequacy of net profits in any financial year of the Company during the tenure, the remuneration shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 or any statutory modification thereof. |
| **Remuneration paid in FY March 31 , 2011** | Nil |

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

**Non – Executive Directors**

Currently, Non–Executive Directors are being paid sitting fees of Rs. 2,000/- per Board Meeting vide resolution passed by the Board of Directors dated November 21, 2011.

**Corporate Governance**

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

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

Currently our board has five (5) Directors. We have two executive non-independent directors and three non executive and independent directors. The constitution of our Board is in compliance with the requirements of Clause 49 of the Listing Agreement.

**The following committees have been formed in compliance with the Corporate Governance norms:**

A) Audit Committee
B) Shareholders/Investors Grievance Committee
C) Remuneration Committee

**AUDIT COMMITTEE**

Our Company has constituted an audit committee ***("Audit Committee")*** , as per the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on November 21, 2011.

The terms of reference of Audit Committee complies with the requirements of Clause 49 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following four (4) directors. Mr. Mubinhusain Saiyed is the Chairman of the Audit Committee. The Company Secretary is the Secretary of our Audit Committee.

| No. | Name of the Director | Status | Nature of Directorship |
|---|---|---|---|
| 1. | Mr. Mubinhusain Saiyed | Chairman | Independent Director |
| 2. | Mr. Dushyant Patel | Member | Independent Director |
| 3. | Mr. Sam Lokhandwala | Member | Executive Chairman |
| 4. | Mr. Nizar Kapadia | Member | Independent Director |
| 5. | Ms. Smita Jain | Secretary | N.A. |

**Role of Audit Committee**

The role of the Audit Committee shall be as follows:

1. Overseeing the Company's financial reporting process and the disclosure its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Appointment, removal and terms of remuneration of internal auditors

5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- 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 1956;

- Changes, if any, in accounting policies and practices and reasons for the same;

- Major accounting entries involving estimates based on the exercise of judgment by management;

- Significant adjustments made in the financial statements arising out of audit findings;

- Compliance with listing and other legal requirements relating to the financial statements;

- Disclosure of any related party transactions;

- Qualifications in the draft audit report.

6. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.

7. To monitor the utilisation of proceeds of the proposed initial public offering of the Company and any other issue of shares of the Company, reviewing the report submitted by monitoring agency, if any, and to make appropriate recommendations to the Board in this regard

8. Monitoring the use of the proceeds of the proposed initial public offering of the Company.

9. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

10. Reviewing the adequacy of internal audit function, if any, 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.

11. Discussions with internal auditors on any significant findings and follow up thereon.

12. Reviewing internal audit reports and adequacy of the internal control systems.

13. Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors.

14. 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.

15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

17. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.

18. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

**SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

Our Company has constituted a shareholders/investors grievance committee ***("Shareholders/Investors Grievance Committee")*** to redress the complaints of the shareholders. The Shareholders/Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on November 21, 2011. The Committee currently comprises of three (3) Directors. Mr. Dushyant Patel is the Chairman of the Shareholders/ Investors Grievance Committee.

| No. | Name of the Director | Status | Nature of Directorship |
|---|---|---|---|
| 1. | Mr. Dushyant Patel | Chairman | Independent Director |
| 2. | Mr. Nizar Kapadia | Member | Independent Director |
| 3. | Mr. Mubinhusain Saiyed | Member | Independent Director |
| 4. | Ms. Smita Jain | Secretary | N.A. |

**Role of Shareholders/Investors Grievance Committee**

The Shareholders / Investors Grievance Committee of our Board look into:

i. Efficient transfer of shares; including review of cases for refusal of transfer transmission of shares and debentures;

ii. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;

iii. Issue of duplicate / split / consolidated share certificates;

iv. Allotment and listing of shares;

v. Review of cases for refusal of transfer / transmission of shares and debentures;

vi. Reference to statutory and regulatory authorities regarding investor grievances; and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances."

**REMUNERATION COMMITTEE**

Our Company has constituted a remuneration committee ***("Remuneration Committee")***. The Remuneration Committee was constituted vide resolution passed at the meeting of the Board of Directors held on November 21, 2011.The Committee currently comprises of three (3) Directors. Mr. Dushyant Patel is the Chairman of the Remuneration Committee.

| No. | Name of the Director | Status | Nature of Directorship |
|---|---|---|---|
| 1. | Mr. Dushyant Patel | Chairman | Independent Director |
| 2. | Mr. Nizar Kapadia | Member | Independent Director |
| 3. | Mr. Mubinhusain Saiyed | Member | Independent Director |
| 4. | Ms. Smita Jain | Secretary | N.A. |

The Remuneration Committee is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of the directors and to deal with all elements of the remuneration package of all the directors including but not restricted to the following:

i. To decide and approve the terms and conditions for appointment of executive directors and/or whole time directors and remuneration payable to other directors and matters related thereto.

ii. To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);

iii. To authorize at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment;

iv. To implement, supervise and administer any share or stock option scheme of the Company."

***Policy on Disclosures and Internal Procedure for Prevention of Insider Trading***

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchange. Our Company Secretary and Compliance Officer, Ms. Smita Jain is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

**Shareholding details of the Directors in our Company**

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors as on the date of this Draft Red Herring Prospectus:

| Name of Director | Number of Equity Shares | % of Pre-Issue Paid up Share Capital |
|---|---|---|
| Mr. Sam Lokhandwala | 4,769,800 | 77.70% |
| Mr. Raj Lokhandwala | 684,100 | 11.14% |
| Mr. Nizar Kapadia | 25,000 | 0.41% |
| **Total** | **5,478,900** | **89.25%** |

**Interest of Directors**

All the Directors of our Company may be deemed to be interested to the extent of sitting fees and/or other remuneration if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses if any payable to them under the Articles of Association. All the Directors may also be deemed to be interested in the Equity Shares of our Company, if any, held by them, their relatives or by the companies or firms or trusts in which they are interested as directors / members / partners or that may be subscribed for and allotted to them, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any other company in which they have direct /indirect interest or any partnership firm in which they are partners.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

**Property interest**

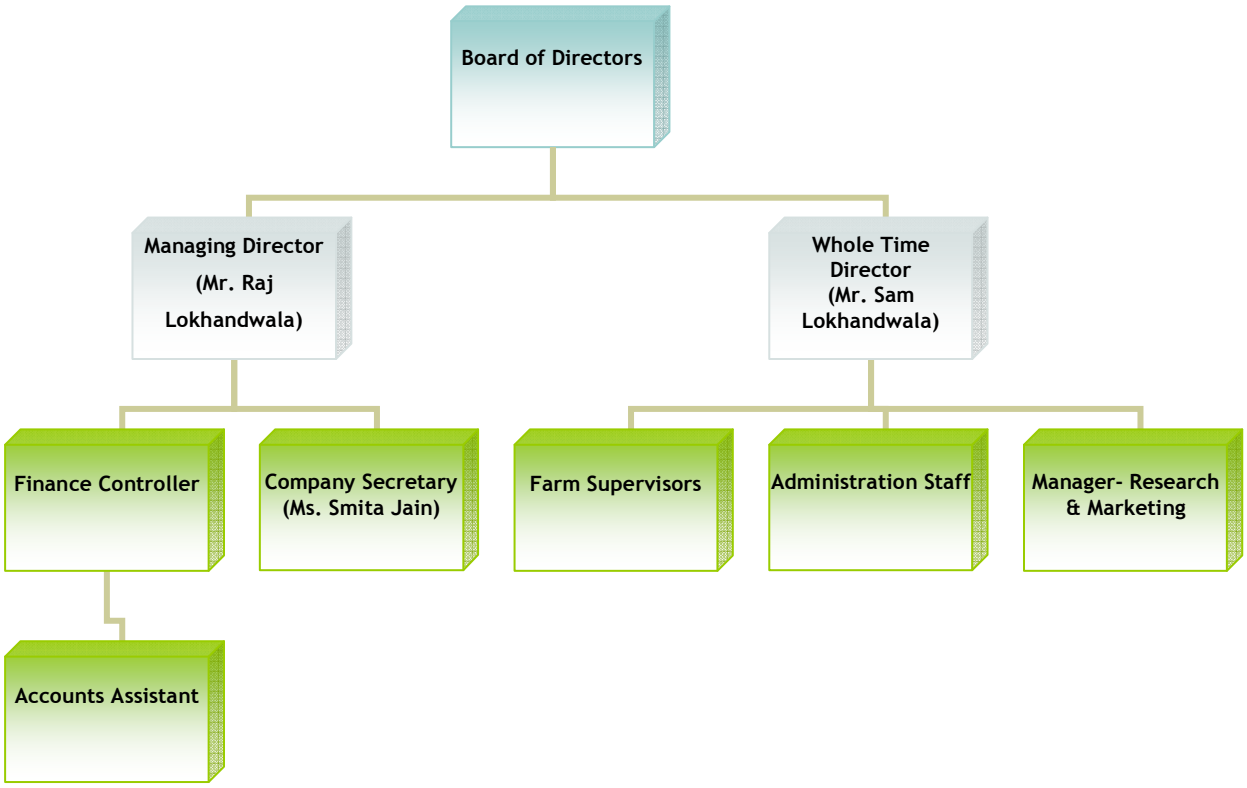
Except as stated under the Related Party Transactions on page 125 of the Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangement during the preceding two (2) years from the date of this Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

**Changes in our Board of Directors during the last three (3) years**

The changes in the Directors during last three (3) years are as follows:

| Name | Date of appointment | Date of cessation | Reason |
|---|---|---|---|
| Mr. Shailendra Rana | -- | 23/08/2010 | Resignation |
| Mr. Akbar Lokhandwala | -- | 01/09/2010 | Resignation |
| Mr. Nizar Kapadia | 14/02/2011 | -- | Appointment |
| Mr. Dushyant Patel | 26/09/2011 | -- | Appointment |
| Mr. Mubinhusain Saiyed | 15/11/2011 | -- | Appointment |

## ORGANISATION STRUCTURE




**Key Managerial Personnel**

Our Company is managed by its Board of Directors, assisted by qualified professionals, with experience in the field of production/finance/ distribution/marketing and corporate laws.

The following key personnel assist the management:

| Sr. No. | Name | Date of Joining | Designation | Functional Responsibilities | Salary for the financial year 31-03-2011 | Qualification | Previous Employment |
|---|---|---|---|---|---|---|---|
| 1. | Mr. Muhammad Pahelvan | 01/04/2010 | Finance Controller | Finance, income tax matters, finalization of accounts | 260,000 | B.Com, L.L.B., C.A. (inter) | Anis Rasayan & Chemicals Private Limited |
| 2. | Ms. Hemlata Maheshwari | 01/12/2011 | Accounts Assistant | Prepare, compile and analyze financial records | NA | B.Com, Diploma in Office Automation | Sarjan Architects |
| 3. | Mr. Jinendra Shah | 01/12/2011 | Manager-Research & Marketing | Research, marketing planning and business development | NA | B.Com, M.B.A. (Marketing) | Reliance Life Insurance Company Limited |

| Sr. No. | Name | Date of Joining | Designation | Functional Responsibilities | Salary for the financial year 31-03-2011 | Qualification | Previous Employment |
|---|---|---|---|---|---|---|---|
| 4. | Mr. Jamil Mustakim | 01/09/2006 | Farm Supervisor | Overall supervision of the farm | 65,000 | S.S.C | N.A. |
| 5. | Mr. Mohammad Jamiruddin | 01/10/2009 | Farm Supervisor | Overall supervision of the farm | 65,000 | H.S.C | N.A. |
| 6. | Ms. Smita Jain | 01/01/2012 | Company Secretary & Compliance Officer | Drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act, 1956 | NA | B.Com, A.C.S | Casil Industries Limited |

**Brief Profile of Key Managerial Personnel**

**1. Mr. Muhammad Pahelvan,** aged 31 years, is the Finance Controller of our Company. He has joined our Company in April, 2010. He is a commerce graduate and holds a Bachelors Degree in Law from South Gujarat University and has also completed intermediate level of Chartered Accountancy from ICAI. He has approximately 13 years experience in accounts and finance. He is responsible for management of finance, income tax matters, finalization of accounts. Prior to joining our Company, he was employed with Anis Rasayan & Chemicals Private Limited.

**2. Ms. Hemlata Maheshwari**, aged 33 years is the Accounts Assistant of our Company. She is associated with our Company since December, 2011. She is a commerce graduate and has also obtained a diploma in office automation. She is responsible for preparation, compilation and analysis of financial records. Prior to joining our Company, she was employed with Sarjan Architects.

**3. Mr. Jinendra Shah**, aged 28 years is the Manager- Research & Marketing of our Company. He is associated with our Company since December, 2011. He is a commerce graduate and holds Masters Degree in Business Administration from Worchester University, London. He has approximately 8 years of experience. He is responsible for research, marketing planning and business development of our Company. Prior to joining our Company, he was employed with Reliance Life Insurance Company Limited.

**4. Mr. Jamil Mustakim,** aged 43 years is the Farm Supervisor of our Company. He is associated with our Company since September, 2006. He is a matriculate and has approximately 14 years of experience in the farming activities. He is responsible for overall supervision of the farm.

**5. Mr. Mohammad Jamiruddin,** aged 25 years is the Farm Supervisor of our Company. He is associated with our Company since October, 2009. He is an under graduate and as overall 3 years of experience. He is responsible for overall supervision of the farm.

**6. Ms. Smita Jain**, aged 25 years, is the Company Secretary of our Company. She has joined the Company in January, 2012. She holds Bachelor's degree in Commerce and is a qualified Company Secretary from ICSI. Her scope of responsibilities includes drafting of resolutions, preparation of minutes, preparation and maintenance of various statutory registers & compliance of the provisions of the Companies Act, 1956. Prior to joining our Company she has worked with Casil Industries Limited (group Company of Cadila Pharmaceuticals Limited).

**Family relationship between key managerial personnel**

As on date, none of the key managerial persons is having family relation with each other except as under:

| Name of the KMP | Relatives |
|---|---|
| Mr. Jamil Mustakeem | Brother in law of Mr. Mohammad Jamiruddin |
| Mr. Mohammad Jamiruddin | Brother in law of Mr. Jamil Mustakeem |

**All of key managerial personnel are permanent employee of our Company**

**Shareholding of the Key Managerial Personnel**

As on date, none of the Key Managerial Personnel are holding any Equity Shares of our Company.

**Bonus or profit sharing plan for the Key Managerial Personnel**

There is no profit sharing plan for the Key Managerial Personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

**Loans to Key Managerial Personnel**

There are no loans outstanding against Key Managerial Personnel as on September 30, 2011.

**Changes in Key Managerial Personnel of our Company during the last three (3) years**

The changes in the key managerial employees of our Company during the last three (3) years are as follows:

| Name | Date of Appointment | Date of Cessation | Reason |
|---|---|---|---|
| Mr. Mohammad Jamiruddin | 01/10/2009 | --- | Appointment |
| Mr. Muhammad Pahelvan | 01/04/2010 | --- | Appointment |
| Ms. Hemlata Maheshwari | 01/12/2011 | --- | Appointment |
| Mr. Jinendra Shah | 01/12/2011 | --- | Appointment |
| Ms. Smita Jain | 01/01/2012 | --- | Appointment |

**Employees stock option scheme**

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Draft Red Herring Prospectus.

**Payment or benefit to our officers**

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.

## OUR PROMOTERS

**Our Promoters:**

*The Promoters of our Company are:*

1. Mr. Sam Lokhandwala
2. Mr. Raj Lokhandwala

Details of our Promoters are as under:

**1. Mr. Sam Lokhandwala**

| | |
|---|---|
| | **Mr. Sam Lokhandwala** aged 60 years, is the founder Promoter & Executive Chairman of our Company. He is a commerce graduate and has also attained Bachelors Degree in Law (General) from V.T. Choksi Sarvajanik Law College, South Gujarat University. He has industrial experience of over 35 years. He looks after the overall planning & management of our Company. |
| **Age** | 60 years |
| **Personal Address** | 35/A, Sarjan Society Athwalines, Surat – 395 001, Gujarat |
| **Designation** | Executive Chairman |
| **Directorship held** | See the section titled '*Our Management*' beginning on page 102 of this Draft Red Herring Prospectus |
| **Voter ID No.** | THP1657188 |
| **Driving License Number** | GJ05 19700003033 |
| **Permanent Account Number** | AAFPL5323A |
| **Passport Number** | G0788566 |
| **Bank Account No.** | 00671000257947 with HDFC Bank Limited, Surat (Parle Point Branch) |
| **DIN** | 00011415 |

Mr. Sam Lokhandwala owns 4,769,800 Equity Shares, representing 77.70% of the pre-Issue share capital and [●] of the post-Issue share capital of the Company.

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Mr. Sam Lokhandwala other than as mentioned in this Draft Red Herring Prospectus.

**2. Mr. Raj Sam Lokhandwala**

| | |
|---|---|
| | **Mr. Raj Lokhandwala** aged 29 years, is the Managing Director of our Company. He holds Bachelors Degree in Engineering (Chemical) from University of Pune and has completed the Post Graduate Programme in Management from S.P.Jain Institute of Management & Research. He has been involved in operations of our Company for over 3 years and looks into areas such as framing business policies, making strategic decisions, marketing and business development of our Company etc. |
| **Age** | 29 years |
| **Personal Address** | 35/A, Sarjan Society Athwalines, Surat – 395 001, Gujarat |
| **Designation** | Managing Director |
| **Directorship held** | See the section *'Our Management'* beginning on page 102 of this Draft Red Herring Prospectus |
| **Voter ID No.** | CTL5915004 |
| **Driving License Number** | GJ05 31071500 |
| **Permanent Account Number** | ABBPL7846B |
| **Passport Number** | H2920355 |
| **Bank Account No.** | 00671000259149 with HDFC Bank Limited, Surat (Parle Point Branch) |
| **DIN** | 01923194 |

Mr. Raj Lokhandwala owns 684,100 Equity Shares, representing 11.14% of the pre-Issue share capital and [●] of the post-Issue share capital of the Company.

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Mr. Raj Lokhandwala other than as mentioned in this Draft Red Herring Prospectus.

**Other undertakings and confirmations**

Our Company undertakes that the details of Permanent Account Number, bank account number and passport number of the Promoters will be submitted to the Bombay Stock Exchange Limited where the securities of our Company are proposed to be listed at the time of submission of the Draft Red Herring Prospectus.

The Company and its Promoters have been in the business of cultivation of Jatropha Curcas plants. The Company regularly supplies Jatropha seeds for extraction of Jatropha oil. Our Promoters do not have prior experience in erection and operation of seed oil extraction plant. Operating a Jatropha & neem seed oil extraction plants and Bio-fertilizers & Bio-pesticides plant would be relatively new areas for our Promoters. However Mr. Raj Lokhandwala, one of our Promoter is a qualified B.E. (chemical) and under his guidance the Project shall be implemented. Further, the Company plan to hire the personnel from relevant background to carry out its proposed operations.

**Common pursuits of our Promoters**

Our Promoters do not have any common pursuits and not engaged in the business similar to those carried out by our Company .

**Interest of the Promoters**

**Interest in the Promotion of our Company**

Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by themselves as well as their relatives and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either of them are interested as a director, member or partner. In addition, our Promoters, being Executive Chairman and Managing Director of our Company, may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, payable under our Articles of Association and to the extent of remuneration, if any, paid for services rendered as an officer or employee of our Company as stated in the section titled *'Our Management'* on page 102 of this DRHP.

**Interest in the property of our Company**

Except as disclosed in the section titled *'Our Business'* on page 84, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

**Interest as member of our Company**

As on the date of this Draft Red Herring Prospectus, our Promoters together hold 5,453,900 Equity Shares of our Company and are therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company and benefits as provided in the section titled *'Terms of appointment and compensation of our Directors'* on page 104, our Promoters does not hold any other interest in our Company.

Also see *'Our Management-Interest of Directors'* on page 109 of this Draft Red Herring Prospectus.

**Payment amounts or benefit to our Promoters during the last two years**

No payment has been made or benefit given to our Promoters in the two years preceding the date of the DRHP except as mentioned / referred to in this chapter and in the section titled *'Our Management'* , *'Auditors Report'* and *'Capital Structure'* on page 102, 127 and 42 respectively of this DRHP. Further as on the date of the DRHP, there is no bonus or profit sharing plan for our Promoters.

**Confirmations**

For details on litigations and disputes pending against the Promoters and defaults made by them, please refer to the section titled '*Outstanding Litigations and Material Developments*' on page 152 of the DRHP. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

**Related party transactions**

Except as disclosed in the section titled *'Financial Information - Related Party Transactions'* beginning on page 145, our Company has not entered into any related party transactions with our Promoters.

## OUR PROMOTER GROUP / GROUP COMPANIES / ENITITIES

**Our Promoter Group**

Our Promoter Group as defined under Clause 2 (zb) of the SEBI (ICDR) Regulations, 2009, is as under:

**i. Natural Persons who form part of our Promoter Group:**

The following natural persons (being the immediate relatives of our Promoters in terms of the SEBI ICDR Regulations) form part of our Promoter Group:

**Relatives of Promoters:**

| RELATIONSHIP | MR. SAM LOKHANDWALA | MR. RAJ LOKHANDWALA |
|---|---|---|
| Spouse | Ms. Kaniza Lokhandwala | Ms. Khadiza Lokhandwala |
| Father | Mr. Bakirbhai Lokhandwala | Mr. Sam Lokhandwala |
| Mother | Ms. Sara Lokhandwala | Ms. Kaniza Lokhandwala |
| Brother | Mr. Akber Lokhandwala &<br>Mr. Sheesh Lokhandwala | --- |
| Sister | --- | Ms. Zenab Rangoonwala |
| Son | Mr. Raj Lokhandwala | --- |
| Daughter | Ms. Zenab Rangoonwala | --- |

**ii. Promoter Group Companies and Entities**

**Listed companies within our Promoter Group**

There is no Listed Company in our Promoter Group.

**Unlisted companies within our Promoter Group**

1. Altret Chemicals Private Limited
2. Altret Performance Chemicals Gujarat Private Limited
3. Sam Finstock Services Private Limited
4. Altret Greenfuels Limited

**Partnership firms within our Promoter Group**

There are no partnership firms in our Promoter Group.

**HUF within our Promoter Group**

There is no HUF in our Promoter Group.

**Details of unlisted companies within our Promoter Group**

**1. Altret Chemicals Private Limited**

| | |
|---|---|
| Date of Incorporation | 10/06/1992 |
| CIN | U45200GJ1992PTC017796 |
| Registered Office | '12/2881, "Altret House" Saiyedpura Main Road,Surat, Gujarat- 395 003, India. |
| PAN No. | AACCA4161F |
| Address of Roc | ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, India. |
| Nature of Activities | To carry on the business of trading into paints, hardwares and chemicals |

**Nature and extent of interest of the Promoters**

| Name | Number of shares held in Altret Chemicals Private Limited (March 31, 2011) | Percentage |
|---|---|---|
| Mr. Sam Lokhandwala | 3,000 | 4.86% |
| Mr. Raj Lokhandwala | 4,600 | 7.45% |

The Promoters of Altret Bio-Tech Limited are interested to the extent of the shareholding in M/s Altret Chemicals Private Limited.

**Board of Directors as on the date of filing this Draft Red Herring Prospectus**

| Name | Designation |
|---|---|
| Mr. Sam Lokhandwala | Director |
| Mr. Akber Lokhandwala | Director |
| Mr. Sheesh Lokhandwala | Director |
| Mr. Abbas Saherwala | Director |
| Mr. Raj Lokhandwala | Director |

**Financial performance**

The brief financials of Altret Chemicals Private Limited for the last three (3) years based on audited financial statements are as under:

***(Rs. in Lacs except per share data)***

| Particulars | 31 Mar- 11 | 31-Mar-10 | 31-Mar-09 |
|---|---|---|---|
| Equity Share Capital | 61.75 | 24.68 | 24.66 |
| Reserves (excluding revaluation reserves) | 2.44 | 3.84 | 1.98 |
| Net Worth | 64.19 | 28.52 | 26.64 |
| Sales & Other Income | 426.52 | 421.13 | 475.39 |
| Profit After Tax | 0.06 | 1.85 | 0.33 |
| E.P.S. (Rs.) | 0.09 | 7.51 | 1.34 |
| N.A.V. (Rs.) | 103.95 | 115.56 | 108.03 |
| Face Value per share (in Rs.) | 100.00 | 100.00 | 100.00 |

**Shareholding Pattern as on the date of filing this Draft Red Herring Prospectus**

| No. | Particulars | No of Shares | % of holding |
|---|---|---|---|
| 1 | Mr. Akber Lokhandwala | 11,800 | 19.11 |
| 2 | Ms. Sakina Lokhandwala | 10,650 | 17.25 |
| 3 | Ms. Sabiha Saherwala | 5,510 | 8.92 |
| 4 | Mr. Rubab Lokhandwala | 5,510 | 8.92 |
| 5 | Ms. Kaniza Lokhandwala | 5,400 | 8.74 |
| 6 | Mr. Raj Lokhandwala | 4,600 | 7.45 |
| 7 | Mr. Sheesh Lokhandwala | 4,400 | 7.13 |
| 8 | Mr. Abbas Saherwala | 3,720 | 6.02 |
| 9 | Ms. Seema Lokhandwala | 3,510 | 5.68 |
| 10 | Mr. Sam Lokhandwala | 3,000 | 4.86 |
| 11 | Ms. Khadiza Lokhandwala | 2,510 | 4.06 |
| 12 | Ms. Sabnam Lokhandwala | 800 | 1.30 |
| 13 | Mr. Ali Rangoonwala | 100 | 0.16 |
| 14 | Ms. Zenab Rangoonwala | 100 | 0.16 |
| 15 | Mr. Bhadrashil Navidolatwala and Ms. Dipika Navidolatwala | 10 | 0.02 |
| 16 | Mr. Krishnakant Navitdolatwala and Ms. Dipika Navidolatwala | 10 | 0.02 |
| 17 | Ms. Dipika Navidolatwala and Mr. Krishnakant Navidolatwala | 10 | 0.02 |
| 18 | Mr. L.B. Navidolatwala and Mr. Bhadrashil Navidolatwala | 10 | 0.02 |
| 19 | Ms. Kairavi Navidolatwala and Mr. Bhadrashil Navidolatwala | 10 | 0.02 |
| 20 | Ms. Havva Saherwala | 10 | 0.02 |
| 21 | Mr. Sudhir Shah | 10 | 0.02 |
| 22 | Mr. Narendra Gajiwala | 10 | 0.02 |
| 23 | Ms. Usha Gajiwala | 10 | 0.02 |
| 24 | Ms. Kavita Gajiwala | 10 | 0.02 |
| 25 | Mr. Samir Gajiwala | 10 | 0.02 |
| 26 | Ms. Sudhaben Shah | 10 | 0.02 |
| 27 | Mr. Nirav Shah | 10 | 0.02 |
| 28 | Ms. Shaina Saherwala | 5 | 0.01 |
| 29 | Ms. Sana Saherwala | 5 | 0.01 |
| | **Total** | **61,750** | **100%** |

Altret Chemicals Private Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

**2. Altret Performance Chemicals Gujarat Private Limited**

| | |
|---|---|
| Date of Incorporation | 09/07/2004 |
| CIN | U24299GJ2004PTC044442 |
| Registered Office | '12/2881, "Altret House" Saiyedpura Main Road,Surat, Gujarat- 395 003, India. |
| PAN No. | AAECA7918E |
| Address of Roc | ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, India. |
| Nature of Activities | To carry on business of chemical and allied activities. |

**Nature and extent of interest of the Promoters**

| Name | Number of shares held in Altret Performance Chemicals Gujarat Private Limited (March 31, 2011) | Percentage |
|---|---|---|
| Mr. Sam Lokhandwala | 437,000 | 14.60% |
| Mr. Raj Lokhandwala | 49,000 | 1.64% |

The Promoters of Altret Bio-Tech Limited are interested to the extent of the shareholding in M/s Altret Performance Chemicals Gujarat Private Limited.

**Board of Directors as on the date of filing this Draft Red Herring Prospectus**

| Name | Designation |
|---|---|
| Mr. Akber Lokhandwala | Managing Director |
| Mr. Sam Lokhandwala | Executive Chairman |
| Mr. Raj Lokhandwala | Director |

**Financial performance**

The brief financials of Altret Performance Chemicals Gujarat Private Limited for the last three (3) years based on audited financial statements are as under:

***(Rs. in Lacs except per share data)***

| Particulars | 31 Mar- 11 | 31-Mar-10 | 31-Mar-09 |
|---|---|---|---|
| Equity Share Capital | 299.40 | 143.40 | 143.40 |
| Reserves (excluding revaluation reserves) | 253.93 | 243.28 | 242.15 |
| Net Worth | 547.98 | 385.79 | 384.24 |
| Sales & Other Income | 527.50 | 544.43 | 536.10 |
| Profit After Tax | 14.00 | 4.53 | 3.19 |
| E.P.S. (Rs.) | 0.47 | 0.32 | 0.22 |
| N.A.V. (Rs.) | 18.30 | 26.90 | 26.79 |
| Face Value per share (in Rs.) | 10.00 | 10.00 | 10.00 |

**Shareholding Pattern as on the date of filing this Draft Red Herring Prospectus**

| No. | Particulars | No of Shares | % of holding |
|---|---|---|---|
| 1 | Mr. Akber Lokhandwala | 1,449,500 | 48.41 |
| 2 | Mr. Sam Lokhandwala | 437,000 | 14.60 |
| 3 | Ms. Sakina Lokhandwala | 410,000 | 13.69 |
| 4 | Ms. Sabnam Lokhandwala | 409,000 | 13.66 |
| 5 | Ms. Kaniza Lokhandwala | 110,000 | 3.67 |
| 6 | Mr. Hafizullah Baig | 100,000 | 3.34 |
| 7 | Mr. Raj Lokhandwala | 49,000 | 1.64 |
| 8 | Mr. Sheesh Lokhandwala | 27,500 | 0.92 |
| 9 | Ms. Rehana Channiwala | 1000 | 0.03 |
| 10 | Ms. Zenab Rangoonwala | 500 | 0.02 |
| 11 | Mr. Bhadrashil Navidolatwala | 100 | 0.003 |

| No. | Particulars | No of Shares | % of holding |
|---|---|---|---|
| 12 | Mr. Krishnakant Navitdolatwala | 100 | 0.00 |
| 13 | Ms. Dipika Navidolatwala | 100 | 0.00 |
| 14 | Mr. L.B. Navidolatwala HUF | 100 | 0.00 |
| 15 | Ms. Kairavi Navidolatwala | 100 | 0.00 |
| | **Total** | **2,994,000** | **100.00** |

Altret Performance Chemicals Gujarat Private Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

3. **Sam Finstock Services Private Limited**

| | |
|---|---|
| Date of Incorporation | 28/01/2009 |
| CIN | U67120GJ2009PTC055987 |
| Registered Office | 3, Karimabad Society, Ghod Dod Road, Surat, Gujarat 395 007, India |
| PAN No. | AAMCS9480K |
| Address of Roc | ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, India. |
| Nature of Activities | To carry on the business in shares, stocks, debentures, bonds etc and ancillary activities. |

**Nature and extent of interest of the Promoters**

| Name | Number of shares held in Sam Finstock Sevices Private Limited (March 31, 2011) | Percentage |
|---|---|---|
| Mr. Sam Lokhandwala | 5,000 | 50.00 |
| Mr. Raj Lokhandwala | 5,000 | 50.00 |

The Promoters of Altret Bio-Tech Limited is interested to the extent of their shareholding in M/s Sam Finstock Services Private Limited.

**Board of Directors as on the date of filing this Draft Red Herring Prospectus**

| Name | Designation |
|---|---|
| Mr. Sam Lokhandwala | Director |
| Mr. Raj Lokhandwala | Director |

**Financial performance**

The brief financials of Sam Finstock Services Private Limited for the last three (3) years based on audited financial statements are as under:

*(Rs. in Lacs except per share data)*

| Particulars | 31 Mar- 11 | 31-Mar-10 | 31-Mar-09 |
|---|---|---|---|
| Equity Share Capital | 1.00 | 1.00 | 1.00 |
| Reserves (excluding revaluation reserves) | - | - | - |
| Net Worth | 0.61 | 0.71 | 0.72 |
| Sales & Other Income | - | - | - |
| Profit After Tax | - | - | - |
| E.P.S. (Rs.) | - | - | - |
| N.A.V. (Rs.) | 6.15 | 7.08 | 7.22 |
| Face Value per share (in Rs.) | 10.00 | 10.00 | 10.00 |

**Shareholding Pattern as on the date of filing this Draft Red Herring Prospectus**

| No. | Particulars | No of Shares | % of holding |
|---|---|---|---|
| 1 | Mr. Sam Lokhandwala | 5,000 | 50.00 |
| 2 | Mr. Raj Lokhandwala | 5,000 | 50.00 |
| | **Total** | **10,000** | **100.00** |

Sam Finstock Services Private Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

4. **ALTRET GREENFUELS LIMITED**

| | |
|---|---|
| Date of Incorporation | 10/11/2008 |
| CIN | U40107GJ2008PLC055389 |
| Registered Office | '12/2881, "Altret House" Saiyedpura Main Road,Surat, Gujarat- 395 003, India. |
| PAN No. | AAHCA6522B |
| Address of Roc | ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad, Gujarat – 380 013, India. |
| Nature of Activities | To carry on the business of all kinds of fuels and aquatic products. |

**Board of Directors as on the date of filing this Draft Red Herring Prospectus**

| Name | Designation |
|---|---|
| Mr. Akber Lokhandwala | Managing Director |
| Ms. Sabnam Lokhandwala | Director |
| Mr. Suhel Baxi | Independent Director |

**Financial performance**

The brief financials of Altret Greenfuels Limited for the last three (3) years based on audited financial statements are as under:

***(Rs. in Lacs except per share data)***

| Particulars | 31-Mar-11 | 31-Mar-10 | 31-Mar-09 |
|---|---|---|---|
| Equity Share Capital | 37.34 | 1.00 | 1.00 |
| Reserves (excluding revaluation reserves) | 0.75 | Nil | Nil |
| Net Worth | 36.85 | 0.72 | 0.72 |
| Sales & Other Income | 10.61 | Nil | Nil |
| Profit After Tax | 0.75 | Nil | Nil |
| E.P.S. (Rs.) | 0.20 | Nil | Nil |
| N.A.V. (Rs.) | 9.87 | 7.18 | 7.18 |
| Face Value per share (in Rs.) | 10.00 | 10.00 | 10.00 |

**Shareholding Pattern as on the date of filing this Draft Red Herring Prospectus**

| No. | Particulars | No. of shares | % of holding |
|---|---|---|---|
| 1 | Mr. Akber Lokhandwala | 403,900 | 73.48 |
| 2 | Ms. Sabnam Lokhandwala | 55,000 | 10.01 |
| 3 | Mr. Rubab Lokhandwala | 10,100 | 1.84 |
| 4 | Mr. Sandeep Seth | 10,000 | 1.82 |
| 5 | Mr. Sunil Marfatia & Ms. Priti Marfatia | 5,000 | 0.91 |
| 6 | Ms. Rehana Channiwala & Mr. Salim Channiwala | 5,000 | 0.91 |
| 7 | Mr. Suhel Baxi | 4,100 | 0.75 |
| 8 | Mr. Harshit Mistry, Ms. Rekha Mistry & Mr. Nishikant Mistry | 3,750 | 0.68 |
| 9 | Mr. Khozem Misri & Ms. Tasnim Misri | 2,500 | 0.45 |
| 10 | Mr. Cyrus Todiwala | 2,500 | 0.45 |
| 11 | Mr. Narayan Parekh | 2,500 | 0.45 |
| 12 | Mr. Krishnakant Navidolatwala & Ms. Dipika Navidolatwala | 2,500 | 0.45 |
| 13 | Ms. Dipika Navidolatwala & Mr. Krishnakant Navidolatwala | 2,500 | 0.45 |
| 14 | Mr. Bhadrashil Navidolatwala | 2,500 | 0.45 |
| 15 | Mr. Kairavi Navidolatwala | 2,500 | 0.45 |
| 16 | Mr. Hasmukh Savaliya | 2,500 | 0.45 |
| 17 | Mr. Fayyaz Contractor & Mr. Rahim Contractor | 2,500 | 0.45 |
| 18 | Mr. Adil Contractor & Mr. Akbar Contractor | 2,500 | 0.45 |
| 19 | Mr. Rahim Contractor & Ms. Yasmine Contractor | 2,500 | 0.45 |
| 20 | Ms. Yasmine Contractor & Ms. Rahim Contractor | 2,500 | 0.45 |
| 21 | Mr. Akbar Contractor & Ms. Havva Contractor | 2,500 | 0.45 |
| 22 | Ms. Havva Contractor & Mr. Akbar Contractor | 2,500 | 0.45 |
| 23 | Ms. Dipti Sheth | 2,000 | 0.36 |
| 24 | Mr. Girishchandra Anklesaria | 2,000 | 0.36 |
| 25 | Dr. Anjan Ray | 2,000 | 0.36 |
| 26 | Mr. Nishikant Mistry, Ms.Rekha Mistry & Mr. Harshit Mistry | 1,500 | 0.27 |
| 27 | Ms. Rekha Mistry, Mr. Nishikant Mistry & Mr. Harshit Mistry | 1,500 | 0.27 |
| 28 | Ms. Hemaben Puniwala & Mr. Jitendra Puniwala | 1,500 | 0.27 |
| 29 | Mr. Jitendra Puniwala & Ms. Hemaben Puniwala | 1,500 | 0.27 |
| 30 | Mr. Omprakash Juneja | 1,500 | 0.27 |
| 31 | Ms. Bhavna Juneja | 1,500 | 0.27 |

| No. | Particulars | No. of shares | % of holding |
|---|---|---|---|
| 32 | Mr. Hemendrasinh Ravalji | 1,000 | 0.18 |
| 33 | Mr. Jignesh Sheth | 1,000 | 0.18 |
| 34 | Mr. Mahesh Shah | 500 | 0.09 |
| 35 | Mr. Chandrakant Joshi | 100 | 0.02 |
| 36 | Ms. Umrao Salunkhe | 100 | 0.02 |
| 37 | Mr. Mitesh Pathak | 100 | 0.02 |
| | **Total** | **549,650** | **100.00** |

Altret Greenfuels Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

**Litigation/ defaults**

For details relating to legal proceedings involving members of the Promoter Group, see the section titled *'Outstanding Litigations and Material Developments'* beginning on page 152 of this Draft Red Herring Prospectus.

**Disassociation with companies/firms by the Promoters of our Company during the preceding three (3) years**

There are no companies/ firms with which the Promoters of our Company have disassociated themselves during the preceding three (3) years.

**Interest of Promoter Group Companies**

Our Promoter Group Companies are interested parties to the extent of their shareholding in the Company, if any and in any dividend and distributions which may be made by the Company in future and to the extent of the related party transactions disclosed in the section titled *'Related Party Transactions'* beginning on page 125 of the Draft Red Herring Prospectus.

**Common Pursuit**

Our Promoter Group Entity, M/s. Altret Chemicals Private Limited has some of the objects similar to that of our Company's business. As on date of filing of this Draft Red Herring Prospectus, M/s. Altret Chemicals Private Limited is engaged into trading of paints, hardwares and chemicals, whereas the Issuer is into cultivation of Jatropha Curcas plants. However, the management has taken the preventive measures to avoid such conflict of interest by virtue of entering into a non compete agreement with M/s. Altret Chemicals Private Limited dated February 07, 2012 for a period of fifteen years, whereas M/s. Altret Chemicals Private Limited have agreed not to enter into similar line of business of our Company.

**Related business transaction within the group and significance on financial performance**

There are no business transactions between our Company and the Promoter Group Entities except as stated on page 125 under section titled as *'Related Party Transactions'*.

**Sale or purchase between our Company and our Promoter Group Companies**

There are no sales or purchases between our Company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company.

**Sick companies**

There are no companies in our group listed above have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies. The Promoter Group Companies do not have negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

**Confirmation**

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoters or Promoter Group Companies has a negative net worth as of the date of the respective last audited financial statements.

**RELATED PARTY TRANSACTIONS**

For details on related party transactions of our Company, please refer to Annexure **14** of restated financial statement under the section titled *'Financial Information'* on page **145** of the Draft Red Herring Prospectus.

## DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by the Board of Directors and approved by the shareholders of our Company, at their discretion, and will depend on a number of factors, including but not limited to the profits, cash flows, capital expenditure, capital requirements and overall financial condition. The Board may also from time to time pay interim dividend.

Our Company has not declared dividend during the last five financial years.

## SECTION V: FINANCIAL INFORMATION

## FINANCIAL INFORMATION OF OUR COMPANY

### Auditors' Report

To,
**The Board of Directors**,
Altret Bio-Tech Ltd.
Regd. Office.
12/2881, "Altret House"
Saiyed Pura, Main Road,
Surat

Dear Sirs,

We have examined the Financial Information of Altret Bio-Tech Ltd. (the Company') described below and annexed to this report for the purpose of inclusion in the offer document.

The Financial Information as approved by the Board of Directors of the Company & Audit Committee of Board of Directors, which has been prepared in accordance with requirements of :

a. Paragraph B of Part II of Schedule II to the Companies Act, 1956 ('the Act') and amendments thereof;

b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, and related clarifications and the amendments made thereto from time to time ('the SEBI Guidelines'); and

c. The Guidance Note on the Reports in Company Prospectuses (Revised) and Guidance Note on audit Reports / Certificates on Financial information in Offer Documents Issued by the Institute of Chartered Accountants of India (ICAI) and

d. In terms of our engagement agreed upon with you in accordance with our Engagement letter.

**Financial Information as per audited financial statements:**

1) Audit for the financial year ended 31st March 2007, 2008, 2009 and 2010 was conducted by previous auditor M/s. S. F. Baxi & Co., Chartered Accountants and accordingly reliance has been placed on the financial information examined by him for the said year. The financial report included for these years is based solely on the report submitted by them. Further, audit for financial year ended 31st March, 2011 and half year ended 30th September 2011 was audited by our firm M/s. B. N. Kedia & Co., Chartered Accountants, for this purpose.

2) In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Altret Bio-Tech Ltd., we, M/s. B. N. Kedia & Co., Chartered Accountants, statutory auditors, of Altret Bio-Tech Ltd. have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

3) The financial information for the above periods was examined to the extent practicable, for the purpose of audit of financial information in accordance with the Engagement Standards issued by the Institute of Chartered Accountants of India (ICAI). Those standards require that we plan and perform the audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement. We have reported on the financial information on

the basis information and explanations provided by the management, books and records produced to us and such other tests and procedures, which in our opinion, were necessary for our reporting. These procedures included comparison of the attached financial information of the company with the respective audited financial statements.

We have examined:

a. the attached Statement of Assets and Liabilities, as Restated as at year ended March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011 and for the six months ended September 30, 2011 (Annexure 1);

b. the attached Statement of Profits and Losses, as Restated for the year ended March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011 and for the six months ended September 30, 2011 (Annexure 2);

c. the attached Statement of Cash Flows, as Restated for the year ended March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011 and for the six months ended September 30, 2011 (Annexure 3);

d. the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure 4);

(Collectively hereinafter referred as "Restated Financial Statements")

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year ended March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010, March 31, 2011 and for the six months ended September 30, 2011 which have been approved by the Board of Directors.

Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, we state that:

- Restated Statement of Assets and Liabilities of the Company as at March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010, and March 31, 2011 and September 30, 2011 are as set out in Annexure 1, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;

- Restated Statement of Profits and Losses of the Company for the year ended March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010, and March 31, 2011 and for the period ended September 30, 2011 are as set out in Annexure 2, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;

- Restated Statement of Cash Flows of the Company for the year ended March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010, and March 31, 2011 and for the period ended September 30, 2011 are as set out in Annexure 3 after making such material adjustments and regroupings;

- Adjustments for any material amounts in the respective financial years have been made to which they relate; and

- There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.

- Adjustments in Financial Statements has been made in accordance with the correct accounting policies

- There was no change in accounting policies, which needs to be adjusted in the "Restated Financial Statements".

- There are no revaluation reserves, which need to be disclosed separately in the "Restated Financial Statements".

- There are no audit qualifications in the "Restated Financial Statements".

(Collectively hereinafter referred as "Restated Financial Statements")

**B. Other Financial Information:**

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document:

1. Statement of Details of Reserves & Surplus as at March 31, 2007, 2008, 2009, 2010, 2011 and September 30, 2011 as set out in **Annexure 5** to this report.
2. Statement of Accounting Ratios for the year ended on at March 31, 2007, 2008, 2009, 2010, 2011 and September 30, 2011 as set out in **Annexure 6** to this report.
3. Capitalization Statement as at March 31, 2011 as set out in **Annexure 7** to this report.
4. Statement of Tax Shelters for the year ended on at March 31, 2007, 2008, 2009, 2010, 2011 and September 30, 2011 as set out in **Annexure 8** to this report.
5. Statement of Details of Unsecured Loans as at March 31, 2007, 2008, 2009, 2010, 2011 and September 30, 2011 as set out in **Annexure 9** to this report.
6. Statement of Details of Current Liabilities & Provisions as at March 31, 2007, 2008, 2009, 2010, 2011 and September 30, 2011 as set out in **Annexure 10** to this report
7. Statement of Details of Sundry Debtors as at March 31, 2007, 2008, 2009, 2010, 2011 and September 30, 2011 as set out in **Annexure 11 to** this report.
8. Statement of Details of Deposits, Loans and Advances as at March 31, 2007, 2008, 2009, 2010, 2011 and September 30, 2011 a**s set out in Annexure 12** to this report.
9. Statement of Details of Contingent Liabilities of the Company for the year ended on at March 31, 2007, 2008, 2009, 2010, 2011 and September 30, 2011 as set out in **Annexure 13** to this report.
10. Statement of Details of Related Party Transactions of the Company for the year ended on at March 31, 2007, 2008, 2009, 2010, 2011 and September 30, 2011 as set out in **Annexure 14** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 14 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Regulations and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently, the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

This report should not in any way be construed as a reissuance or redating of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **B. N. Kedia & Co.**
Chartered Accountant
Sd/-
**(Sunil Kedia)**
**Partner**
**M. No. 75887**
**FRN: 001652 N**
Place: Surat
Date: December 31, 2011

**ANNEXURE-01**
**STATEMENT OF ASSETS AND LIABLITIES, AS RESTATED**

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Fixed Assets-Gross Block | 537.26 | 498.34 | 370.33 | 168.47 | 168.13 | 18.14 |
| Less: Depreciation | 35.81 | 26.97 | 17.40 | 9.05 | 4.43 | 0.00 |
| **Net Block** | **501.45** | **471.37** | **352.93** | **159.42** | **163.70** | **18.14** |
| Less: Revaluation Reserve | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Block after adjustment for Revaluation Reserve | **501.45** | **471.37** | **352.93** | **159.42** | **163.70** | **18.14** |
| Capital Work in Progress | **63.79** | **32.80** | **10.48** | **165.85** | **0.00** | **0.00** |
| **Total (A)** | **565.24** | **504.17** | **363.41** | **325.27** | **163.70** | **18.14** |
| | | | | | | |
| **Investments (B)** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Current Assets, Loans and Advances** | | | | | | |
| Receivables | 14.32 | 5.89 | 5.80 | 3.10 | 0.00 | 0.00 |
| Inventories | 7.43 | 6.48 | 3.45 | 5.83 | 0.98 | 0.00 |
| Cash & Bank Balances | 30.59 | 14.35 | 0.61 | 1.39 | 4.89 | 0.63 |
| Deposits, Loans & Advances | 217.70 | 235.04 | 134.44 | 134.44 | 0.00 | 0.00 |
| **Total Current Assets ( C )** | 270.04 | 261.76 | 144.30 | 144.76 | 5.87 | 0.63 |
| **Total Assets (D) = (A) + (B) + ( C )** | **835.28** | **765.93** | **507.71** | **470.03** | **169.57** | **18.77** |
| **Liabilities & Provisions** | | | | | | |
| **Loan Funds :** | | | | | | |
| Secured Loans | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Unsecured Loans | 56.06 | 0.00 | 1.99 | 2.06 | 1.66 | 1.36 |
| **Current Liabilities & Provisions:** | | | | | | |
| Current Liabilities | 11.63 | 17.08 | 27.56 | 21.52 | 51.83 | 0.07 |
| Provisions | 0.00 | 0.00 | 0.00 | 0.00 | 0.47 | 0.00 |
| **Total Liabilities & Provisions (E)** | **67.69** | **17.08** | **29.55** | **23.58** | **53.96** | **1.43** |
| **Net Worth (D) - (E)** | **767.59** | **748.85** | **478.16** | **446.45** | **115.61** | **17.34** |
| **Represented By:** | | | | | | |
| Share Capital | 613.90 | 613.90 | 380.00 | 20.00 | 20.00 | 1.00 |
| Share Application Money | 0.00 | 0.00 | 0.00 | 340.00 | 17.00 | 17.00 |
| Reserves & Surplus | 166.02 | 147.28 | 98.16 | 86.45 | 78.61 | (0.66) |
| Less: Revaluation Reserve | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Reserves (Net of Revaluation Reserve) | 166.02 | 147.28 | 98.16 | 86.45 | 78.61 | 0.00 |
| **Sub Total Net Worth** | **779.92** | **761.18** | **478.16** | **446.45** | **115.61** | **17.34** |
| Preliminary Exp. to the extent not w/o | 12.33 | 12.33 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total Net Worth** | **767.59** | **748.85** | **478.16** | **446.45** | **115.61** | **17.34** |

**ANNEXURE-02**
**STATEMENT OF PROFIT AND LOSS, AS RESTATED**

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| **Income** | | | | | | |
| Agriculture Income | 55.35 | 75.00 | 62.12 | 43.35 | 19.75 | 0.00 |
| Increase/(Decrease) in Inventories | 0.95 | 3.03 | (2.37) | 4.85 | 0.98 | 0.00 |
| **Total** | **56.30** | **78.03** | **59.75** | **48.20** | **20.73** | **0.00** |
| | | | | | | |
| **Expenditure** | | | | | | |
| Materials Consumed | 3.01 | 8.11 | 7.97 | 10.02 | 6.32 | 0.00 |
| Labour Charges Paid | 9.90 | 24.34 | 21.98 | 18.98 | 3.75 | 0.00 |
| Employees Expenses | 2.82 | 5.75 | 4.45 | 3.60 | 1.14 | 0.00 |
| Administrative Expenses | 12.99 | 8.87 | 5.31 | 3.16 | 0.88 | 0.00 |
| Miscellaneous Expenditure | 0.00 | 0.00 | 0.00 | 0.00 | 0.45 | 0.66 |
| **Total** | **28.72** | **47.07** | **39.71** | **35.76** | **12.54** | **0.66** |
| **Profit before Depreciation, Interest and Tax** | **27.58** | **30.96** | **20.04** | **12.44** | **8.19** | **(0.66)** |
| Depreciation | 8.84 | 9.57 | 8.33 | 4.62 | 4.43 | 0.00 |
| **Profit before Interest & Tax** | **18.74** | **21.39** | **11.71** | **7.82** | **3.76** | **(0.66)** |
| Interest & Finance Charges | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Net Profit before Tax** | **18.74** | **21.39** | **11.71** | **7.82** | **3.76** | **(0.66)** |
| **Less:** Provision for Tax-Current Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.48 | 0.00 |
| **Net Profit After Tax** | **18.74** | **21.39** | **11.71** | **7.82** | **3.28** | **(0.66)** |

**ANNEXURE-03**
**STATEMENT OF CASH FLOW, AS RESTATED**

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | | |
| Net profit before tax | 18.74 | 21.39 | 11.71 | 7.82 | 3.76 | (0.66) |
| **Adjustment for:** | | | | | | |
| Add: Depreciation | 8.84 | 9.57 | 8.33 | 4.62 | 4.43 | 0.00 |
| **Operating Profit before Working capital changes** | **27.58** | **30.96** | **20.04** | **12.44** | **8.19** | **(0.66)** |
| **Adjustments for:** | | | | | | |
| Decrease (Increase) in Trade & Other Receivables | (8.42) | (0.09) | (2.70) | (3.10) | 0.00 | (0.66) |
| Decrease (Increase) in Inventories | (0.95) | (3.03) | 2.38 | (4.85) | (0.98) | 0.00 |
| Decrease (Increase) in Deposits, Loans & Advances | 17.34 | (100.60) | 0.00 | (134.44) | 0.00 | 0.00 |
| Increase (Decrease) in Current Liabilities | (5.45) | (10.49) | 6.05 | (30.31) | 51.75 | 0.07 |
| **Net Changes in Working Capital** | **2.52** | **(114.21)** | **5.73** | **(172.70)** | **50.77** | **(0.59)** |
| **Cash Generated from Operations** | **30.10** | **(83.25)** | **25.77** | **(160.26)** | **58.96** | **(0.59)** |
| **Taxes Paid (Including FBT)** | 0.00 | 0.00 | 0.00 | (0.46) | 0.00 | 0.00 |
| **Net Cash Flow from Operating Activities (A)** | **30.10** | **(83.25)** | **25.77** | **(160.72)** | **58.96** | **(0.59)** |
| | | | | | | |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | | | | |
| (Purchase) of Fixed Assets and Capital Work in Progress | (69.91) | (150.33) | (46.49) | (166.19) | (150.00) | (18.14) |
| **Net Cash Flow from Investing Activities (B)** | **(69.91)** | **(150.33)** | **(46.49)** | **(166.19)** | **(150.00)** | **(18.14)** |
| | | | | | | |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | | | | |
| Issue of share capital | 0.00 | 233.90 | 360.00 | 0.00 | 19.00 | 1.00 |
| Share Application Money | | 0.00 | (340.00) | 323.00 | 0.00 | 17.00 |
| Share Premium | 0.00 | 27.74 | 0.00 | 0.00 | 76.00 | 0.00 |
| Unsecured Loans Taken/ (Repaid) | 56.05 | (1.99) | (0.07) | 0.40 | 0.30 | 1.36 |
| Preliminary Expenses Paid | 0.00 | (12.33) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Net Cash Flow from Financing Activities (C)** | **56.05** | **247.32** | **19.93** | **323.40** | **95.30** | **19.36** |
| **Net Increase / (Decrease) in Cash & Cash Equivalents** | **16.24** | **13.74** | **(0.78)** | **(3.51)** | **4.26** | **0.63** |
| | | | | | | |
| Cash and cash equivalents at the beginning of the year / Period | 14.35 | 0.61 | 1.39 | 4.89 | 0.63 | 0.00 |
| **Cash and cash equivalents at the end of the year/ Period** | **30.59** | **14.35** | **0.61** | **1.39** | **4.89** | **0.63** |

**Note:** The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) – 3 on Cash Flow Statements issued by the Institute of Chartered of Accountants of India.

**Annexure-04**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT**

**A. SIGNIFICANT ACCOUNTING POLICIES:**

1. **Basis of Preparation of Financial Statements**

The Restated Financial Statements have been prepared under Historical Cost conventions and on accrual basis in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, Companies (Accounting Standard) Rules, 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

2. **Use of Estimates**

The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affects the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

3. **Fixed Assets**

a) Fixed Assets are capitalized at cost inclusive of erection expenses & other incidental expenses in connection with the acquisition of assets, net of VAT, if any, less accumulated depreciation. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

b) Fixed assets acquired under Hire Purchase are shown at their principal cost excluding the interest cost.

4. **Depreciation / Amortization**

Depreciation on fixed assets is provided on Written down Value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In respect of additions made or asset sold / discarded during the year pro-rata Depreciation has been provided. During the fiscal 2006-2007, Company has not provided any depreciation as the Fixed Assets were put to use only in the fiscal 2007-2008.

The Depreciation has been provided on the life span of Agriculture Plantation and the usage of Technology for the same plantation for the period of 40 years

The Technical knowhow is amortized over a period of 40 years equally as the Management estimates the life of Jatropha Plantation is over a period 40 Years, The cultivation technical and harvesting method can be adopted same over a period of life of Jatropha and hence the company is writing off technical know-how over a period of forty Years equally.

5. **Inventories**

Traded goods, raw materials are valued at cost, determined on FIFO basis. Cost includes, purchase price and freight and taxes (other than those subsequently recoverable from the taxing authorities), duties and all incidental expenses directly attributable to the purchases including costs incurred in bringing the material to its present location and condition.

6. **Revenue Recognition**

Revenue from sales transactions is recognized as and when the property in goods is sold /transferred to the buyer for a definite consideration.
Other Income has been recognized on the basis of Accounting Standard – 9 (Revenue Recognition) notified by the Companies (Accounting Standards) Rules, 2006.

7. **Investment**

Investments that are readily realizable and intended to be held for not more than a year are classified as "Current Investments'. All other Investments are classified as Long Term Investments. Current Investments are carried at lower of cost or Market / Fair Value determined on an individual investment basis. Long Term investments are valued at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in nature.

8. **Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

9. **Employee Benefits**

Employee benefit plans comprise both defined benefit and defined contribution plans:

- The Provision of Gratuity Act,1972 is not applicable to the company since company has less number of employees as prescribed under Provision of Gratuity Act,1972
- The Provision of Provident fund Act,1952 is not applicable to the Company since Company has lesser no employees as prescribed under Provision of Provident Fund Act,1952.

10. **Taxation**

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI. At each Balance Sheet date the Company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

U/S 2(1A) of Income Tax Act, 1961 as amended under Finance Act, 2009, the income derived from Agriculture activities is exempted from tax and hence the Company is not liable to pay tax on Profit arrived from such activities, hence no provision of tax had been created for the periods ended 31st March, 2009, 31st March, 2010, 31st March,2011 and 30th September, 2011.

11. **Leases**

**Finance Lease**
Leases which effectively transfer to the Company all risks and benefits incidental to ownership of the leased item are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

**Operating Lease**
Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

12. **Impairment of Assets**

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

13. **Foreign Exchange Transactions**

i) Transactions in Foreign currency are recorded at the rate of exchange prevailing on the date of the respective transactions.
ii) Yearend balance of monitory assets and liabilities are translated at the yearend rates. Exchange differences arising on restatement or settlement are charged to Profit and Loss Account.

14. **Earnings per Share**

In determining the Earnings Per share, the company considers the net profit after tax which includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

15. **Contingent Liabilities & Provisions**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.
Contingent Liability is disclosed for
a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS/PERIODS COVERED IN THE RESTATED FINANCIALS**

There is no change in significant accounting policies during the reporting period except, as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

**C. NOTES ON RESTATED FINANCIAL STATEMENTS**

**I. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS**

**MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]**

The reconciliation of Profit after tax as per audited results and the Profit after tax as per 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 & losses of the company.

(Rs. In Lacs)

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| Profit after tax before appropriation (as per Audited accounts) | 17.48 | 21.17 | 11.49 | 7.56 | 3.55 | 0.00 |
| **Adjustments For:** | | | | | | |
| - Provision for Income Tax | - | - | - | 0.04 | (0.04) | - |
| - Miscellaneous Expenditure (Incurred) | 1.26 | 0.22 | 0.22 | 0.22 | (0.23) | (0.66) |
| | | | | | | |
| Profit after Tax as per Restated Profit & Loss Account | **18.74** | **21.39** | **11.71** | **7.82** | **3.28** | **(0.66)** |

***The explanatory notes for these adjustments are discussed below:***

**1. Miscellaneous Expenditure**

The Company has adopted Accounting Standard 26, Intangible Assets ('AS-26') issued by the ICAI in restating the financial statements and has applied retrospectively from the year ended 31st March 2007. Accordingly, miscellaneous expenditure has been written off in the year in which it was incurred.

**1. MATERIAL REGROUPINGS**

a. The Company has acquired land admeasuring approximately 100 acres from following Landowners for a period thirty years lease:

**The details are as follows.**

| Sr. No | Description of property | Vendor/Lessor | Agreement/ Memorandum of Understanding Date | Area | Lease Period | Details of Lease Deposit & Lease Rental |
|---|---|---|---|---|---|---|
| 1 | Kutch Survey No. 24 & 32, Situated at Gam Saraspar Bhuj Distt; | Mr. Devendra Ajitrai Desai | 12/05/2009 | 15 Acres | 30 Years | Lessee have paid a deposit of Rs. 18,75,000/- on Execution of the Lease Deed and would pay an annual Lease rent of Rs. 25000/-. |
| 2 | Kutch Survey | Mr. Narendra | 12/05/2009 | 4 Acres & | 30 Years | Lessee have paid a deposit |

| Sr. No | Description of property | Vendor/Lessor | Agreement/ Memorandum of Understanding Date | Area | Lease Period | Details of Lease Deposit & Lease Rental |
|---|---|---|---|---|---|---|
| | No. 29, Situated at Gam Saraspar Bhuj Dist; | Laxmichand Gajiwala | | 11 Guntha | | of Rs. 5,34,000/- on Execution of the Lease Deed and would pay an annual Lease rent of Rs. 7100/-. |
| 3 | Kutch Survey No. 30, Situated at Gam Saraspar Bhuj Dist; | Mr. Abbasbhai Alihusen Rangoonwala | 12/05/2009 | 6 Acres & 23 Guntha | 30 Years | Lessee have paid a deposit of Rs. 8,20,000/- on Execution of the Lease Deed and would pay an annual Lease rent of Rs. 10,800/-. |
| 4 | Kutch Survey No. 11 & 15, Situated at Gam Saraspar Bhuj Dist; | Mr. Raj Sam Lokhandwala, Director of Altret Bio-Tech Ltd. | 12/05/2009 | 26 Acres & 13 Guntha | 30 Years | Lessee have paid a deposit of Rs. 32,90,000/- on Execution of the Lease Deed and would pay an annual Lease rent of Rs. 43000/-. |
| 5 | Kutch Survey No. 8, Situated at Gam Saraspar Bhuj Dist; | Mr. Mohamadbhai Esabhai Pirani | 12/05/2009 | 15 Acres & 3 Guntha 1080 | 30 Years | Lessee have paid a deposit of Rs. 18,75,000/- on Execution of the Lease Deed and would pay an annual Lease rent of Rs. 25000/-. |
| 6 | Kutch Survey No. 114, Situated at Gam Paya Bhuj Dist; | Mrs. Shirin Akbar Mantri | 12/05/2009 | 8 Acres & 28 Guntha | 30 Years | Lessee have paid a deposit of Rs. 17,90,000/- on Execution of the Lease Deed and would pay an annual Lease rent of Rs. 14,500/-. |
| 7 | Kutch Survey No. 12 & 16, Situated at Gam Saraspar Bhuj Dist; | Mr. Sam Bakirbhai Lokhandwala, Director of Altret Bio-Tech Ltd. | 22/05/2009 | 26 Acres & 3 Guntha | 30 years | Lessee have paid a deposit of Rs. 32,60,000/- on Execution of the Lease Deed and would pay an annual Lease rent of Rs. 43,000/-. |

The above deposits were appearing under "Fixed assets" in the relevant years and have been regrouped under "Deposits, Loans & Advances" in the Restated Financial Statements in the respective financial years.

**b. Other Material Regroupings:**

Appropriate adjustments have been made in the Restated Statement of Profits and Losses and Restated Statement of Assets and Liabilities, wherever required, the details of the material regroupings are as under:

(Rs. In Lacs)

| Particulars | Original/ Regrouped | As on / for the year ended 31st March, | | | | | Appearing under |
|---|---|---|---|---|---|---|---|
| | | 2011 | 2010 | 2009 | 2008 | 2007 | |
| *Purchase / Direct / Manufacturing* | *Original* | *8.11* | *11.33* | *12.02* | *11.21* | *0.00* | *Expenditure* |

| Particulars | Original/ Regrouped | As on / for the year ended 31st March, | | | | | Appearing under |
|---|---|---|---|---|---|---|---|
| | | 2011 | 2010 | 2009 | 2008 | 2007 | |
| *Expenses* | | | | | | | |
| *Wages* | *Original* | *0.00* | *23.07* | *20.58* | 0.00 | *0.00* | *Operating Expenses* |
| Materials Consumed | Regrouped | 8.11 | 7.97 | 10.02 | 6.32 | 0.00 | Expenditure |
| Labour Charges Paid | Regrouped | 0.00 | 21.98 | 18.98 | 3.75 | 0.00 | Expenditure |
| Employees Expenses | Regrouped | 0.00 | 4.45 | 3.60 | 1.14 | 0.00 | Expenditure |
| | | | | | | | |
| *Administrative & Other Expenses* | *Original* | 38.96 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Materials Consumed | Regrouped | 24.34 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Labour Charges Paid | Regrouped | 5.75 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Employees Expenses | Regrouped | 8.87 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

**2. Other Notes**

**1. Earnings per Share**

The details of Earnings per Share as per AS-20 are provided in Annexure 06

**2. Contingent Liabilities:**

The details of Contingent Liabilities are provided in Annexure 13

**4. Related Party Transactions:**

The details of Related Party Transactions as per Accounting Standard -18 are provided in Annexure 14**.**

**5. Particulars of Lease**

Disclosure as per AS-19 on "Lease", in respect of formal agreements entered in to the assets taken on lease during periods commencing on or after 1st April 2007.

The Maturity profile of the finance lease obligation as on 30th September, 2011 is as follows:

**(Rs. in Lacs)**

| Particulars | Total minimum lease payments outstanding as on 30th September 2011 | Interest not Due | Present Value of MLPs |
|---|---|---|---|
| Not later than one year | 1.72 | NIL | NA |
| Later than one year but not later than five Years | 6.88 | NIL | NA |
| **Total** | **8.60** | **NIL** | **NA** |

**6. Additional Information where applicable pursuant to the provisions of Schedules VI of the Companies Act, 1956 is as under:-**

**a) Licensed Capacity :** Not Applicable

**b) Installed Capacity :** Not Applicable

**c) Capacity utilisation :**

**For Seeds:**

| Particular | 30-09-2011 | | 31-03-2011 | |
|---|---|---|---|---|
| | Tons | Value | Tons | Value |
| Open. Stock | 0.50 | 6.48 | 0.27 | 3.45 |
| Production | 2.42 | 0.00 | 3.40 | 0.00 |
| Sales | 2.30 | 55.35 | 3.12 | 75.00 |
| Close Stock | 0.57 | 7.43 | 0.50 | 6.48 |
| Shortage | 0.05 | 0.00 | 0.05 | 0.00 |

**7.** The company is not having any earning / Expenditure in Foreign Currency.

**8.** The Auditors Remuneration

**(Rs. in Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| Audit Fees | 1.51 | 1.10 | 0.51 | 0.51 | 0.15 | 0.08 |
| **TOTAL** | **1.51** | **1.10** | **0.51** | **0.51** | **0.15** | **0.08** |

**9.** The figures in the Restated Financial Statements and Other Financial Information are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

**10.** The company has allotted 190,000 equity shares at a premium of Rs. 40/- per share aggregating to Rs. 95 Lacs to Altret Performance Chemicals Gujarat Pvt Ltd against purchase of technical Know-how on 31-03-2008.

**Annexure- 05**
**STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED**

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| Surplus as per Profit and Loss Account | 62.28 | 43.54 | 22.16 | 10.45 | 2.61 | (0.66) |
| Share Premium Account | 103.74 | 103.74 | 76.00 | 76.00 | 76.00 | 0.00 |
| **TOTAL** | **166.02** | **147.28** | **98.16** | **86.45** | **78.61** | **(0.66)** |

**Annexure-06**
**STATEMENT OF ACCOUNTING RATIOS**

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| Networth ( A ) | 767.59 | 748.85 | 478.16 | 446.45 | 115.61 | 17.34 |
| Net Profit after Tax ( B ) | 18.74 | 21.39 | 11.71 | 7.82 | 3.28 | (0.66) |
| No. of Shares outstanding at the end [F.V Rs.10] ( C ) | 61,39,000 | 61,39,000 | 38,00,000 | 2,00,000 | 2,00,000 | 10,000 |
| Weighted average number of shares outstanding [F.V Rs.10](D) | 61,39,000 | 4,001,276 | 781,918 | 200,000 | 10,521 | 5,726 |
| Bonus Shares [E] | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Weighted average number of shares outstanding Post Bonus Shares [F.V Rs.10] (F) (D+E) | 61,39,000 | 4,001,276 | 781,918 | 200,000 | 10,521 | 5,726 |
| Earnings per Share (EPS) (B / F) (Rs.) | 0.31 | 0.53 | 1.50 | 3.91 | 31.18 | (11.53) |
| Return on Networth (B / A) (%) | 2.44 | 2.86 | 2.45 | 1.75 | 2.84 | 0.00 |
| Net Assets Value per Share (A / F) | 12.50 | 12.20 | 12.58 | 223.23 | 57.81 | 173.40 |

Definitions of key ratios:

I. **Earnings per share (Rs.):** Net Profit attributable to equity shareholders / weighted average number of equity shares outstanding as at the end of the year / period. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" as issued by The Institute of Chartered Accountants of India. As per AS-20, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. In case of a bonus issue after the Balance Sheet date but before the date on which the Financial Statements are approved by the Board of Directors', the per share calculations for those Financial statements and any prior period Financial Statements presented are based on the new no. of shares. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

**II. Return on Net Worth (%):** Net Profit after tax / Networth as at the end of the year / period

**III. Net Asset Value (Rs.):** Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period.

**IV.** Net Profit, as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

**Annexure -07**

**CAPITALISATION STATEMENT**

| Particulars | Pre-issue as at 30.09.2011 | Pre-issue as at 31.03.2011 | Post Issue * |
|---|---|---|---|
| **Borrowing** | | | |
| Short - Term Debt | 56.06 | 0.00 | [•] |
| Long - Term Debt | 0.00 | 0.00 | [•] |
| **Total Debt** | **56.06** | **0.00** | [•] |
| **Shareholders' Funds** | | | |
| Share Capital | | | |
| - Equity | 613.90 | 613.90 | [•] |
| Less: Calls - in – arrears | 0.00 | 0.00 | [•] |
| - Preference | 0.00 | 0.00 | [•] |
| Reserves & Surplus | 166.25 | 147.51 | [•] |
| Less: Miscellaneous Expenditure not written off | 0.00 | 0.00 | [•] |
| **Total Shareholders Funds** | **780.15** | **761.41** | [•] |
| **Long - Term Debt / Shareholders Fund** | **0.00** | **0.00** | [•] |
| **Short - Term Debt / Shareholders Fund** | **0.07** | **0.00** | [•] |

* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares.

**Annexure- 08**

**STATEMENT OF TAX SHELTERS**

**(Rs. In Lacs)**

| Particulars | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|
| Profit before tax as per Restated P/L | **21.39** | **11.71** | **7.82** | **3.76** | **(0.66)** |
| Applicable Corporate Tax Rate | 30.90 | 30.90 | 30.90 | 30.90 | 30.60 |
| Tax at Notional Rate | 6.42 | 3.62 | 2.42 | 1.16 | 0.00 |
| **Adjustments** | | | | | |
| Difference between Tax Depreciation and Book Depreciation | 0.00 | 0.00 | 0.00 | 20.79 | 0.00 |
| Exempted Income | 21.39 | 11.71 | 7.82 | 0.00 | 0.00 |
| **Net Adjustments** | **21.39** | **11.71** | **7.82** | **20.79** | 0.00 |
| Tax Saving thereon | (6.42) | (3.62) | (2.42) | (6.42) | 0.00 |
| Tax Saving to the extent of Tax at Notional Rate | (6.42) | (3.62) | (2.42) | (6.42) | 0.00 |
| Tax Payable [A] | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tax Payable on items chargeable at special rates [B] | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Tax Payable [C=A+B] | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tax payable under MAT [D] | 0.00 | 0.00 | 0.00 | 0.47 | 0.00 |
| **Net Tax Payable [Higher of C or D]** | 0.00 | 0.00 | 0.00 | 0.47 | 0.00 |

**Annexure-9**

**STATEMENT OF DETAILS OF UNSECURED LOANS**

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| | | | | | | |
| Unsecured Loans* | | | | | | |
| From Directors, Shareholder & their relatives | | | | | | |
| Sam Lokhandwala | 42.16 | 0.00 | 1.63 | 1.63 | 1.23 | 0.07 |
| Raj Sam Lokhandwala | 10.00 | 0.00 | 0.36 | 0.36 | 0.36 | 0.06 |
| Kaniza S Lokhandwala | 3.70 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Khadiza R Lokhandwala | 0.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Shailesh D. Rana | 0.00 | 0.00 | 0.00 | 0.07 | 0.07 | 1.23 |
| Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total** | **56.06** | **0.00** | **1.99** | **2.06** | **1.66** | **1.36** |

** Unsecured Loans, repayable on demand*

**Annexure-10**

**STATEMENT OF DETAILS OF CURRENT LIABILITIES & PROVISIONS**

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| **Current Liabilities** | | | | | | |
| Sundry Creditors for Goods | | | | | | |
| Amount due to Promoter /Group Company / Directors | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Others | 2.82 | 0.00 | 0.00 | 0.33 | 0.00 | 0.00 |
| | | | | | | |
| Outstanding liability for expenses | | | | | | |
| Amount due to Promoter /Group Company / Directors | 6.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Others | 2.81 | 1.10 | 1.24 | 0.84 | 0.23 | 0.07 |
| Amount payable to for acquiring technical know-how | | | | | | |
| Amount due to Promoter /Group Company / Directors | 0.00 | 15.98 | 26.32 | 20.35 | 51.60 | 0.00 |
| **Sub Total (A)** | **11.63** | **17.08** | **27.56** | **21.52** | **51.83** | **0.07** |
| | | | | | | |
| Provisions | 0.00 | 0.00 | 0.00 | 0.00 | 0.47 | 0.00 |
| **Sub Total (B)** | **0.00** | **0.00** | **0.00** | **0.00** | **0.47** | **0.00** |
| **Total (A+B)** | **11.63** | **17.08** | **27.56** | **21.52** | **52.30** | **0.07** |

**Annexure-11**
**STATEMENT OF DETAILS OF SUNDRY DEBTORS**

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| (A) Unsecured, Considered good outstanding for a period less than six months | | | | | | |
| Amount due from Promoter /Group Companies and Directors | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Others | 14.32 | 5.89 | 5.80 | 3.10 | 0.00 | 0.00 |
| (B)Unsecured, Considered good outstanding for a period more than six months | | | | | | |
| Amount due from Promoter / Group Companies and Directors | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total** | **14.32** | **5.89** | **5.80** | **3.10** | **0.00** | **0.00** |

**Annexure-12**
**STATEMENT OF DETAILS OF DEPOSITS, LOANS & ADVANCES**

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| Receivable from | | | | | | |
| A….Promoter Group | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| B…..Group companies/ Associates/ Directors | 65.50 | 65.50 | 65.50 | 65.50 | 0.00 | 0.00 |
| C…. Others | 152.20 | 169.54 | 68.94 | 68.94 | 0.00 | 0.00 |
| **Total** | **217.70** | **235.04** | **134.44** | **134.44** | **0.00** | **0.00** |

**Annexure-13**
**STATEMENT OF CONTINGENT LIABILITIES**

**(Rs. In Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| Estimated amount of Contract remaining to be executed on Capital Account | 0.00 | 12.00 | 27.85 | 25.00 | 0.00 | 0.00 |
| **Total** | **0.00** | **12.00** | **27.85** | **25.00** | **0.00** | **0.00** |

**Annexure-14**
**STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS**

**(Rs. in Lacs)**

| Particulars | 30.09.11 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 | 31.03.07 |
|---|---|---|---|---|---|---|
| **REVENUE ITEMS** | | | | | | |
| **Debits (A)** | | | | | | |
| *Key Management Personnel* | | | | | | |
| - Payment of Remuneration | | | | | | |
| Raj Lokhandwala | 3.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sam Lokhandwala | 3.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| - Payment of Rent | | | | | | |
| Raj Lokhandwala | 0.23 | 0.43 | 0.43 | 0.43 | 0.00 | 0.00 |
| Sam Lokhandwala | 0.23 | 0.43 | 0.43 | 0.43 | 0.00 | 0.00 |
| **Credits (B)** | | | | | | |
| **NON-REVENUE ITEMS** | | | | | | |
| **Debits (A)** | | | | | | |
| *Relatives of Key Management Personnel / Other Related Parties* | | | | | | |
| - Loans & Advances Repaid | | | | | | |
| Shailesh D. Rana | 0.00 | 0.00 | 0.07 | 0.00 | 0.00 | 0.00 |
| - Purchase of Technical Know-how | | | | | | |
| Altret Performance Chemicals Gujarat Pvt. Ltd. | 0.00 | 0.00 | 11.00 | 0.00 | 150.00 | 0.00 |
| - Lease Deposit | | | | | | |
| Raj Lokhandwala | 0.00 | 0.00 | 0.00 | 32.90 | 0.00 | 0.00 |
| Sam Lokhandwala | 0.00 | 0.00 | 0.00 | 32.60 | 0.00 | 0.00 |
| **Credits (B)** | | | | | | |
| - Loan Taken | | | | | | |
| *Key Management Personnel* | | | | | | |
| Raj Lokhandwala | 10.00 | 0.00 | 0.00 | 0.00 | 0.36 | 0.06 |
| Sam Lokhandwala | 42.15 | 0.00 | 0.00 | 0.40 | 1.23 | 0.07 |
| Shailesh D. Rana | 0.00 | 0.00 | 0.00 | 0.00 | 0.07 | 1.23 |
| *Relatives of Key Management Personnel / Other Related Parties* | | | | | | |
| Kaniza Lokhandwala | 3.70 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Khadiza Lokhandwala | 0.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

## MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with our audited restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2007, 2008, 2009, 2010 and 2011 and for the period ended September 30, 2011 in the chapter titled 'Financial Information' on page 127 of the Draft Red Herring Prospectus. The following discussion relates to our Company , and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.*

### OVERVIEW OF THE BUSINESS

We are currently engaged in cultivation of Jatropha Curcas plants. The seeds developed from these plants are supplied to farmers in the vicinity of our plantation. We also supply Jatropha Curcas seedlings and saplings developed at our nursery.

Jatropha Curcas is a small tree or shrub. Normally, it grows between three and five meters in height. The seeds become mature when the capsule changes from green to yellow, after two to four months from fertilization. These seeds have an oil content of approximately 37%. Jatropha oil is a non edible vegetable oil utilized for production of soap and used as lamp fuel and fuel in special diesel engines etc.

We commenced cultivation of Jatropha Curcas plants in the fiscal 2006-07. Usually Jatropha Curcas plants take approximate 3-4 years to generate seeds. Our plantation began seeding during the fiscal 2010-11.

### THE INDUSTRY OVERVIEW

#### Agriculture in India

Agriculture remains the predominant sector in terms of employment and livelihood with more than half of India's workforce engaged in it as the principal occupation. Agriculture still contributes significantly to export earnings and is an important source of raw materials as well as of demand for many industries.

India's agriculture sector has an impressive long-term record of taking the country out of serious food shortages despite rapid population increase. This was achieved through a favourable interplay of infrastructure, technology, extension, and policy support backed by strong political will. The main source of long-run growth was technological augmentation of yields per unit of cropped area. This resulted in tripling of foodgrain yields, and foodgrain production increased from 51 million tonnes in 1950–51 to 217 million tonnes in 2006–07.

*(Source: Eleventh Five Year Plan 2007-12, Voume III, Planning Commission)*

#### Bio-diesel Industry

The concept dates back to 1885 when Dr. Rudolf Diesel built the first diesel engine with the full intention of running it on vegetative source. He first displayed his engine at the Paris show of 1900 and astounded everyone when he ran the patented engine on any hydrocarbon fuel available which included gasoline and peanut oil. Scientists discovered that the viscosity ( thickness) of vegetable oils

could be reduced in a simple chemical process and that it could work well as diesel fuel in modern engine. **This fuel is called Bio-diesel.**

**Jatropha cultivation and oil extraction**

In April 2003, the committee on development of BIO-FUEL, under the auspices of the Planning Commission of India, presented its report that recommends a major multi-dimensional programme to replace 20% of India's diesel consumption. The National Planning Commission has integrated the Ministries of Petroleum, Rural Development, Poverty Alleviation and the Environmental Ministry and others. One objective is to blend petro-diesel with a planned 13 million tonne of Bio-diesel by 2013 produced mainly from non-edible Jatropha oil, a smaller part from pongomia.

**Neem seed oil extraction**

Neem oil is extracted from neem leaf and need seed. Neem seed is widely used in the extraction process instead of neem leaf as the oil content is found to be more in seeds than in the leaf.

Neem oil extraction is done by mechanical pressing, steam pressure extraction and solvent extraction. Primary process of extraction consists of grade wise separation of seeds. Grading of seeds is done according to the amount of oil content in the seeds and with sizes as well.

**Bio-fertilizers**

A Bio-fertilizer is a substance which contains living microorganisms which, when applied to seed, plant surfaces, or soil, colonizes the rhizosphere or the interior of the plant and promotes growth by increasing the supply or availability of primary nutrients to the host plant. Bio-fertilizers add nutrients through the natural processes of nitrogen fixation, solubilizing phosphorus, and stimulating plant growth through the synthesis of growth-promoting substances. Bio-fertilizers can be expected to reduce the use of chemical fertilizers and pesticides.

**Bio-pesticides**

Bio-pesticides include naturally occurring substances that control pests (biochemical pesticides), microorganisms that control pests (microbial pesticides), and pesticidal substances produced by plants containing added genetic material (plant-incorporated protectants) or PIPs.

**FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS**

Our results of operations could potentially be affected by the following factors amongst others:

- Changes in government policies
- Material changes in the duty or tax structure.
- Competition from new entrants and existing established players;
- General economic and market conditions.
- Monsoon conditions and seasonality.
- Changes in regulatory policies for granting license of Bio-fertilizers and Bio-pesticides

The following discussion on results of operations should be read in conjunction with the restated financial results of our Company for the years ended 2007, 2008, 2009, 2010, 2011 and for six months ended September 30, 2011.

For six months period ended September 30, 2011

| Particulars | Six Months (Rs. in Lacs) | % of Total Income |
|---|---|---|
| Total Income | 56.30 | 100.00 |
| Expenditure (excluding depreciation, interest & tax) | 28.72 | 51.01 |
| Depreciation | 8.84 | 15.70 |
| Interest & Finance Charges | 0.00 | 0.00 |
| Net Profit before tax | 18.74 | 33.29 |
| Taxes | 0.00 | 0.00 |
| Net Profit after tax | 18.74 | 33.29 |

**Result of operations as % of Income**

We had recorded the total income of Rs. 56.30 Lacs and the expenditure has accounted 51.01 % of total income and represented a total amount of Rs. 28.72 Lacs. The depreciation, interest & finance charges have accounted for 15.70 % of total income. Our Company has recorded a net profit after tax of Rs. 18.74 Lacs during the 6 months period ended September 30, 2011.

The following discussion on the financial operations and performance is based on our restated financial statements for the FY 2010-11, 2009-10, 2008-09 and 2007-08. The same should be read in conjunction with the restated audited financial results of our Company for the years ended 31 March 2011, 2010, 2009 and 2008.

**(Rs. In Lacs)**

| Particulars | 31.03.11 | 31.03.10 | 31.03.09 |
|---|---|---|---|
| **Income** | | | |
| Agricultural Income (A) | 75.00 | 62.12 | 43.35 |
| **Increase / (Decrease) (%)** | **20.73** | **43.30** | **119.49** |
| **Operational Income (B) = (A)** | **75.00** | **62.12** | **43.35** |
| **Increase / (Decrease) (%)** | **20.73** | **43.30** | **119.49** |
| Increase/(Decrease) in Inventories (C) | 3.03 | (2.37) | 4.85 |
| **Total = (B+C)** | **78.03** | **59.75** | **48.20** |
| **Increase / (Decrease) (%)** | **30.59** | **23.96** | **132.51** |
| **Expenditure** | | | |
| Materials Consumed | 8.11 | 7.97 | 10.02 |
| **Increase / (Decrease) (%)** | **1.76** | **(20.46)** | **58.54** |
| Labour charges & Employees Costs | 30.09 | 26.43 | 22.58 |
| **Increase / (Decrease) (%)** | **13.85** | **17.05** | **361.76** |
| Administrative Expenses | 8.87 | 5.31 | 3.16 |
| **Increase / (Decrease) (%)** | **67.04** | **68.04** | **259.09** |
| **Total Expenditure** | **47.07** | **39.71** | **35.76** |
| **Increase / (Decrease) (%)** | **18.53** | **11.05** | **185.17** |
| **Profit before Depreciation, Interest and Tax** | **30.96** | **20.04** | **12.44** |
| **Increase / (Decrease) (%)** | **54.49** | **61.09** | **51.89** |
| Depreciation | 9.57 | 8.33 | 4.62 |
| **Increase / (Decrease) (%)** | **14.89** | **80.30** | **4.29** |
| **Profit before Interest & Tax** | **21.39** | **11.71** | **7.82** |
| **Increase / (Decrease) (%)** | **82.66** | **49.74** | **107.98** |
| Interest & Finance Charges | - | - | - |

| Particulars | 31.03.11 | 31.03.10 | 31.03.09 |
|---|---|---|---|
| **Increase / (Decrease) (%)** | **-** | **-** | **-** |
| **Net Profit before Tax** | **21.39** | **11.71** | **7.82** |
| **Increase / (Decrease) (%)** | **82.66** | **49.74** | **107.98** |
| **Less:** Provision for Tax-Current Tax | - | - | - |
| **Net Profit After Tax & Before Extraordinary Items** | **21.39** | **11.71** | **7.82** |
| **Increase / (Decrease) (%)** | **82.66** | **49.74** | **138.41** |
| **Extraordinary Items (Net of Tax)** | **-** | **-** | **-** |
| **Net Profit After Extraordinary Items** | **21.39** | **11.71** | **7.82** |

**COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2011 WITH FINANCIAL YEAR ENDED 31st MARCH, 2010**

**Operational Income:** Our operational income for the financial year ended 31st March, 2011 was at Rs. 75.00 Lacs as against the total of Rs. 62.12 Lacs for the fiscal 2010 with an increase of 20.73% and such increase was attributed to increase in sale of seedlings & saplings.

**Expenditure:** Material consumed/purchased accounted for 10.81 % of income from operations during the financial year ended 31st March, 2011 at Rs. 8.11 Lacs as compared to 12.83% of Income from operations at Rs. 7.97 Lacs for the fiscal 2010. While in the fiscal 2011, labour charges & employees cost was at Rs. 30.09 Lacs and accounted to 40.12% of Income from operations as compared to 42.55 % of Income from operations at Rs. 26.43 Lacs in the fiscal 2010.

The administrative expenses have increased by 67.04% at Rs. 8.87 Lacs in fiscal 2011 as compared to Rs. 5.31 Lacs for the fiscal 2010 was mainly due to increased business operations.

**Depreciation:** Depreciation has accounted for Rs. 9.57 Lacs with an increase of 14.89% in fiscal 2011 as compared to Rs. 8.33 Lacs in the fiscal 2010. The increase is due to increase in the line of fixed assets in the fiscal 2011.

**COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2010 WITH FINANCIAL YEAR ENDED 31st MARCH, 2009**

**Operational Income:** Our operational income for the financial year ended 31st March, 2010 was at Rs. 62.12 Lacs as against the total of Rs. 43.35 Lacs for the fiscal 2009 with an increase of 43.30% and such increase was attributed to increase in sale of seedlings & saplings.

**Expenditure:** Material consumed/purchased accounted for 12.83 % of income from operations during the financial year ended 31st March, 2010 at Rs. 7.97 Lacs as compared to 23.11% of Income from operations at Rs. 10.02 Lacs for the fiscal 2009. While in the fiscal 2010, labour charges & employees cost was at Rs. 26.43 Lacs and accounted to 42.55% of Income from operations as compared to 52.09 % of Income from operations at Rs. 22.58 Lacs in the fiscal 2009.

The administrative expenses have increased by 68.04% at Rs. 5.31 Lacs in fiscal 2010 as compared to Rs. 3.16 Lacs for the fiscal 2009 was due to increase business operations.

**Depreciation:** Depreciation has accounted for Rs. 8.33 Lacs with an increase of 80.30% in fiscal 2010 as compared to Rs. 4.62 Lacs in the fiscal 2009. The increase is due to increase in the line of fixed assets in the fiscal 2010.

**COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2009 WITH FINANCIAL YEAR ENDED 31st MARCH, 2008**

**Operational Income:** Our operational income for the financial year ended 31st March, 2009 was at Rs. 43.35 Lacs as against the total of Rs. 19.75 Lacs for the fiscal 2008 with an increase of 119.49% and such increase was attributed to increase in sale of seedlings & saplings.

**Expenditure:** Material consumed/purchased accounted for 23.11 % of income from operations during the financial year ended 31st March, 2009 at Rs. 10.02 Lacs as compared to 32.00% of Income from operations at Rs. 6.32 Lacs for the fiscal 2008. While in the fiscal 2009, labour charges & employees cost was at Rs. 22.58 Lacs and accounted to 52.09% of Income from operations as compared to 24.76 % of Income from operations at Rs. 4.89 Lacs in the fiscal 2008.

The administrative expenses have increased by 259.09% at Rs. 3.16 Lacs in fiscal 2009 as compared to Rs. 0.88 Lacs for the fiscal 2008 was due to increased business operations .

**Depreciation:** Depreciation has accounted for Rs. 4.62 Lacs with an increase of 4.29% in fiscal 2009 as compared to Rs. 4.43 Lacs in the fiscal 2008. The increase is due to increase in the line of fixed assets in the fiscal 2009.

**Other Information required as per SEBI Regulations**

- ***Unusual or infrequent events or transactions***

  There are no unusual or infrequent events or transactions that have significantly affected operations of the Company.

- **Significant economic changes that materially affected or are likely to affect income from continuing operations**

  There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

- ***Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

  Apart from the Risks disclosed under the section titled *"Risk Factors"* no known trends or uncertainties are envisaged or are expected to have a material adverse impact on sales, revenue or income from continuing operations to Company's knowledge.

- ***Future changes in relationship between costs and revenues in case of events such as future increase in labour or material cost or prices that will cause material change.***

  According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However increase in the cost of the products in which the Company deals, will affect the profitability of the Company. Further, the Company is not able to pass on the increase in prices of the product to the customers in full. This can be offset through cost reduction.

- ***The extent to which material increases in net sales / revenue is due to increase in sales volume, introduction of new products or services or increased sales prices***

The increase in revenues is by and large linked to increases in volume of the activity of cultivation of Jatropha Curcas plants carried out by the Company.

- ***Total turnover of each major industry segment in which the Company operated***

  The Company operates only in single segment i.e. cultivation of Jatropha Curcas plants.

- ***Status of any publicly announced new products or business segment***

  The Company has not announced any new products or business segment.

- ***The extent to which our Company's business is seasonal***

  Our business operations relating to cultivation of Jatropha plants are heavily dependent on weather conditions being extreme climatic conditions or disruptive monsoons which might materially affect our plantation resulting into adverse effects on our incomes and results of operations.

- ***Any significant dependence on a single or few suppliers or customers***

  We are not under threat of dependence from any single supplier or customer.

- ***Competitive conditions***

  The Indian agriculture market is largely fragmented comprising of organized and unorganized sectors. Every district may have its own clutch of unorganized agriculturists. The rates vary depending upon the demand supply pattern prevailing in the market. Geographies also play a vital role in deciding the rates. The produce from Jatropha Curcas plants is marketable in the mandies and open market.

  We anticipate competition for our proposed Project from established players in the market.

  Some of our competitors in the proposed Project segment are listed as under:

  For Jatropha seed oil extraction

  1. M/s. Green Palm Company
  2. M/s. Bhushan Oil Mill Private Limited
  3. M/s. Sunrise Agriland Development and Research Private Limited

  For neem seed oil extraction

  1. M/s. Fortune Biotech Limited
  2. M/s. Apex Herbex
  3. M/s. Agro Extracts Limited

  For Bio-fertilizers and Bio-pesticides

  1. M/s. Shree Biocare Solutions Private Limited
  2. M/s. Ecosense Lab (India) Private Limited
  3. M/s. Asean Agritechnologies (India) Private Limited

## SECTION VI: LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies.*

**A) OUTSTANDING LITIGATION INVOLVING ALTRET BIO-TECH LIMITED:**

**I. Cases filed by our Company**

*Civil Cases*

**NIL**

*Criminal Cases*

**NIL**

**II. Cases filed against our Company**

***Civil proceedings***

**NIL**

***Criminal Proceedings***

**NIL**

**III. Indirect tax proceedings involving our Company**

**NIL**

**IV. Litigations involving our Promoters**

**(i) Proceedings of Civil nature**

(a) By the Promoters
**NIL**

(b) Against the Promoters
**NIL**

**(ii) Proceedings of a Criminal nature-**

(a) By the Promoters
**NIL**

(b) Against the Promoters
**NIL**

**V. Litigations involving Directors of our Company**

**(i) Proceedings of Civil nature**

(a) By the Directors of our Company
**NIL**

(b) Against the Directors of our Company
**NIL**

**(ii) Proceedings of a Criminal nature-**

(a) By the Directors of our Company
**NIL**

(b) Against the Directors of our Company
**NIL**

**VI. Litigations involving our Promoter Group Companies**

**(i) Proceedings of Civil nature**

(a) By our Promoter Group Companies
**NIL**

(b) Against our Promoter Group Companies
**NIL**

**(ii) Proceedings of a Criminal nature**

(a) By our Promoter Group Companies
**NIL**

(b) Against our Promoter Group Companies
**NIL**

**MATERIAL DEVELOPMENT**

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

## GOVERNMENT & OTHER APPROVALS

*Based on the indicative list of approvals provided below, Our Company can undertake this Issue and its current business activities. Our Company will not require any other major approval from any Government or regulatory authority to undertake the Issue or continue these activities. Unless otherwise mentioned below, these approvals are valid as of the date of this Draft Red Herring Prospectus.*

### I. Incorporation details

1. Certificate of incorporation dated September 04, 2006 issued to Altret Bio-Tech Private Limited by the Registrar of the Companies, Gujarat, Dadra & Nagar Havelli. The Corporate Identification Number issued there in was U02429GJ2006PTC049007.

2. Fresh certificate of incorporation consequent upon change of name from Altret Bio-Tech Private Limited to Altret Bio-Tech Limited dated November 02, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. The Corporate Identification Number issued there in was U02429GJ2006PLC049007.

### II. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

1. The Board of Directors has pursuant to a resolution adopted at its meeting held on November 21, 2011 authorized the Issue, subject to the approval of the shareholders of the Company under Section 81(1A) of the Companies Act and such other authorities as may be necessary.

2. The shareholders of the Company have pursuant to a resolution under Section 81(1A) of the Companies Act approved at its Extra Ordinary General Meeting held on December 21, 2011 authorized the Issue.

3. Our Company has obtained in-principle listing approvals dated [●] from BSE.

4. ISIN No.: [●]

5. As per Notification No. FEMA 20 / 2000 - RBI dated May 3, 2000, as amended from time to time, under automatic route of Reserve Bank of India, the Company is not required to make an application for Issue of Equity Shares to NRIs / FIIs with repatriation benefits. However, the allotment / transfer of the Equity Shares to NRIs / FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

### III. Approvals obtained by our Company for our business operations

| No. | Nature of License / Approval | Registration/ License No. & Date of Issue | Issuing Authority | Validity |
|---|---|---|---|---|
| 1. | Permanent Account Number (PAN) | AAFCA9180P | Income Tax Department | One time registration |
| 2. | Tax Account Number (TAN) | SRTA04920G | Income Tax Department | One time registration |
| 3. | Consent for temporary power | T:068 788014 dated 21.09.2011 | Dakshin Gujarat VIJ Company | 18.03.2012 |

| No. | Nature of License / Approval | Registration/ License No. & Date of Issue | Issuing Authority | Validity |
|---|---|---|---|---|
| | connection of 5.97 KW-8 HP- 6.63 KVA for the proposed Bio-fertilizers and Bio-pesticides plant | | Limited | |
| 4. | Order to use land situated at 271, 272 and 273, Gam Mirzapur, Jalalpor, Navsari District, Gujarat for non agricultural purpose | Order No. LND / GDK -63 / 553 / 11 dated 25.04.2011 | Office of Collector, District Navsari, Gujarat | Valid until cancelled |

**IV. Approvals applied for and pending**

Following approvals / certifications have been applied for and are pending for approval at various levels as on date of this Draft Red Herring Prospectus:

| No. | Nature of License / Approval | Date of Application | Issuing Authority | Status |
|---|---|---|---|---|
| 1. | Application for registration of the Company's logo along with the word "altret" under Class 35 under the "The Trademarks Act, 1999" | 05.08.2011 | Government of India, Trade Marks Registry, Gujarat | Application has been made on 05.08.2011. Awaiting registration. |
| 2. | Permission to construct factory building situated at 271, 272 and 273, Gam Mirzapur, Jalalpor, Navsari District, Gujarat | 22.01.2012 | Zila Panchayat, Navsari, Gujarat | Application has been made on 22.01.2012. Awaiting registration |

**V. Approvals to be applied for the Objects of the Issue**

| No. | Nature of License / Approval |
|---|---|
| 1. | Factory license for the proposed Project to be obtained from Director, Industrial Safety & Health, Gujarat |
| 2. | Permission to construct factory building for the proposed Project of extraction of oil from Jatropha & neem seeds to be obtained from the local authority in Gujarat |
| 3. | NOC to be obtained from State Pollution Control Board, Gujarat for operation of the proposed plants |
| 4. | Application for permission use the land situated in Bhuj District, Gujarat for non agricultural purpose for the proposed project of setting up of Jatropha seed oil extraction plant and setting up of need seed oil & solvent extraction plant to be obtained from Zila Panchayat Prant Office, Bhuj District, Gujarat |

## OTHER REGULATORY AND STATUTORY DISCLOSURES

**Authority for the Issue**

The shareholders of Altret Bio-Tech Limited had approved the present Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, 1956 passed at the Extra Ordinary General Meeting of our Company held on December 21, 2011.

Our Board of Directors have, pursuant to resolution passed at its meeting held on November 21, 2011 authorised the Issue.

Our Board has approved this Draft Red Herring Prospectus at its meeting held on February 08, 2012.

**Prohibition by SEBI**

The Company, its Promoters, its Directors or any of the Company's associates or Group Companies and companies with which the Directors of the Company are associated as directors or promoters, or directors or promoters in control of, of the promoting Company, are currently not prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

None of the Directors of Altret Bio-Tech Limited is associated with securities market.

No penalty has been imposed by SEBI and other regulatory bodies against the Company, its Directors, its Promoters, Group Companies and companies with which the Directors of the Company are associated as directors or promoters, or directors or promoters in control of, of the promoting Company.

**Prohibition by RBI**

Our Company, our Directors, our Promoters, the relatives of our Promoters, Group Companies have not been detained as willful defaulters by the RBI or any other government authorities. There are no violations of securities laws committed by them in the past or are pending against them.

**Eligibility for the Issue**

The Company is eligible for the Issue in accordance with Regulation 26 (1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- Altret Bio-Tech Limited has a net tangible assets of at least Rs. 3 Crores in each of the preceding three full years (of 12 months each), of which not more than 50% is held in monetary assets;

- Altret Bio-Tech Limited has a pre-Issue net worth of at least Rs. 1 Crore in each of the three preceding full years (of 12 months each);

- Altret Bio-Tech Limited has a track record of distributable profits as per Section 205 of Companies Act , 1956, for at least three out of the immediately preceding five years;

- The proposed Issue size of Altret Bio-Tech Limited is not expected to exceed five times of the pre-Issue net worth as per the audited accounts of preceding financial year.;

- Altret Bio-Tech Limited has not changed its name since inception, except as stated otherwise in this Draft Red Herring Prospectus.

The distributable profits as per Section 205 of the Companies Act and net worth for the last five financial years as per the restated financial statements are as under:

**(Rs. in Lacs)**

| Particulars | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|
| Distributable Profits | 21.39 | 11.71 | 7.82 | 3.28 | (0.66) |
| Net Worth | 748.85 | 478.16 | 446.45 | 115.61 | 17.34 |
| Net Tangible Assets (a) | 602.66 | 330.21 | 305.80 | (10.23) | 18.70 |
| Monetary Assets (b) | 14.35 | 0.61 | 1.39 | 4.89 | 0.63 |
| Monetary Assets as a % of Net Tangible Assets | 1.92 | 0.13 | 0.31 | 4.17 | 3.37 |

**Note:**
*(1) Distributable profits of the Company as per Section 205 of the Companies Act have been calculated from Restated Financial Statements.*
*(2) Net worth includes Equity Share Capital and Reserves, (Net of Miscellaneous Expenditure not written off, if any.)*
*(3) Net tangible assets are defined as sum of Fixed Assets (including capital work in progress and excluding revaluation reserve), trade investments and current assets (excluding deferred tax assets) less current liabilities & Provisions (excluding deferred tax liabilities).*
*(4) Monetary assets include Cash in hand and deposits with Bank.*

The Company satisfies all the eligibility criteria, laid down in regulation 26(1) of the SEBI ICDR Regulations, 2009. However, the Company is doing a "voluntary book-building issue" wherein the Company proposes to allot up to 50% of the Issue to QIBs (including Anchor Investors).Further not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them 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 BRLM and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received at or above the Issue Price. For further details, please refer to the section titled *'Issue Procedure'* beginning on page 175 of the Draft Red Herring Prospectus.

The Promoters and the natural persons behind the promoters, the Company, Group Companies, Directors of the Company are not detained as willful defaulters by the RBI/ GOI authorities and there are no violations of securities laws committed by them in the past or pending against them other than those disclosed in this Offer Document.

The Promoters and the natural persons behind the Promoters, the Company, Group Companies, Directors of the Company are not debarred from SEBI or any other authority from accessing the capital Market.

**SEBI disclaimer clause**

**"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 OFFER DOCUMENT. THE LEAD MERCHANT BANKER, COMFORT SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO**

**FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER COMFORT SECURITIES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 08.02.2012 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 ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

**(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD 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 BOARD, 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 BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

**(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**

**(5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD 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 PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.**

**(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

**(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE 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 THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.**

**(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE ALLOTED SHARES IN THE DEMAT ONLY.**

**(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 ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**

**(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD 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 ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ,ETC.**

**(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF 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 OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR 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 LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN OFFER DOCUMENT."**

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

**Caution- disclaimer from the Issuer and the Book Running Lead Manager**

The Company, the Directors, and the BRLM accept no responsibility for statements made otherwise than in this DRHP or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone depending on any other source of information, including our website : www.altretbiotech.com would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLM and us dated December 29, 2011 and the Underwriting Agreement to be entered into among the Underwriters and us.

All information shall be made available by us and BRLM 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 or at Bidding Centers etc.

Neither we nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

***For details regarding the track record of the BRLM to the Issue, please refer to the website of the BRLM: http://www.comfortsecurities.co.in/images/trcmbd.xls***

**Investors that bid in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the BRLM 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.**

**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 authorised 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 authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of 2,500 lacs, pension funds with minimum corpus of 2,500 lacs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all

applicable laws and regulations to hold Equity Shares of the Company the Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the 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 Gujarat 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, the 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 affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**Disclaimer clause of IPO Grading Agency**

**[●]**

**Disclaimer clause of Bombay Stock Exchange Limited (the Designated Stock Exchange)**

As required, a copy of the Draft Red Herring Prospectus shall be submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

**Filing of Prospectus with the Board and the Registrar of Companies**

1. A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Unit No: 002, Ground Floor SAKAR I, Near Gandhigram Railway Station, Opposite Nehru Bridge Ashram Road, Ahmedabad - 380 009.

2. A copy of 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 required to be filed under Section 60 of the Companies Act would be delivered for registration with the ROC, ROC Bhavan, Opp. Rupal Park Society, Naranpura, Ahmedabad – 380 013, India.

**Listing**

Applications will be made to BSE for permission to deal in and for an official quotation of the Equity Shares of the Company. BSE shall be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchange mentioned above, the Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this DRHP. If such money is not repaid within eight days after our Company becomes liable to repay it, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15.00% per annum on application money, 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 the Stock Exchange 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, 1956, 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 (5) years."***

**Consents**

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, the Statutory Auditors, the Legal Advisor, the Bankers to our Company, and (b) the BRLMs, the Syndicate Members, the Escrow Collection Bankers, the Registrar to the Issue and the IPO Grading Agency to act in their respective capacities, will be obtained and will 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 shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

M/s. B.N. Kedia & Co., Auditors of the Company have also given their consent to the inclusion of their report as appearing hereinafter in the form and context in which appears in this DRHP and also of the tax benefits accruing to the Company and to the members of the Company and such consent and report have not been withdrawn up to the time of signing this DRHP.

**Expert opinion**

Except the report of [●] in respect of the IPO grading of the Issue as mentioned in the section titled *'General Information'* on page 33 of the Draft Red Herring Prospectus and except for the reports of the auditors of our company, M/s. B.N. Kedia & Co. in respect of the information contained in the section titled '*Financial Information'* and '*Statement of tax benefits'* beginning on pages 127 and 66 respectively, we have not obtained any expert opinions.

**Public Issue expenses**

The Management estimates an expense or Rs. [•] Lacs towards issue expense. 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. The estimated Issue expenses are as follows:

| No. | Particulars | Amount (Rs. In Lacs) |
|---|---|---|
| 1. | Fees of Lead Manager, Registrar, Legal Advisor, Auditors, etc. | [•] |
| 2. | Printing & stationery, distribution, postage, etc | [•] |
| 3. | Underwriting commission, brokerage & selling commission | [•] |
| 4. | Advertisement & marketing expenses | [•] |

| No. | Particulars | Amount (Rs. In Lacs) |
|---|---|---|
| 5. | Other Expenses (including filing fees, listing fees, depository charges, etc.) | [•] |
| 6. | IPO grading expenses | [•] |
| 7. | Contingencies | [•] |
| Total | | [•] |

**Details of fees payable**

| Particulars | Amount (Rs. in Lacs) | % of Total Issue Expenses | % of Total Issue Size |
|---|---|---|---|
| Lead Manager/s to the Issue | [•] | [•] | [•] |
| Registrar to the Issue | [•] | [•] | [•] |
| Bankers to the issue | [•] | [•] | [•] |
| Others | [•] | [•] | [•] |
| Total | [•] | [•] | [•] |

**Fees payable to Book Running Lead Manager/S to the Issue**

The total fees payable to the BRLM will be as per the Engagement Letters from our Company to the BRLM and Memorandum of Understanding signed with the BRLM, copy of which is available for inspection at the Registered Office of our Company.

**Fees payable to the Syndicate**

The underwriting commission and the selling commission for the Issue are as set out in the Syndicate Agreement amongst the Company, the BRLM and the Syndicate Member. The underwriting commission shall be paid as set out in the Syndicate Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 41 of this DRHP.

**Fees payable to the Registrar to the Issue**

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/ refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company dated September 09, 2011.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or Allotment Advice by registered post/ speed post/ under certificate of posting.

**Fees payable to others**

The total fees payable to the Legal Advisor, Auditor, IPO Grading Agency and advertiser, etc. will be as per the terms of their respective engagement letters.

**Previous public or rights issue**

We have not made any previous rights and/or public issues during the last five years, and are an "unlisted issuer" in terms of the SEBI ICDR Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI ICDR Regulations.

**Commission and brokerage paid on previous issues of our Equity Shares**

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

**Capital issue during the last three years**

Altret Bio-Tech Limited and its Group Companies have not made any capital issue during the last three years.

**Listed ventures of Promoters**

There are no listed ventures of our Company as on date of filing of this Draft Red Herring Prospectus.

**Previous issues of Equity Shares otherwise than for cash**

Except as stated in the section titled *'Capital Structure'* on page 42 of this Draft Red Herring Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

**Promise vis-à-vis performance**

Neither our Company nor our Promoter Group Companies have made any previous rights or public issues.

**Option to subscribe**

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

**Outstanding debentures or bonds and redeemable preference shares and other instruments**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this DRHP.

**Stock market data for our Equity Shares**

Our Company is an "unlisted issuer" in terms of the SEBI ICDR Regulations, and this Issue is an initial public offering in terms of the SEBI ICDR Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

**Mechanism for redressal of investor grievances**

The Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the 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 Bid cum Application Form was submitted by the ASBA Bidders.

**Disposal of investor grievances by our Company**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be 10 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.

We have constituted the Shareholders/ Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on November 21, 2011. For further details, please refer to section titled '*Our Management'* beginning on page 102 of the Draft Red Herring Prospectus.

We have appointed Ms. Smita Jain, Company Secretary as the Compliance Officer and she may be contacted in case of any pre-issue or post-issue problems. He can be contacted at the following address:

Ms. Smita Jain
12/2881, "Altret House"
Saiyedpura Main Road,
Surat, Gujarat
India-395003
Tel: +91-261-2451807-9;
Fax: +91-261-2434517;
Email: cs@altretbiotech.com

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

**Changes in Auditors during the last three financial years**

The following are the changes in the auditors in the last 3 years:

| Name of the Auditor | Date of Change | Appointment/ Resignation | Reason |
|---|---|---|---|
| S.F. Baxi & Co, Chartered Accountants | November 24, 2010 | Resignation | Due to his pre-occupation in other assignments |
| B.N. Kedia & Co., Chartered Accountants | November 24, 2010 | Appointment | - |

**Capitalization of reserves or profits during last five (5) years**

Our Company has not capitalized any reserve during last five (5) years.

**Revaluation of assets during the last five (5) years**

Our Company has not revalued its assets during the last five (5) years.

## SECTION VII: ISSUE RELATED INFORMATION

## TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI ICDR Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the Anchor Investor Confirmation of Allocation Note, the CAN 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 laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, the Stock Exchange, the Reserve Bank of India, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

**Authority for the present Issue**

Our Board of Directors have, pursuant to resolution passed at its meeting held on November 21, 2011 authorised the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act. The Shareholders of our Company had approved the present Issue vide a special resolution passed at the Extra Ordinary General Meeting held on December 21, 2011.

**Ranking of Equity Shares**

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividend or any other corporate benefits, if any, declared by the Company after the date of Allotment.

**Mode of payment of dividend**

The Company shall pay dividends to the shareholders in accordance with the provisions of the Companies Act, the SEBI ICDR Regulations, the Articles of Association and the provision of the Listing Agreements.

**Face Value and Issue Price**

The face value of the Equity Shares is Rs. 10/- each and the Floor Price is Rs. [•] and the Cap Price is Rs. [•] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

The Price Band and the minimum Bid lot size for the Issue is decided by our Company in consultation with the BRLM, and advertised in two widely circulated national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation, at least two Working Days prior to the Bid /Issue Opening Date.

At any given point of time there shall be only one denomination for the Equity Shares subject to the applicable laws.

**Compliance with SEBI Rules and Regulations**

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

**Rights of the equity shareholders**

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see the section titled *'Main Provisions of the Articles of Association'* beginning on page 216.

**Market Lot**

In terms of Section 68B of the Companies Act, 1956, the Equity Shares of our Company shall be allotted only in dematerialized form. In terms of existing SEBI ICDR Regulations, the trading in the Equity Shares of the Company shall only be in dematerialized form for all investors. Since trading of our Equity Shares will be in dematerialized mode, the tradable lot is one equity share. Allotment of Equity Shares through this Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

**Nomination facility to Investor**

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of the 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. A fresh nomination can be made only on the prescribed form available on request at the Registered Office of the Company or at the registrar and transfer agent of the Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

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

Further, our 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, our 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 us. Nominations registered with the respective depository

participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

**Bid/Issue Programme**

*Bidding Period/Issue Period*

| BID / ISSUE OPENS ON*: [●] | BID / ISSUE CLOSES ON: [●] |
|---|---|

***** *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date. Bids by Anchor Investors may be submitted to the members of Syndicate or their affiliates. The number of Equity Shares allocated to each Anchor Investor shall be made available in the public domain by the BRLM, before the Bid/Issue Opening Date.*

Bids and any revision in Bids shall be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non- Institutional (ii) until 5.00 p.m. or such extended time as permitted by the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 200,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE.

**Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Surat, Gujarat, India.

**Minimum subscription**

If we do not receive the minimum subscription of 90% of the Issue to the extent of the amount including devolvement of the Members of the Syndicate, if any, within 60 days from the Bid/ Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest as per Section 73 of the Companies Act.

Further, we shall ensure that the number of prospective Allotees to whom Equity Shares will be allotted shall not be less than 1,000. If the number of Allottees in the proposed Issue is less than 1,000 Allottees, our Company shall forthwith refund the entire subscription amount received.

**Arrangements for disposal of odd lots**

Since the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

**Restriction on transfer of shares**

Except for the lock-in as detailed in the section titled '*Capital Structure*' on page 42, and except as provided in our Articles of Association and as stated below, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation or splitting except as provided in the Articles of Association. For further details, please refer to the section titled '*Main Provisions of the Articles of Association*' on page 216.

**The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("U. S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered or sold only to (i) persons who are both "qualified purchasers" as defined in the Investment Company Act (referred to in this Draft Red Herring prospectus as "QPs") and "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) non-U.S. Persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**Each purchaser of Equity Shares that is located within the United States or who is a U.S. person, or who has acquired the Equity Shares for the account or benefit of a U.S. Person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB and a QP; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S and under circumstances that will not require the Company to register under the Investment Company Act.**

**Each other purchaser of Equity Shares will be required to represent and agree, among other things, that such purchaser is a non-U.S. person acquiring the Equity Shares in an "offshore transaction" in accordance with Regulation S.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any 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.**

## ISSUE STRUCTURE

Initial public offering of [●] Equity Shares of Rs. 10 each at a price of Rs [•] per Equity Share for cash (including share premium of Rs. [•] per share) aggregating up to Rs.2,700 Lacs (herein referred to as "the Issue"). The Issue would constitute [●] % of the fully diluted post Issue paid-up capital of the Company.

This Issue is being made through a 100 % book building process and the details of the Issue Structure are as follows:

| Particulars | QIBs # | Non-Institutional Bidders | Retail Individual Bidders |
|---|---|---|---|
| Number of Equity Shares* | Up to [●] Equity Shares | Not less than [●] Equity Shares shall be available for allocation | Not less than [●] Equity Shares shall be available for allocation |
| Percentage of Issue Size available for Allocation | Up to 50% of the Issue (of which 5% of QIB portion {excluding the Anchor Investor Portion} shall be reserved for Mutual Funds). Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs<br><br>Upto 30% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds# | Not less than 15% of the Issue or Issue less allocation to QIBs and Retail Portion.* | Not less than 35% of the Issue or Issue less allocation to QIBs and Non-Institutional Portion.* |
| Basis of Allocation if respective category is oversubscribed | Proportionate (a) [●] Equity Shares shall be available for allocation 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 that the Bid Amount exceeds Rs. 200,000 and in multiples of [•] Equity Shares thereafter | Such number of Equity Shares that the Bid Amount exceeds Rs. 200,000 and in multiples of [•] Equity Shares thereafter | [•] Equity Shares and in multiples of [•] Equity Share thereafter. |
| Maximum Bid | Such number of Equity | Such number of Equity | Such number of Equity |

| Particulars | QIBs # | Non-Institutional Bidders | Retail Individual Bidders |
|---|---|---|---|
| | Shares in multiple of [•] Equity Shares, such that Bid does not exceed the Issue size subject to regulations as applicable to the Bidder | Shares in multiple of [•] Equity Shares, such that Bid does not exceed the size of the Issue subject to regulations as applicable to the Bidder | Shares in multiple of [•] Equity Shares, so as to ensure that the Bid Amount does not exceed Rs. 200,000 |
| Mode of Allotment | Compulsorily in dematerialized form | Compulsorily in dematerialized form | Compulsorily in dematerialized 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 [•] Equity Shares, thereafter | [•] Equity Shares and in multiples of [•] Equity Shares, thereafter | [•] Equity Shares and in multiples of [•] Equity Shares, thereafter |
| Trading Lot | One Equity Share | One Equity Share | One Equity Share |
| Who can apply** | Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, mutual funds registered with SEBI, foreign institutional investor and sub-accounts registered with SEBI (other than subaccounts being foreign corporates or foreign individuals), multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds, (subject to applicable laws) with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs in accordance with applicable law, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated 23rd November, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by the | Resident Indian individuals, HUFs (in the name of Karta), eligible NRI's, companies, corporate bodies, scientific institutions, societies and trusts, sub account of FII's registered with SEBI, which are Foreign Corporate or Foreign Individuals | Resident Indian Individuals (including HUFs in the name of Karta) and eligible NRI's |

| Particulars | QIBs # | Non-Institutional Bidders | Retail Individual Bidders |
|---|---|---|---|
| | Department of Posts, India and insurance funds set up and managed by the army, navy and air force of the Union of India. | | |
| Mode of Bidding | Only through ASBA | Only through ASBA | Through ASBA or non ASBA |
| Terms of Payment | Full Bid Amount shall be payable by QIBs at the time of submission of Bid-cum-Application Form (including for Anchor Investors)***. | Full Bid Amount shall be payable by Non Institutional Bidder at the time of submission of Bid-cum-Application Form ***. | Full Bid Amount shall be payable by Retail Individual Bidder at the time of submission of Bid - cum - Application Form ***. |

* Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any of the above categories would be allowed to be met with spillover inter-se from any of the other categories, at the sole discretion of the Company, the BRLM and subject to applicable provisions of the SEBI Regulations.

** In case the Bid-cum-Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid-cum-Application Form.

*** In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid Cum Application Form.

# The Company may allocate up to 30 percent 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 is being done to other Anchor Investors. For further details, please see the section titled *'Issue Procedure'* on page 175.

## If the aggregate demand by Mutual Funds is less than [•] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund reservation will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

**Disposal of applications and applications money and interest in case of delay**

We shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) or instructions to Self Certified Syndicate Banks by the Registrar to the Issue, in Application Supported by Blocked Amount process and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 12 Working Days of the Bid/ Issue Closing Date.

In case of applicants who receive refunds through ECS, direct credit, 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 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed are taken within 12 Working Days from Bid/Issue Closing Date.

In accordance with the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in DEMATERIALIZED form within 12 (twelve) working days of the Bid/Issue Closing Date;

- 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 of 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.

- Our Company shall pay interest at 15% p.a. for any delay beyond 15 days from the Bid/ Issue Closing Date, 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 the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company become liable to repay, our Company, and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

**Withdrawal of the Issue**

The Company, in consultation with the BRLM, reserves the right not to proceed with the issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchange where the specified securities were proposed to be listed shall also be informed promptly. If the Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an Initial Public Offering of its Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.

**Bidding/Issue Program**

| BID / ISSUE OPENS ON*: [●] | BID / ISSUE CLOSES ON: [●] |
|---|---|

**Our Company may consider participation by Anchor Investors in terms of the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date. Bids by Anchor Investors may be submitted to the Members of Syndicate or their affiliates. The number of Equity Shares allocated to each Anchor Investor shall be made available in the public domain by the BRLM, before the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centers mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non- Institutional Bidders (ii) until 5.00 p.m. or such extended time as permitted by the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 200,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application

Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

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 the times mentioned above on the Bid/Issue Closing Date. All times is Indian Standard Time. 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 public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for Allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate Members will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Regulations provided that the Cap Price is less than or equal to 20% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

**In case of revision in the Price Band, the Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate Members.**

**Indicative dates of Bid closing, finalization of Basis of Allotment, credit of Equity Shares to successful Bidder's demat account, initiation of refunds and commencement of trading of Equity Shares:**

| Activity | Indicative dates |
|---|---|
| Bid closing date | [●] |
| Finalisation of Basis of Allotment | [●] |
| Credit of Equity Shares | [●] |
| Initiation of refunds | [●] |
| Commencement of trading of Equity Shares | [●] |

## ISSUE PROCEDURE

*This section applies to all Bidders. Please note that QIBs (other than Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011. Retail Individual Bidders can participate in the Issue through the ASBA process as well as the non 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 make payment of the full Bid Amount with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSB at the time of Bidding.*

*Pursuant to SEBI Circular bearing no. CIR/CFD/DIL/2/2011 dated May 16, 2011 Retail Individual Bidders can Bid at a price net of the retail discount (if any) and will be required to indicate the Bid price before adjustments for such Retail Discount, if any.*

In respect of QIBs that are Anchor Investors, the issue procedure set out below should be read with, and is qualified by, the paragraphs below relating to Anchor Investors, including without limitation, the section on "Anchor Investor Portion".

Our Company and the BRLM are not liable for any amendments, modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus.

**Book building procedure**

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Further, this Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for Allocation to QIBs on a proportionate basis out of which 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for Allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for Allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. 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. Our Company may allocate up to 30% of the QIB Portion to the Anchor Investors on a discretionary basis at the Anchor Investor Issue Price. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.

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 BRLM 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 their respective bank accounts / bank account held by a third party (subject to conditions as set forth hereinbelow) in which the corresponding Bid amounts will be blocked by SCSBs. Retail investors are required to submit their Bids through the members of the Syndicate. Non-retail investors (other than Anchor Investors) are mandatorily required to make use of the ASBA facility. All ASBA Bidders can submit their Bids through the Syndicate (at ASBA Bidding Locations). Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, the Syndicate/ Sub-Syndicate Members may procure the Bid cum Application Form from ASBA investors in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat and submit the same to the SCSB. Syndicate/ Sub-Syndicate Members are required to upload the bid of an ASBA investor and other relevant details of the ASBA investor's Bid

cum Application Form in the electronic bidding system provided by the Stock Exchange and forward the same to the SCSBs.

We, in consultation with the BRLM reserve the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the Bidder at the time of rejection of the Bid. In the cases of Non-Institutional Bidders and Retail Individual Bidders, the Company will have a right to reject the Bids only on technical grounds.

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in the dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository accounts shall be treated as incomplete and will be rejected. 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 dematerialized segment of the Stock Exchange.

**Bid Cum Application Form**

**Pursuant to SEBI circular CIR/CFD/DIL/4/2011 dated September 27, 2011, Bid cum Application Forms have been standardized and it has been decided that henceforth there would only be a single form for ASBA and non-ASBA Bidders. It has also been decided that the Bid cum Application Form (accompanied with abridged prospectus) would be printed in a booklet form of A4 size paper.**

Retail Individual Bidders shall use the 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. Non- retail Bidders shall use the Bid cum Application Form, indicating the mode of payment option as being "ASBA" obtained from any member of the Syndicate, for the purpose of making a Bid in terms of the Red Herring Prospectus.

ASBA Bidders including QIBs (other than Anchor Investors) and Non Institutional Bidders, shall submit the Bid cum Application Form indicating the mode of payment option as being "ASBA" either in physical or electronic form to the SCSB or to a Member of the Syndicate (at ASBA Bidding Locations).(Syndicate / Sub – Syndicate Members at the ASBA Bidding Locations may procure the Bid cum Application Form from the ASBA investors and submit the same to SCSBs) authorizing blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding). The Bid cum Application Form for ASBA Bidders will also be available on the websites of the BSE at least 1 day prior to the Bid/Issue Opening Date and shall bear a unique application number. The BRLM and the SCSBs will provide the hyperlink to BSE on their websites. Only QIBs can participate in the Anchor Investor Portion and such Anchor Investors cannot submit their Bids through the ASBA process.

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 Syndicate will acknowledge the receipt of the Bid Cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgment slip. This acknowledgment slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder and the Bidder shall preserve this and should provide the same for any queries relating to non-Allotment of Equity Shares in the Issue.

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 3 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(at ASBA Bidding Locations) or the SCSB, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be

required under the SEBI 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 |
|---|---|
| Resident Indians, Eligible NRIs applying on a non-repatriation basis. | White |
| Non-Residents and Eligible NRIs applying on a repatriation basis. | Blue |

** Bid-Cum-Application Forms for Anchor Investors shall be made available at the offices of the BRLM only*

**Who can Bid**

- Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- 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;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorised to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;

- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorised under their constitution to hold and invest in equity shares;

- Scientific and/or Industrial Research Organizations authorised to invest in equity shares;

- Insurance Companies registered with Insurance Regulatory and Development Authority, India;

- Provident Funds with minimum corpus of Rs. 25 Crores and who are authorised under their constitution to hold and invest in equity shares;

- Pension Funds with minimum corpus of Rs. 25 Crores and who are authorised under their constitution to hold and invest in equity shares;

- Multilateral and Bilateral Development Financial Institutions;

- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;

- Insurance funds set up and managed by army, navy or air force of the Union of India

- All other persons eligible to invest under all applicable laws, rules, regulations and guidelines.

- As per the existing regulations, OCBs cannot participate in this Issue.

The information below is given for the benefit of the Bidders. Our Company and the Book Runners do not accept responsibility for the completeness and accuracy of the information stated. 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 the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for does not exceed the limits prescribed under laws or regulations.

**Participation by associates of the BRLM and the Syndicate Members**

The BRLM and 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 BRLM and Syndicate Members may subscribe for Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

The BRLMs , the Syndicate Members and any persons related to the BRLMs or our Promoters and our Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

**Bids by Mutual Funds**

As per the SEBI ICDR Regulations, 5% of the Net QIB Portion, has been specifically reserved for Allocation to Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than **[●]** Equity Shares, Allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds for allocation on a discretionary basis, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other 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 the 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 more than 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 eligible NRIS**

Bid cum Application Forms have been made available for Eligible NRIs at the Registered Office of the Company and with Members of the Syndicate, the Registrar to the Issue and SCSBs.

Eligible NRI applicants should note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non- Resident Ordinary (NRO) accounts shall use the Bid cum Application Form.

Bids by Eligible NRIs for a Bid Amount of up to Rs. 2 Lacs would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 2 Lacs would be considered under Non-Institutional Portion for the purposes of allocation. Eligible NRIs Bidding under the Non-Institutional Portion are required to utilise the ASBA facility to submit their Bids.

**Bids by FIIS**

*As per the 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 paid- up capital. In respect of an FII investing in the 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 of the Company or 5% of the 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, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue Paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As of the date of the Draft Red Herring Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.

- Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ("SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor 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 foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account 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 SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

**Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors**

As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

- The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an initial public offer.

**Bids by Limited Liability Partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

**Bids by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the ―**IRDA Investment Regulations**‖), are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and

(c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, *i.e.* 26th December, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without subceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

**Bids by Provident Funds/ Pension Funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 lac, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

**The above information is given for the benefit of the Bidders. Our Company, the Directors, the officers of our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

**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 SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI ICDR Regulations are eligible to invest. 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 SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below:

(a) The Bid cum Application Forms will be made available for the Anchor Investor Portion at the office of the BRLM only;

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 10 Crores and in multiples of **[●]** Equity Shares thereafter. 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 Rs. 10 Crores;

(c) One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds.

(d) The Bidding for Anchor Investors shall open 1 Working Day before the Bid/Issue Opening Date and shall be completed on the same day.

(e) Our Company, in consultation with the BRLM, 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:

- 2, where the allocation under Anchor Investor Portion is up to Rs. 250 Crores; and
- 5, where the allocation under Anchor Investor Portion is over Rs. 250 Crores.

(f) 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 BRLM before the Bid/Issue Opening Date.

(g) Anchor Investors shall pay the entire Bid Amount at the time of submission of the Bid. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid / Issue Period.

(h) 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 which shall not be later than 2 days from Bid/Issue closing 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 and the excess amount shall not be refunded to Anchor Investors.

(i) The Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(j) None of the BRLM or any person related to the BRLM 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 BRLM and shall be made available as part of the records of the BRLM for inspection by SEBI.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(l) The payment instruments for payment into the Escrow Account should be drawn in favor of:
• In case of Resident Anchor Investors: "**[•]**"
• In case of Non-Resident Anchor Investors: "**[•]**"

Anchor Investors do not have the option of bidding through ASBA process.

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 1 English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and 1 regional language newspaper, with wide circulation least 2 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 Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores 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 therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:
(a). With respect to Bids by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along 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 reasons thereof.

(b). 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 as applicable. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.

(c). With respect to Bids made by provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores, 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 . Failing this, our Company reserves the right to accept or reject such bid, in whole or in part, in either case without assigning any reasons thereof.

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 , the BRLM may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA Bidders, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Bid cum Application Form instead of those obtained from the Depositories.

**The above information is given for the benefit of the Bidders. Our Company, its Directors, officers, and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the 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 the Red Herring Prospectus. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated above.**

**Maximum and minimum bid size**

(a) **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 Rs. 200,000 (net of Retail Discount, if any). In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 200,000 (net of Retail Discount, if any). If the Bid Amount is over Rs. 200,000 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.

**(b) For Other Bidders (Non-Institutional Bidders and QIBs excluding Anchor Investors):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.200,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under the existing SEBI Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay entire Bid Amount upon submission of the Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 200,000 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 allotment under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-Off'.

**Non – retail Investors i.e. QIBs (other than Anchor Investors) and Non Institutional Bidders who intend to participate in the Issue are mandatorily required to submit their Bids through the ASBA facility.**

**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 is at least Rs. 10 Crores. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid / Issue Period. Payments made upon any revision of Bids shall be adjusted against the payment made at the time of the original Bid or the previously revised Bid. **Anchor Investors are not allowed to subscribe through the ASBA Process.** Payments made upon any revision of Bids shall be adjusted against the payment made at the time of the original Bid or the previously revised Bid.

**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 or regulation or as specified in the Red Herring Prospectus.**

**Information for the Bidder**

a) The Red Herring Prospectus will be filed by the Company with the RoC at least three days before the Bid Opening Date.

b) Copies of the Bid cum Application Form, as also the Red Herring Prospectus will be available with the Members of the Syndicate. For ASBA Bidders, physical Bid cum Application Forms will be available with the Designated Branches of the SCSBs, Syndicate (in the Specified Cities) and at the Registered Office of our Company. Electronic Bid cum Application Forms for ASBA Bidders will be available on the websites of BSE and the Designated Branches of the SCSBs.

c) Our Company, and the BRLM shall declare the Bid Opening Date and Bid Closing Date at the time of filing of the Red Herring Prospectus with the RoC and the same shall also be published in three newspapers (one in English and one in Hindi) and one in regional newspaper with wide circulation.

d) The Members of the Syndicate shall accept Bids from the Bidder during the Bidding Period in accordance with the terms of the Syndicate Agreement.

e) 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. In addition, electronic Bid cum Application Forms for ASBA Bidders shall be available on the websites of SCSBs and Stock Exchange. Furthermore, the SCSBs shall ensure that the abridged prospectus is made available on their websites.

f) Eligible Bidders who are interested in Bidding for the Equity Shares should approach the BRLM or the Syndicate Members or their authorized agent(s) to register their Bids. Eligible Bidders can approach the members of the Syndicate or their authorised agent(s) to submit their Bids under the ASBA process. It may be noted that QIBs (other than Anchor Investors) and Non Institutional Bidders are mandatorily required to submit their Bids through the ASBA facility, in order to participate in the Issue. Retail Individual Bidders have the option to avail the ASBA facility which would entail blocking of funds in their bank account rather than transfer of funds to the respective Escrow Accounts.

g) The Bids should be submitted on the prescribed Bid cum Application Form. Bids by ASBA Bidders shall be accepted by the members of the Syndicate (at the ASBA Bidding Locations) and Designated Branches of SCSBs in accordance with the SEBI 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 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.

h) With effect from 16th August, 2010, the demat accounts of Bidders for whom PAN details have not been verified excluding (i) persons resident in the state of Sikkim; (ii) the Central or State Governments and the (iii) officials appointed by the courts, who, may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

***ASBA Bidders***

It may be noted that with effect from 1st May, 2011, non – retail Bidders i.e. QIBs (other than Anchor Invetsors) and Non Institutional Bidders shall mandatorily utilize the ASBA facility to submit their Bids.

(a) Copies of Bid cum Application Forms for ASBA Bidders will be available for downloading and printing, from the website of the Stock Exchange (which provide electronic interface for ASBA facility) at least 1 day prior to the Bid / Issue Opening Date. A unique application number will be generated for every Bid cum Application Form downloaded and printed from the website of the Stock Exchange. The BRLM and the SCSBs will provide the hyperlink to the BSE on their websites.

(b) The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and Bid cum Application Forms to the members of the Syndicate and the SCSBs. The Members of the Syndicate and the SCSBs will then make available such copies to non- retail Investors (other than Anchor investors) who are required to apply in this Issue through the ASBA process and retail Investors intending to apply in this Issue through the ASBA process. Additionally, the BRLM shall ensure that the Members of the Syndicate and the SCSBs are provided with soft copies of the abridged prospectus as well as the Bid cum Application Forms for ASBA Bidders and that the same are made available on the websites of the SCSBs.

(c) ASBA Bidders, under the ASBA process, who wish to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain such documents from the Designated Branches of the SCSBs, BRLM or Members of the Syndicate/ Sub-Syndicate Members located at the ASBA Bidding Locations. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the Bid cum Application Form in electronic form from the websites of the SCSBs and the Stock Exchange.

(d) The Bids should be submitted on the prescribed Bid cum Application Form either in physical mode or in electronic mode through the internet banking facility offered by an SCSB for bidding and blocking funds in the bank account maintained with the SCSB specified in the Bid cum Application Form. ASBA Bidders at ASBA Bidding Locations may also submit the Bid cum Application Form to the Syndicate/ Sub-Syndicate Members. The Syndicate/ Sub-Syndicate Members are required to upload the bid and other relevant details of the Bid cum Application Form in the electronic bidding system provided by the Stock Exchange and forward the same to the SCSBs.

(e) The Bid cum Application Forms should bear the stamp of a member of the Syndicate and/or the Designated Branch of the SCSB. Bid cum Application Forms which do not bear the stamp of a Member of the Syndicate and/or an SCSB will be rejected.

(f) ASBA Bidders shall correctly mention the bank account number in the Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the Bid cum Application Form to the applicable Designated Branch or Members of the Syndicate/ Sub-Syndicate Members in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat. In case the amount available in the bank account specified in the Bid cum Application Form is insufficient for blocking the amount equivalent to the Bid Amount, the SCSB shall reject the Bid.

(g) If the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form should be signed by the account holder as provided in the Bid cum Application Form.

**Bidders may note that in case the details of DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchange by the Syndicate Members do not match with the details of DP ID, Client ID and PAN available in the Depository database, the Bid cum Application Form, is liable to be rejected.**

**Instructions for completing the Bid cum Application Form**

Bidders other than ASBA Bidders can obtain Bid cum Application Forms and / or Revision Forms from the Members of the Syndicate from the Registered Office of the Company. ASBA Bidders can obtain Bid cum Application Forms and/or Revision Forms from the Designated Branches of the SCSBs and the Members of the Syndicate (at ASBA Bidding Locations). ASBA Bidders can also obtain a copy of the Bid cum Application Forms and/or Revision Form in electronic form from the websites of the SCSBs and the Stock Exchange.

Bids and revisions of Bids must be:

1. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.
2. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, 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, 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.
3. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
4. Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms and partnerships, foreign nationals (excluding NRIs) or their nominees.
5. 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.

**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.

In case of physical ASBA Bids, the ASBA Bidder shall submit the Bid cum Application Form bearing the stamp of the Designated Branch or the Member of the Syndicate at the relevant Designated Branch or the relevant Member of the Syndicate at Syndicate ASBA Bidding Locations, respectively. In case the

ASBA Bidder submits its Bid through a Member of the Syndicate at a Syndicate ASBA Bidding Location, the Bid will be uploaded by that Member of the Syndicate in the electronic bidding system of the Stock Exchange and the Bid cum Application Form will then be forwarded to the concerned SCSB for further action including signature verification and blocking of funds. In case of application in electronic form, the ASBA Bidder shall submit the Bid cum Application Form either through the internet banking facility available with the SCSBs, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with the SCSB, and accordingly register such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form.

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**

**DO's:**

1. Check if you are eligible to apply;

2. Read all the instructions carefully and complete the Resident Bid cum Application Form (White in color), the Non-Resident Bid cum Application Form (Blue in color),;

3. Ensure that the Bids are submitted at the Bidding centers 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 Bid cum Application Forms); In case you are a Bidder other than an ASBA Bidder, ensure that your Bid is submitted at the bidding center only on a form bearing the stamp of a Member of the Syndicate. In case you are an ASBA Bidder, the Bid should be submitted to a Designated Branch of an SCSB / Syndicate member (at ASBA Bidding Locations), with which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue or collecting banks (assuming that such collecting banks are not SCSBs), our Company or the Registrar. With respect to ASBA Bids, ensure that you use the Bid cum Application Form indicating the mode of payment option as being "ASBA", and that such form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form.

4. 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;

5. Retail Individual Bidders must ensure that the retail discount (if any) is accurately deducted from the Bid Amount to derive the difference in Bidding price;

6. Ensure that the details about PAN, Depository Participant and beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;

7. Ensure that you have funds equal to the Bid Amount in your ASBA bank account of the respective Designated Branch of the SCSB before submitting the Bid cum Application Form to the respective Designated Branch of SCSB / Syndicate member (at ASBA Bidding Locations);

8. 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. In case 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.

9. Ensure that you have been given a TRS for all your Bid options;

10. Submit revised Bids to the same Member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

11. Ensure that the Bid is within the Price Band;

12. Each of the bidders, should mention his/her Permanent Account Number (PAN) allotted under the IT Act;

13. Ensure that Demographic Details (as defined herein below) are updated true and correct in all respects.

14. In addition, ASBA Bidders should ensure that:

a. the Bid-cum-Application Form is signed by the account holder in case the applicant is not the account holder;
b. the correct bank account numbers have been mentioned in the Bid-cum-Application Form;
c. the authorisation box in the Bid cum Application Form has been correctly checked, or an authorisation to the SCSB through the electronic mode has been otherwise provided, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the Bid cum Application Form in the ASBA Account maintained with a branch of the concerned SCSB; and
d. an acknowledgement from the Designated Branch of the concerned SCSB or the Syndicate/ Sub-Syndicate Member in designated cities for the submission of the Bid cum Application Form has been obtained.
e. Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

**DON'Ts:**

1. Do not Bid for lower than the minimum Bid size;

2. For Bidders other than ASBA Bidders, do not submit a Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Branch of an SCSB or a Syndicate Member;

3. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Members of the Syndicate;

5. 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;

6. Do not send Bid cum Application Forms by post; instead submit the same to a Member of the Syndicate or Designated Branch, as applicable;

7. Do not Bid *via* any mode other than ASBA (for QIBs {other than Anchor Investors} and Non-Institutional Bidders)

8. Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

9. Do not Bid for such number of Equity Shares that exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

10. Do not submit the Bid without the full Bid Amount;

11. Do not Bid for amount exceeding Rs. 200,000 in case of a Bid by Retail Individual Bidders.

12. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

13. Do not submit more than five Bid cum Application Forms per bank account;

14. 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; and

15. Do not Bid for allotment of Equity Shares in physical form.

16. Do not submit the Bid cum Application Forms to Escrow Collection Bank(s);

17. Do not submit a Bid if not competent to enter into a contract under the Indian Contract Act, 1872, as amended;

18. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or their relevant constitutional documents or otherwise;

19. Do not submit a Bid that does not comply with the securities laws of your respective jurisdictions;

20. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum application Forms in a color prescribed for another category of Bidder;

21. In case of ASBA Bids, do not submit the Bid cum Application Form with a Syndicate Member at a location other than the ASBA Bidding Locations; and

22. Do not submit ASBA Bids to a Syndicate Member in the Specified Cities unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at-least one branch in the relevant Specified City, for the Syndicate Members to deposit Bid cum Application Forms (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html).

**Method and process of bidding**

a) Our Company, and the BRLM shall declare the Bid Opening Date and Bid Closing Date at the time of filing the Red Herring Prospectus with ROC and also publish the same in two widely circulated national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XIII of the SEBI Regulations.

b) The Price Band and the minimum Bid lot size for the Issue is decided by our Company in consultation with the BRLM, and advertised in two widely circulated national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation, at least two Working Days prior to the Bid

Opening Date. The BRLM and the Syndicate Members shall accept Bids from Bidders during the Bidding Period in accordance with the terms of the Syndicate Agreement.

c) The Members of the Syndicate shall accept Bids from all the other Bidders and shall have the right to vet the Bids, during the Bidding Period in accordance with the terms of the Syndicate Agreement and Red Herring Prospectus.

d) The Bidding Period shall be for a minimum of three Working Days and not exceeding 10 Working Days (including the days for which the Bid/Issue is open in case of revision in Price Band). In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in two widely circulated national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation.

e) 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.

f) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any Member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Applications and is 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 Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the *'Bids and Revision of Bids'* on page 191.

g) Except in relation to the Bids received from the Anchor Investors, the Syndicate/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 give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described under the paragraph titled *'Terms of Payment for Retail Individual Bidders other than ASBA Bidders and Payment into Escrow Account'* on page 194.

i) The BRLM shall accept Bids from the Anchor Investors on the Anchor Investor Bid /Issue Period, *i.e.* 1 Working Day prior to the Bid / Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

j) 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 (at ASBA Bidding Locations) or SCSBs to register their Bids, during the Bid / Issue Period. The Members of the Syndicate shall accept Bids from the 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. QIB (other than Anchor Investors) and Non Institutional Bidders must necessarily use the ASBA process and Bidders using the ASBA facility to submit their Bids should approach the Syndicate members (at ASBA Bidding Locations) or Designated Branches of the SCSBs to register their Bids. ASBA Bidders are required to submit their Bids either in physical or electronic mode to SCSBs or to the Syndicate/ Sub-Syndicate Members (at ASBA Bidding Locations). ASBA Bidders submitting their Bids in electronic form should submit their Bids using the internet enabled bidding and banking facility of the SCSBs for bidding and blocking funds in the accounts of the bank account maintained with the SCSB specified in the Bid cum Application Form, and accordingly registering such Bids. Every Designated Branch of the SCSBs shall

accept Bids from all such investors who wish to place Bids through them and the account in which funds are to be blocked is maintained with them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI ICDR Regulations and the Red Herring Prospectus. The Designated Branches of the SCSBs shall provide to the ASBA Bidders an acknowledgment specifying the application number as proof of acceptance of the Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares Bid for shall be allocated to the ASBA Bidders. Upon receipt of the Bid cum Application Form, submitted 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 specified in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange. 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 Exchange. ASBA Bidders at ASBA Bidding Locations may also submit the Bid cum Application Form to the Syndicate/ Sub-Syndicate Members. Each such Syndicate/ Sub-Syndicate member shall provide to the ASBA Bidders an acknowledgement as proof of acceptance of the Bid cum Application Form. The Syndicate/Sub-Syndicate Members are required to upload the bid and other relevant details of the Bid cum Application Form in the electronic bidding system provided by the Stock Exchange and forward the same to the SCSBs. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

i) The identity of QIB Bidders shall not be made public.

**Bids at different price levels and revision of Bids**

a) The Price Band has been fixed at Rs. **[●]** to Rs. **[●]** per Equity Share of Rs. 10 each, Rs. **[●]** being the Floor Price and Rs. **[●]** being the Cap Price. The Price Band and the minimum bid lot is decided by the Company in consultation with the BRLM and will be published in two widely circulated national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation at least two (2) working days prior to the Bid Opening Date. The Bidders can Bid at any price within the Price Band, in multiples of Re. 1/-.

b) Our Company in consultation with the BRLM reserves the right to revise the Price Band, during the Bidding Period, in accordance with the SEBI Regulations provided that 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. Floor Price can move up and down to the extent of 20% of the Floor Price as disclosed in the Red Herring Prospectus.

c) In case of revision in the Price Band, the Bidding Period will be extended for at least three working days subject to total Bidding Period of a maximum of 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchange and SCSB, by issuing a public notice in two widely circulated national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation, and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Members.

d) Our Company in consultation with the BRLM can finalize the Issue Price within the Price Band in accordance with this clause, without the prior approval of or intimation to the Bidders.

e) Our Company, in consultation with the BRLMs, can finalise the Anchor Investor Issue Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.

f) 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 applying for a maximum Bid in any of the bidding options not exceeding Rs. 200,000 may Bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

g) 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 in the Escrow Account(s). In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), such Bidders shall receive the refund of the excess amounts from the Escrow Account(s).

h) 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 Rs. 200,000 for Retail Individual Bidders bidding at the Cut-off Price, if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate Members to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000 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 this 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 the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

i) 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).

j) In the event of any revision in the Price Band, whether upwards or downwards, 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 Rs. 5,000 to Rs. 7,000.

k) When a Bidder has revised his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Members of the Syndicate. It is the Bidder's responsibility to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

l) 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. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB or the Syndicate/ Sub-Syndicate Member (such Syndicate/ Sub-Syndicate Member to further instruct the relevant SCSB) to whom the original Bid was submitted shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, 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. In such cases, the Syndicate will revise the earlier Bids 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. 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.

**Bidder's depository account & bank account details**

Bidders should note that on the basis of the Sole/First 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 Exchange 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, category, age 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 allotment 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 BRLM nor 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 Exchange 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 NAME, DP ID NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM AS THE CASE MAY BE. INVESTORS MUST ENSURE THAT THE PAN, DP ID NUMBER AND BENEFICIARY ACCOUNT NUMBER GIVEN IN THE BID CUM APPLICATION FORM AS THE CASE MAY BE 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.**

Since these Demographic Details will be used for all correspondence with the Bidders, they are advised to update the Demographic Details as provided to their Depository Participants. The Demographic Details given by Bidders in the Bid cum Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**Refund Orders (where refunds are not being made electronically) / Allotment Advice 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 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 none of neither our Company, nor Escrow Collection Banks, the Designated Branch of the SCSBs, the Syndicate Members, the BRLM 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, Bidder's 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**

**Terms of payment for Retail Individual Bidders other than ASBA Bidders and payment into Escrow Account**

Each Retail individual Bidder who does not utilize the ASBA facility shall pay the full Bid Amount (net of Retail Discount, if any) at the time of the submission of the Bid cum Application Form, and shall, along with the submission of the Bid cum Application Form, draw a cheque or demand draft in favor of the relevant Escrow Account of the Escrow Collection Bank(s) (see "Payment into Escrow Accounts" below), and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash/stockinvest/money order/postal order shall not be accepted.

The Members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Retail individual Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account of our Company shall be transferred to the Refund Account on the Designated Date. No later than 12 Working Days from the Bid / Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment, to the Bidders.

Where the Retail individual Bidder has been allotted a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 12 Working Days from the Bid / Issue Closing Date, failing which our Company shall pay interest according to the provisions of the Companies Act for any delay of more than 15 days from the Bid / Issue Closing Date.

**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 Accounts***

(a) All Retail Individual Bidders who are not Bidding through ASBA facility would be required to pay the entire Bid Amount at the time of the submission of the Bid cum Application Form.
(b) The Retail Individual 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. If the payment is not made favoring the Escrow Account along with the Bid cum Application Form, the Bid shall be rejected. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order shall not be accepted.
(c) The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:
a. In case of Resident Retail Bidders: [●]
b. In case of Non-Resident Retail Bidders: [●]
(d) Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. 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 2 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.
(e) Our Company in consultation with the BRLM, 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:

a. In case of resident Anchor Investors: [●]
b. In case of non-resident Anchor Investors: [●]

(f) In case of Bids by Eligible Retail individual 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 an NRE Account or FCNR Account.

(g) In case of Bids by Eligible Retail individual NRIs applying on non-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 or out of a NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account. In case of Bids by FIIs, 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.

(h) The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders (other than ASBA Bidders) until the Designated Date.

(i) 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 and the Red Herring Prospectus into the Public Issue Account and the surplus amount shall be transferred to the Refund Account.

(j) Within 12 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.

(k) 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.

(l) 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.

(m) 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**

***Pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated 29th April, 2011 non- retail Investors (other than Anchor Investors) are mandatorily required to utilize the ASBA facility to participate in the Issue***

ASBA Bidders shall specify the bank account number in the Bid cum Application Form which is to be submitted to the Syndicate member. The Syndicate member shall in turn forward the Bid cum Application Form to the SCSB for processing and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the 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 Bid cum Application Form, failure of the Issue or for unsuccessful 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 finalization 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.

Upon completing and submitting the Bid cum Application Form to the Designated Branch or the Syndicate / Sub – Syndicate Member, (at the ASBA Bidding Location) whether in physical or electronic mode, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the ROC and as would be required by ROC after such filing without prior or subsequent notice of such changes to the ASBA Bidders.

Upon submission of the Bid cum Application Form with the SCSB or the Syndicate / Sub – Syndicate Member, (at the ASBA Bidding Location) whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch to block such Bid Amount in the ASBA Account. The Bid cum Application Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form until the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Accounts, in accordance with the SEBI ICDR Regulations, into the Public Issue Account. The balance amount, if any, against any Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

**Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated 29th April, 2011 (i) Non-Institutional Bidders and QIB Bidders (other than Anchor Investors) are required to mandatorily apply through ASBA, and (ii) the Syndicate/ Sub-Syndicate Members may procure the Bid cum Application Form from the ASBA Bidder in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat and submit it to the SCSB. Syndicate/ Sub-Syndicate Members are required to upload the Bid and other relevant details of the Bid cum Application Form in the electronic bidding system provided by the Stock Exchange and forward the same to the SCSBs.**

**Payment by Stockinvest**

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated 5th November, 2003, the option to use stockinvest instruments in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through stockinvest will not be accepted in the Issue.

**Electronic registration of Bids**

(a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchange.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.

(c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted.

(d) Neither the BRLMs nor our Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate

Members or the SCSBs, (ii) the Bids uploaded by the Syndicate Members or the SCSBs or (iii) the Bids accepted but not uploaded by the Syndicate Members or the SCSBs.

(e) The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, (iii) the Bids accepted but not uploaded by the SCSBs and (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the full Bid Amount has been blocked in the relevant ASBA Account.

(f) The Stock Exchange will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised 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 they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchange.

(g) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand and price as available on the website of the Stock Exchange would be made available at the Bidding centres during the Bid/Issue Period.

(h) At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:
1. Bid cum Application Form number;
2. PAN (of the sole/first bidder);
3. Investor Category;
4. DP ID and client identification number of the beneficiary account of the Bidder; and
5. Bid Amount;
6. Cheque number;
7. Numbers of Equity Shares Bid for; and
8. Price per Equity Share.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders into the online system:
1. Bid cum Application Form Number;
2. PAN (of the sole/first bidder);
3. Investor Category;
4. DP ID and client identification number of the beneficiary account of the Bidders;
5. Numbers of Equity Shares Bid for;
6. Price per Equity Share;
7. Bid Amount; and
8. Bank account number;

With respect to ASBA Bids submitted to the Members of Syndicate at the Specified Cities, at the time of registering each Bid, the Members of Syndicate shall enter the following details on the on-line system:
1. Bid cum Application Form number;
2. PAN (of the first Bidder, in case of more than one Bidder);
3. Investor category and sub-category;
4. DP ID;
5. Client ID;
6. Number of Equity Shares Bid for;
7. Price per Equity Share;
8. Bank code for the SCSB where the ASBA Account is maintained;
9. Name of Specified City.

(i) TRS will be generated for each of the bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated / Allotted either by the Syndicate or our Company.

(j) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(k) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Cities) have the 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. Further, QIB Bids can also be rejected on technical grounds listed herein. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will be rejected on technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

(l) The permission given by the Stock Exchange 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, the Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchange; 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, the 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 this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

(m) Only Bids that are uploaded on the online IPO system of the Stock Exchange shall be considered for allocation/ Allotment. Members of the Syndicate and the SCSBs will be given up to one day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic bid details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely, DP ID, Beneficiary Account No. and PAN, then such bids are liable to be rejected.

(n) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details.

(o) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchange.

**Other instructions**

**Joint Bids in the case of individuals**

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all refund payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication 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 this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN/GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.

3. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid cum Application Form and create an address master.

4. The addresses of all these applications in the multiple masters will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.

5. The applications will be scanned for similar DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/husband's names. On completion of this, applications will finally be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual funds registered with SEBI and such Bids in respect of more than one scheme of the mutual funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

More than 1 ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than 5 Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

The Company, in consultation with the BRLM, reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

**Permanent Account Number or PAN**

Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) (subject to the SEBI circular dated April 3, 2008) from residents of the state of Sikkim, each Bidder should mention his/her Permanent Account Number ("PAN") allotted under the Income Tax Act, 1961 ("IT Act").

Applications without this information will be considered incomplete and are 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.

**Unique Identification Number ("UIN")**

Pursuant to circulars dated 27th April, 2007 (No. MRD/DoP/Cir-05/2007) and 25th June, 2007 (No. MRD/DoP/Cir-08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database of Market Participants) Regulations, 2005 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

**Withdrawal of ASBA Bids**

ASBA Bidders (other than QIB Bidders) can withdraw their Bids during the Bidding Period by submitting a request for the same to the SCSBs / Syndicate members who shall do the requisite, including deletion of details of the withdrawn Bid cum Application Form from the electronic bidding system of the Stock Exchange and unblocking of the funds in the ASBA Account.

In case an ASBA Bidder (other than a QIB Bidders) wishes to withdraw the Bid after the Bid / Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after finalization of the Basis of Allocation.

**Our right to reject Bids**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Bids provided that 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 a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft or RTGS/NEFT/NECS/Direct Credit/ and will be sent to the Bidder's address at the Bidder's risk.

With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders if at the time of blocking the Bid Amount in the Bidders bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidders bank account maintained with the SCSB. Subsequent to the acceptance of the Bid by ASBA Bidder by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

**Grounds for technical rejections**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

1. DP ID or Client ID is not mentioned in the Bid cum Application Form.

2. 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 Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;

3. Application on plain paper;

4. Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders which are not made through the ASBA facility;

5. Bids for a Bid amount of more than Rs. 200,000 by Bidders applying through the non- ASBA process.

6. 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. However a limited liability partnerships can apply in its name;

7. Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors;

8. Age of first bidder not mentioned;

9. PAN not stated in the Bid cum Application Form (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts);

10. GIR number furnished instead of PAN

11. Bids for lower number of Equity Shares than specified for that category of investors;

12. Bids at a price less than the Floor Price;

13. Bids at a price over the Cap Price;

14. Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders;

15. Submission of more than 5 Bid cum Application Forms per ASBA Account;

16. Bids by Bidders whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on 29th July, 2010 bearing number CIR/MRD/DP/22/2010;

17. Bids for number of Equity Shares which are not in multiples of [●]

18. Category not ticked;

19. Multiple Bids as described in the Red Herring Prospectus;

20. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;

21. Bids accompanied by cash, stockinvest, money order or postal order;

22. 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;

23. Bid cum Application Form does not have the stamp of the BRLM, the Syndicate Members or Designated Branches of the SCSBs (except for electronic ASBA Bids);

24. Bid cum Application Form does not have Bidder's depository account details or the details given are incomplete or incorrect;

25. 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;

26. 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;

27. Authorization for blocking funds in ASBA not ticked or provided;

28. With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

29. Bids not uploaded in the electronic bidding system;

30. Bids for amounts greater than the maximum permissible amounts prescribed by applicable law;

31. Bids by OCBs;

32. Bids from within the United States or by U.S. Persons (as defined in Regulation S) other than entities that are both U.S. QIBs and QPs;

33. Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;

34. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders uploaded after 4.00 P.M. on the Bid/Issue Closing Date;

35. Bank account details for the refund not given;

36. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

37. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

38. Bids that do not comply with the securities laws of their respective jurisdictions;

39. In case of Bid cum Application Forms of the ASBA Bidder submitted to the Members of the Syndicate, if the SCSB whose name has been included in the Bid cum Application Form does not have a branch at the relevant ASBA Bidding Locations, as displayed on the websites of SEBI, to accept the Bid cum Application Forms; and

40. Bids for availing retail discount (if any) by Investors other than Retail Individual Bidders and such other Investors not eligible to avail Retail Discount, if any.

41. Bids by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied by cheque(s) or demand draft(s);

**Price discovery and Allocation**

i. After the Bid/Issue Closing Date, the BRLM shall analyze the demand generated at various price levels and discuss pricing strategy with the Company.

ii. Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLM subject to compliance with the SEBI 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 BRLM before the Bid / Issue Opening Date.

iii. Our Company in consultation with the BRLM shall finalize the Issue Price, the number of Equity Shares to be allotted in each investor category.

iv. The allocation to QIBs will be upto 50% of the Issue and the availability for allocation to Non-Institutional and Retail Individual Bidders will not less than 15% and 35% of the Issue respectively, and, would be on proportionate basis, in the manner specified in the SEBI Regulations and this Draft Red Herring Prospectus, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

v. Under-subscription, if any, in any category would be met with spill over from any other category at the sole discretion of the Company in consultation with the BRLM and the Designated Stock Exchange. However, if the aggregate demand by Mutual Fund 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 allotted proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under subscription, if any, 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 BRLM and the Designated Stock Exchange.

vi. Allocation to Non-Residents, including Eligible NRI's, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

vii. Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

viii. The allotment details shall be put on the website of the Registrar to the Issue.

**Signing of Underwriting Agreement and filing with the Designated Stock Exchange**

(a) We, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and Allocation/ Allotment to the Bidders.

(b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with the Designated Stock Exchange, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

**Filing of the Prospectus with the Registrar of Companies**

We will file a copy of the Prospectus with the Registrar of Companies, in terms of Section 56, Section 60 and Section 60B of the Companies Act.

**Announcement of pre-issue advertisement**

Subject to Section 66 of the Companies Act, the Company shall after receiving final observations, if any, on the Red Herring prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Regulations in two widely circulated newspapers (one each in English & Hindi) and one in regional daily newspaper with wide circulation.

**Advertisement regarding issue price and prospectus**

We 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 Confirmation of Allocation Note (CAN)**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the Members of the Syndicate Exchange a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail Individual and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that the date of Allotment of the Equity Shares to all Bidders, in all categories, shall be done on the same date.

2. The Registrar to the Issue will dispatch the CAN who have been allocated Equity Shares in the Issue.

3. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

4. The issue of a CAN is subject to "Notice to QIBs: Allotment Reconciliation and Revised CANs" and “Notice to Anchor Investors- Allotment Reconciliation and CANs” as set forth below.

**Notice to QIBs: Allotment Reconciliation and Revised CANs**

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid-cum-Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Regulations, certain Bid cum Applications Forms may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and Basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they might be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allotment of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

**Notice to Anchor Investors: Allotment Reconciliation and CANs**

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, the BRLM, selected Anchor Investors may be sent a CAN, within 2 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 finalized at a price not higher than the Anchor Investor Issue Price, and (c) Allotment by the Board of Directors. 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 2 Working Days after the Bid / Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

**Unblocking of ASBA Account**

Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose within the timelines specified in the ASBA facility: (i) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in (ii) above shall be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn and/or unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any, in the ASBA Account.

However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of notification from the Registrar to the Issue by the Controlling Branch of the SCSB in relation to the approval of the Basis of Allotment in the Issue by the Designated Stock Exchange in the event of withdrawal or failure of the Issue or rejection of the ASBA Bid, as the case may be.

**Designated date and Allotment of Equity Shares**

(a) 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.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees.

(c) Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Depositories Act.

**Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.**

**Equity Shares in dematerialised form with NSDL or CDSL**

As per the provisions of Section 60B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized 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 tripartite agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

(a) an agreement dated [●] between NSDL, the Company and Registrar to the Issue;

(b) an agreement dated [●]between CDSL, the Company and Registrar to the Issue.

All bidders can seek Allotment only in dematerialized mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.
5. 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.
6. 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.
7. Equity Shares in electronic form can be traded only on the stock exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
8. The trading of the Equity Shares would be in dematerialized form only for all investors in the Demat segment of the Stock Exchange.

**Disposal of applications and applications money and interest in case of delay**

We shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) or instructions to Self Certified Syndicate Banks by the Registrar to the Issue, in Application Supported by Blocked Amount process and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 12 Working Days of the Bid/ Issue Closing Date.

In case of applicants who receive refunds through ECS, direct credit, RTGS, the refund instructions will be given to the clearing system within 12 Working Days days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed are taken within 12 Working Days from Bid/Issue Closing Date.

In accordance with the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in DEMATERIALIZED form within 12 (twelve) working days of the Bid/Issue Closing Date;

- 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 of 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.

- Our Company shall pay interest at 15% p.a. for any delay beyond 15 days from the Bid/ Issue Closing Date, 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 the 12 Working Days prescribed above. If such money is not repaid

within eight days from the day our Company become liable to repay, our Company, and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

**Communications**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, 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, bank account number in which the amount equivalent to the Bid Amount was blocked.

**Bidders can contact the Compliance Officer or the Registrar 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 to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.**

**Impersonation**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A 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 (5) years."**

**Basis of Allotment**

**A. For Retail Individual Bidders**

1. Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
2. The Issue size less Allotment to Non-Institutional Bidders 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.
3. If the aggregate demand in this portion 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.
4. 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 allocation, refer below.

**B. For Non-Institutional Bidders**

1. Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

2. The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
3. 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.
4. In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation refer below.

**C. For QIBs in the QIB Portion (excluding the Anchor Investor Portion)**

- 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.

- Allotment shall be undertaken in the following manner:

  i) In the first instance allocation to Mutual Funds for 5% of the Net QIB 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 (ii) below;

  ii) In the second instance allocation 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.

The aggregate Allotment (other than spill over in case of under-subscription in other categories) to QIB Bidders shall be not more than 50% of the Offer and up to [●] Equity Shares.

**D. For Anchor Investor Portion**

- ✓ 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 BRLM 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 only, 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 and subject to a minimum number of 2 Anchor Investors for allocation up to Rs. 250 Crores and minimum number of 5 Anchor Investors for allocation more than Rs. 250 Crores

✓ 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 BRLM before the Bid/Issue Opening Date by intimating the Stock Exchange. The method of proportionate Basis of Allotment is stated below.

The BRLM, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations. The drawing of lots (where required) to finalize the Basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange. Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. ASBA Bidders who are Retail Individual Bidders (including HUFs) and who have Bid for Equity Shares for an amount less than or equal to Rs. 200,000 in any of the Bidding options in the Issue, will be categorized as Retail Individual Bidders. ASBA Bidders that are not Retail Individual Bidders and who have Bid for Equity Shares for an amount over Rs. 200,000 will be categorized as Non-Institutional Bidders or QIBs, as the case may be. No preference shall be given to ASBA Bidders *vis-à-vis* non-ASBA Bidders and *vice versa*.

**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 finalize the Basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized 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:

a) Bidders will be categorized according to the number of Equity Shares applied for.

b) 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.

c) 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.

d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

i. 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;

ii. Each successful Bidder shall be allotted a minimum of [●] Equity Shares.

e) 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.

f) 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.

g) 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 BRLM.

**Payment of refund**

Applicants other than ASBA Bidders should note that on the basis of name of the Applicant, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the applicants bank account details including nine digit MICR code. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to applicants at his/her sole risk and neither the Lead Manager to the Issue nor the Bank shall have any responsibility and undertake any liability for the same.

The payment of refund, if any, would be done through various modes in the following order of preference:

**Mode of making refunds**

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference

**1.** **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Bank.

**2.** **NECS –** Payment of refund would be done through NECS for Bidders having an account at any of the centers where such facility has been made available 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.

**3.** **NEFT (National Electronic Fund Transfer)** - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit 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 applicants 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.

4. **RTGS –** Applicants having a bank account at any of the centers where such facility has been made available and whose refund amount exceeds Rs. 10 Lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the Indian Financial System Code (**IFSC**) code in the Bid-Cum-Application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Banker(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

5. For all other applicants, 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 upto Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks 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.

***Mode of making refunds for ASBA Bidders***

In case of ASBA Bidders, the Registrar shall instruct the SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

**Letters of Allotment or refund orders or instructions to the SCSBs**

Applicants residing at any of the centers where clearing houses are managed by the RBI will get refunds through NECS only (subject to availability of all information for crediting the refund through NECS) except where the applicant is otherwise disclosed as eligible to receive refunds through Direct Credit,RTGS, NEFT. In the case of other applicants, our Company shall ensure the dispatch of refund orders, if any, of value less than Rs. 1,500 by ordinary post, and shall dispatch refund orders, if any, of Rs. 1,500 and above by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of 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 15 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 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 despatch of Allotment letters or refund orders/instruction to the SCSBs by the Registrar.**

Our Company agrees that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders depositary accounts will be completed within 12 Working Days of the Bid/Offer Closing Date. Our Company further agrees that they shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants 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 15 days from the Bid/Offer Closing Date, whichever is later.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

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.

In case of ASBA Bidders, the SCSBs will un-block funds in the ASBA Account to the extent of refund to be made based on instructions received from the Registrar.

**Undertakings by our Company**

Our Company undertakes the following:

1. That if our Company does not proceed with the Issue after the Bid/ Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;

2. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

3. That all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date;

4. 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;

5. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of 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;

6. That the certificates of the securities/ refund orders to the Eligible NRI's shall be dispatched within specified time;

7. No further issue of Equity Shares shall be made till 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

8. That at any given time there shall be only one denomination for the shares of the Company;

9. That the Company shall comply with such disclosures and accounting norms specified by the SEBI from time to time;

10. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the Basis of allotment;

11. That if our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with an issue of Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with SEBI;

**Utilisation of Issue Proceeds**

Our Board of Directors certifies that:

1. all monies received out of the Issue of specified securities to public 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, 1956;

2. Our Company shall not have any recourse to the Issue proceeds until the approval for trading the Equity Shares is received from the Stock Exchange;

3. details of all monies utilized out of Issue referred to in sub-item (I) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in balance sheet of the Company indicating the purpose for which such monies have been utilized; and

4. details of all unutilized monies out of the Issue of specifies securities , referred to in sub-item (I) shall be disclosed under the appropriate separate head in balance sheet of the Company indicating the form in which such unutilized monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), issued Circular 1 of 2011 ("Circular 1 of 2011"), which with effect from April 01, 2011, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on March 31, 2011.

**SUBSCRIPTION BY FOREIGN INVESTORS (NRIS/FIIS)**

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered or sold only to (i) persons who are both "qualified purchasers" as defined in the Investment Company Act (referred to in this Draft Red Herring prospectus as "QPs") and "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) non-U.S. Persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**Each purchaser of Equity Shares that is located within the United States or who is a U.S. person, or who has acquired the Equity Shares for the account or benefit of a U.S. Person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB and a QP; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S and under circumstances that will not require the Company to register under the Investment Company Act.**

**Each other purchaser of Equity Shares will be required to represent and agree, among other things, that such purchaser is a non-U.S. person acquiring the Equity Shares in an "offshore transaction" in accordance with Regulation S.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any 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.**

## SECTION VIII

## MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI 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 and / or on their consolidation /splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized / defined terms herein have the same meaning given to them in the Articles of Association.

### CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

| Title of Article | Article Number and contents |
|---|---|
| Share Capital | 3.<br>The Authorized Share Capital of the Company shall be as specified in Clause V of the Memorandum of Association of the Company.<br>The Company may from time to time by Ordinary Resolution increase its authorized share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution. |
| Increase of capital by the Company how carried into effect | 4.<br>The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97of the Act |
| New Capital same as existing capital | 5.<br>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 existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. |
| Non Voting Shares | 6.<br>The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force. |
| Redeemable Preference Shares | 7.<br>Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption. |
| Voting rights of preference shares | 8.<br>The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares. |
| | 9. |

| Title of Article | Article Number and contents |
|---|---|
| Provisions to apply on issue of Redeemable Preference Shares | On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions-shall take effect:<br>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption.<br>(b) No such Shares shall be redeemed unless they are fully paid.<br>(c) 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 security premium account, before the Shares are redeemed.<br>(d) Where any such Shares are redeemed otherwise then 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.<br>(e) Subject to the provisions of Section 80 of the Act. The redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. |
| Reduction of capital | 10.<br>The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce<br>(a) the share capital;<br>(b) any capital redemption reserve account; or<br>(c) any security premium account.<br>in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted. |
| Purchase of own Shares | 11.<br>The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase. |
| Sub-division consolidation and cancellation of Shares | 12.<br>Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which 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. |

**MODIFICATION OF RIGHTS**

| Title of Article | Article Number and contents |
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| Modification of | 13.<br>Whenever the capital, by reason of the issue of preference shares or otherwise, |

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| rights | is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall *mutatis mutandis* apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.<br>The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking *pari passu* therewith. |

**SHARES, CERTIFICATES AND DEMATERIALISATION**

| Title of Article | Article Number and contents |
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| Restriction on allotment and return of allotment | 14.<br>The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act. |
| Further issue of shares | 15.<br>(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the 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:<br>(a) Such further Shares shall be offered to the persons who, at the date of the 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;<br>(b) 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 and the offer, if not accepted, will be deemed to have been declined;<br>(c) 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 sub-clause (b) shall contain a statement of this right;<br>(d) 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.<br>(2) Notwithstanding anything contained in sub-clause (1), the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever.<br>(a) If a Special Resolution to that effect is passed by the Company in General Meeting; or<br>(b) 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 to do so, vote in |

| Title of Article | Article Number and contents |
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| | 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.<br>(3) Nothing in sub-clause (c) of (l) hereof shall be deemed;<br>(a) To extend the time within which the offer should be accepted; or<br>(b) To authorise 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.<br>(4) 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 by the Company:<br>(i) To convert such debentures or loans into Shares in the Company; or<br>(ii) To subscribe for Shares in the Company<br>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:<br>(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that government in this behalf; and<br>(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from 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 the General Meeting before the issue of the loans. |
| Shares at the disposal of the Directors | 16.<br>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 person, 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 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 to the Company in the conduct of its business and any Shares 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 for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. |
| Power to offer Shares/options to acquire Shares | 16A<br>(i) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.<br>(ii) In addition to the powers of the Board under Article 16A (i), the Board |

| Title of Article | Article Number and contents |
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| | may also allot the Shares referred to in Article 16A (i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A (i)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.<br>(iii) The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A(i) and (ii) above. |
| Application of premium received on Shares | 17.<br>(1) 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 these Shares shall be transferred to an account, to be called "the security 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 security premium account were paid up share capital of the Company.<br><br>(2) The security premium account may, notwithstanding anything in clause (I) thereof be applied by the Company:<br>(a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;<br>(b) In writing off the preliminary expenses of the Company;<br>(c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or<br>(d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. |
| Power also to Company in General Meeting to issue Shares | 18.<br>In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares. |
| Power of General Meeting to authorize Board to offer Shares/Options to employees | 18A<br>Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any |

| Title of Article | Article Number and contents |
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| | combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose<br>In addition to the powers contained in Article 18A(i), the General Meeting may authorise the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article. |
| Shares at a discount | 19.<br>The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely:<br>(a) The issue of the Shares at discount is authorised by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board;<br>(b) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and<br>(c) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow. |
| Installments of Shares to be duly paid | 20.<br>If by the conditions of any allotment of any Shares the whole or any part of the amount or issued 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 Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided. |
| The Board may issue Shares as fully paid-up | 21.<br>Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares. |
| Acceptance of Shares | 22.<br>Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member. |
| Deposit and call etc., to be debt payable | 23.<br>The money, if any which the Board of Directors 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 shall immediately on the inscription of the name of the allottee in the Register of Members as 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. |
| Liability of Members | 24.<br>Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof. |

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| Dematerialization of securities | 25.(A)<br><br>Definitions<br><br>**Beneficial Owner** "Beneficial Owner" means a person whose name is recorded as such with a Depository.<br><br>**SEBI** "SEBI" means the Securities and Exchange Board of India.<br><br>**Bye-Laws** "Bye-Laws" mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;<br><br>**Depositories Act** "Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;<br><br>**Depository** "Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;<br><br>**Record** "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;<br><br>**Regulations** "Regulations" mean the regulations made by SEBI;<br><br>**Security** "Security" means such security as may be specified by SEBI. |
| Dematerialization of securities | 25.(B)<br>Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act. |
| Options to receive security certificates or hold securities with depository | 25.(C)<br>Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository.<br>Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security. |
| Securities in depositories to be in fungible form | 25.(D)<br>All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners. |
| Rights of depositories and beneficial owners | 25.(E)<br>(1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;<br><br>(2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it; |

| Title of Article | Article Number and contents |
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| | (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository. |
| Depository To Furnish Information | 25.(F)<br><br>Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf. |
| Service of documents | 25.(G)<br>Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs. |
| Option to opt out in respect of any security | 25.(H)<br>If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be. |
| Sections 83 and 108 of the Act not to apply | 25.(I)<br>Notwithstanding anything to the contrary contained in the Articles,<br>(1) Section 83 of the Act shall not apply to the Shares held with a Depository;<br>(2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository. |
| Share certificate | 26.<br>(a)Every Member or allotee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.<br><br>(b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them. |
| Limitation of time for issue of certificates | 26A.<br>Every Member shall be entitled, without payment to one or more certificates 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 so 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 Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of |

| Title of Article | Article Number and contents |
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| | Shares to one or several joint holders shall be a sufficient delivery to all such holder. |
| Renewal of share certificates | 27.<br>No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.<br><br>PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized. |
| Issue of new certificate in place of one defaced, lost or destroyed | 28.<br>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 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 the article 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.<br><br>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 rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.<br>The provision of this Article shall *mutatis mutandis* apply to Debentures of the Company. |
| The first name joint holder deemed sole holder | 29.<br>If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles. |
| Issue of Shares without Voting Rights | 30.<br>In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law. |
| Buy-Back of Shares and Securities | 31.<br>Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 77 and SEBI (Buy back of Shares) Regulations as may be permitted by law. |
| Employees Stock | 32.<br>The Directors shall have the power to offer , issue and allot Equity Shares in or |

| Title of Article | Article Number and contents |
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| Options Scheme/ Plan | Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated , created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit. |
| Sweat Equity | 33.<br>Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition. |
| Postal Ballot | 34.<br>The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company. |
| Company not bound to recognize any interest in Shares other than of registered holder | 35.<br>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them. |
| Trust recognized | 36.<br>(a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.<br><br>(b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership. |

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| Declaration by person not holding beneficial interest in any Shares | 37.<br>(1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act<br>2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act<br>(3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, of so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act<br>(4) Not withstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration. |
| Funds of Company not to be applied in purchase of Shares of the Company | 38.<br>No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company. |

**INTEREST OUT OF CAPITAL**

| Title of Article | Article Number and contents |
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| Interest out of capital | 42.<br>Where any Shares 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 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 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 the plant. |

**CALLS**

| Title of Article | Article Number and contents |
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| Directors may make calls | 44.<br>(a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution)make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them |

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| | respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.<br>(b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof. |
| Notice of call when to be given | 45.<br>Not less than **fourteen days** notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid. |
| Call deemed to have been made | 46.<br>A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors. |
| Directors may extend time | 47.<br>The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extended such time to call or any of the Members, the Board of Directors may deem fairly entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of grace and favour. |
| Amount payable at fixed time or by installments to be treated as calls | 48.<br>If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly. |
| When interest on call or installment payable | 49.<br>If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part. |
| Evidence in action by Company against share holder | 50.<br>On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his 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 is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the |

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| | matters aforesaid shall be conclusive evidence of the debt. |
| Payment in anticipation of calls may carry interest | 51.<br>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 moneys due upon the shares held by him beyond the sums 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 dividend. The Directors may at any time repay the amount so advanced.<br><br>The Members 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.<br><br>The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company. |

**LIEN**

| Title of Article | Article Number and contents |
|---|---|
| Partial payment not to preclude forfeiture | 52.<br>Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided. |
| Company's lien on Shares/ Debentures | 53.<br>The Company shall have first and paramount lien upon all 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 Share 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 exempt from the provisions of this Article. |
| As to enforcing lien by sale | 54.<br>The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:-<br>(a) Unless a sum in respect of which the lien exists is presently payable; or<br>(b) Until the expiration of fourteen daysafter a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.<br>For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to |

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| | execute a transfer there from behalf of and in the name of such Members<br>(c) The purchaser shall not be bound to see 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. |
| Application of proceeds of sale | 55.<br>(a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and<br>(b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale). |

**FORFEITURE OF SHARES**

| Title of Article | Article Number and contents |
|---|---|
| If money payable on Shares not paid notice to be given | 56.<br>If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same 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. |
| Sum payable on allotment to be deemed a call | 57.<br>For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment. |
| Form of notice | 58.<br>The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited. |
| In default of payment Shares to be forfeited | 59.<br>If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture. |
| Notice of forfeiture to a Member | 60.<br>When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member 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, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. |
| Forfeited Shares to be the property of the Company and may be sold | 61.<br>Any Share 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 Board of Directors shall think fit. |

| Title of Article | Article Number and contents |
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| etc. | |
| Member still liable for money owning at the time of forfeiture and interest | 62.<br>Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so. |
| Effects of forfeiture | 63.<br>The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved. |
| Power to annul forfeiture | 64.<br>The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit. |
| Declaration of forfeiture | 65<br>(a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.<br><br>(b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.<br><br>(c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.<br><br>(d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.<br><br>(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares. |
| Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum. | 66.<br>The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. |
| Cancellation of shares certificates | 67.<br>Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall |

| Title of Article | Article Number and contents |
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| in respect of forfeited Shares | (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto. |
| Evidence of forfeiture | 68.<br>The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. |
| Validity of sale | 69.<br>Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers 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 in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. |
| Surrender of Shares | 70.<br>The Directors may subject to the provisions of the Act, accept surrender or any share from any Member desirous of surrendering on such terms and conditions as they think fit. |

**TRANSFER AND TRANSMISSION OF SHARES**

| Title of Article | Article Number and contents |
|---|---|
| No transfers to minors etc. | 71.<br>No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind. |
| Instrument of transfer | 72.<br>The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. |
| Application for transfer | 73.<br>(a) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee.<br>(b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice<br>(c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched 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 in the ordinary course of post. |

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| Execution of transfer | 74.<br>The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with. |
| Transfer by legal representatives | 75.<br>A transfer of Share 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. |
| Register of Members etc when closed | 76.<br>The Board of Directors shall have power on giving not less than seven days pervious notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures 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 at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board. |
| Directors may refuse to register transfer | 77.<br>Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. |
| Death of one or more joint holders of Shares | 78.<br>In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognized by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person. |
| Titles of Shares of deceased Member | 79.<br>The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of |

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| | Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act. |
| Notice of application when to be given | 80.<br>Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act. |
| Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause) | 81.<br>Subject to the provisions of the Act and Article 78 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it 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 title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause". |
| Refusal to register nominee | 82.<br>Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration. |
| Person entitled may receive dividend without being registered as a Member | 83.<br>A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share. |
| No fee on transfer or transmissions | 84.<br>No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document. |
| Transfer to be presented with evidence of title | 85.<br>Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. |
| Company not liable for disregard of a notice prohibiting registration of transfer | 86.<br>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, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to 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 to do so, though it may have been |

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| | 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 effect thereto if the Board shall so think fit. |

**SHARE WARRANTS**

| Title of Article | Article Number and contents |
|---|---|
| Power to issue share warrants | 87.<br>The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act 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. |
| Deposit of share warrants | 88.<br>(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 call in a meeting of the Company, and of attending and voting and exercising the other privileges of a 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 deposit warrant<br>(b) Not more than one person shall be recognized as depositor of the Share warrant<br>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor |
| Privileges and disabilities of the holders of share warrant | 89.<br>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.<br>(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. |
| Issue of new share warrant coupons | 90.<br>The Board may, from time to time, make bye-laws as to terms 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**

| Title of Article | Article Number and contents |
|---|---|
| Share may be converted into stock | 91.<br>The Company may, by Ordinary Resolution:<br>(a) Convert any fully paid up Share into stock, and<br>(b) reconvert any stock into fully paid-up Shares. |
| Transfer of stock | 92.<br>The several holders of such stock may transfer there respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit.<br>PROVIDED THAT the Board may, form time to time, fix the minimum amount of |

| Title of Article | Article Number and contents |
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| | stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose. |
| Right of stock holders | 93.<br>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 them Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages. |
| Regulation applicable to stock and share warrant | 94.<br>Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively. |

**BORROWING POWERS**

| Title of Article | Article Number and contents |
|---|---|
| Power to borrow | 95.<br>Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article 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 this Article had been exceeded. |
| The payment or repayment of moneys borrowed | 96.<br>The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. |
| Bonds, Debentures, etc. to be subject to control of Directors | 97.<br>Any bonds, debentures, debenture-stock 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 condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company. |
| Terms of issue of Debentures | 98.<br>Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be |

| Title of Article | Article Number and contents |
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| | convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise; However, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution. |
| Mortgage of uncalled capital | 99.<br>If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, 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 has been executed. |

**MEETING OF MEMBERS**

| Title of Article | Article Number and contents |
|---|---|
| Statutory meeting | 100.<br>The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business. |
| Annual General Meeting | 101.<br>The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 166 (1) of the Act to extend the time with which any Annual General Meeting may be held. Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify as the Annual General Meeting. Then company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company, shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared 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. |
| Report statement and registers to be laid before the Annual General Meeting | 102.<br>The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director’s Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting. |

| Title of Article | Article Number and contents |
|---|---|
| Extra-Ordinary General Meeting | 103.<br>All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting. |
| Requisitionists' meeting | 104.<br>(1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:-<br>(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.<br>(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.<br>(2) The number of Members necessary for a requisition under clause (1) hereof shall be (a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or<br>(b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.<br>(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.<br>(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:<br>(a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.<br>(i)In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.<br>(ii)the case of any other requisition, not less than two weeks before the Meeting, and<br>(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.<br>PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.<br>(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by |

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| | this Article are being abused to secure needless publicity for defamatory matter.<br>(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members. |
| Extra-Ordinary General Meeting by Board and by requisition<br><br>When a Director or any two Members may call an Extra Ordinary General Meeting | 105.<br>(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.<br><br>(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors. |
| Contents of requisition, and number of requisitionists required and the conduct of Meeting | 106.<br>(1) In case of requisition the following provisions shall have effect:<br>(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.<br>(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.<br>(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.<br>(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.<br>(e) 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 on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:<br>(i)By the requisitionists themselves ; or<br>(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 not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) which ever is less. PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a 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 (2) of Section 189 of the Act.<br>(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:<br>(a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but<br>(b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry |

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| | of the period of three months aforesaid, from adjourning to some days after the expiry of that period.<br>(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.<br>(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum 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. |
| Length of notice of Meeting | 107.<br>(1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.<br>(2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:<br>(i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and<br>(ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.<br>PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later. |
| Contents and manner of service of notice | 108<br>(1) 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.<br>(2) Subject to the provisions of the Act notice of every General Meeting shall be given;<br>(a) to every Member of the Company, in any manner authorised by sub-sections (1) to (4) Section 53 of the Act;<br>(b) to the persons entitled to a Share in consequence of the death, or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by 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 occurred; and<br>(c) 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 Members of the Company<br><br>PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of 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.<br><br>(3)Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled |

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| | to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company. |
| Special and ordinary business and explanatory statement | 109.<br>(1)(a) 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<br>(i) the consideration of the accounts, balance sheet the reports of the Board of Directors and Auditors;<br>(ii) the declaration of dividend;<br>(iii) the appointment of Directors in the place, of those retiring; and<br>(iv) the appointment of, and the fixing of the remuneration of the Auditors, and<br>(b) In the case of any other meeting, all business shall be deemed special<br>(2) Where any items of business to be transacted at the Meeting of the Company 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 such item, of business, including in particular the nature of the concern or interest, if any, therein of every Director.<br>PROVIDED THAT, where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up-share capital of the other company.<br>(3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid. |
| Omission to give notice not to invalidate proceedings | 110.<br>The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting. |

**MEETING OF MEMBERS**

| Title of Article | Article Number and contents |
|---|---|
| Notice of business to be given | 111.<br>No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting. |
| Quorum | 112.<br>Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act. |
| If quorum not present when Meeting to be dissolved and when to be adjourned | 113.<br>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 by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjournment meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the |

| Title of Article | Article Number and contents |
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| | Meeting was called. |
| Resolution passed at adjourned Meeting | 114.<br>Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date. |
| Chairman of General Meeting. | 115.<br>At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman. |
| Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required. | 115(A)<br>Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution. |
| Business confined to election of Chairman whilst the Chair is vacant | 116.<br>No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant. |
| Chairman may adjourn Meeting | 117.<br>(a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place.<br>(b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.<br>(c) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting.<br>(d) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting. |
| How questions are decided at Meetings | 118.<br>Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles. |
| Chairman's declaration of result of voting on show of hands | 119.<br>A declaration by the Chairman of the Meeting 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 book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution. |
| Demand of poll | 120.<br>Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in |

| Title of Article | Article Number and contents |
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| | 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. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand. |
| Time of taking poll | 121.<br>A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken. |
| Chairman's casting vote | 122.<br>In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member. |
| Appointment of scrutineers | 123.<br>Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed 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. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause. |
| Demand for poll not to prevent transaction of other business | 124.<br>The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded. |
| Special notice | 125.<br>Where by any provision contained in the Act or in these Articles, special notice is required for any resolution notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting. |

**ROTATION AND APPOINTMENT OF DIRECTORS**

| Title of Article | Article Number and contents |
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| Rotation of Directors | 169.<br>Not less than two third of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting. |
| Retirement of | 170.<br>Subject to the provisions of Articles 148 and 150, the non-retiring Directors should |

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| Directors | be appointed by the Board for such period or periods as it may in its discretion deem appropriate. |
| Retiring Directors | 171.<br>Subject to the provisions of Section 256 of the Act and Articles 146 to 153, at every Annual General Meeting of the Company, one-third or 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 the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 184, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation. |
| Appointment of Technical or Executive Directors | 172.<br>a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.<br>b) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire 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 up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid. |
| Ascertainment of Directors retiring by rotation and filling of vacancies | 173.<br>Subject to Section 288 (5) of the Act, the Directors retiring by rotation under Article 174 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those 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 the lot. |
| Eligibility for re-election | 174.<br>A retiring Director shall be eligible for re-election and shall act as a Director through out and till the conclusion of the Meeting at which he retires. |
| Company to fill vacancies | 175.<br>Subject to Sections 258, 259 and 294 of the Act, the Company at the General Meeting, at which a Director retires in manner aforesaid, may fill up the vacancy by appointing the retiring Director or some other person thereto. |
| Provision in default of appointment | 176.<br>(a) If the place of retiring Director is not so filled up and the 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.<br>(b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the 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:<br>(i) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost.<br><br>(ii) 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. |

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| | (iii) he is not qualified or is disqualified for appointment<br>(iv) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or<br>(v) the provision of the sub-section (2) of section 263 of the Act is applicable to the case. |
| Company may increase or reduce the number of Directors or remove any Director | 177.<br>Subject to the provisions of Section 252,255 and 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications. |
| Appointment of Directors to be voted individually | 178.<br>(a) No motion, at any General Meeting of the Company shall 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 been first agreed to by the Meeting without any vote being given against it.<br>(b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.<br>(c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment. |
| Notice of candidature for office of Directors except in certain cases | 179.<br>(1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of five hundred rupees 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.<br><br>(2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office by serving individual notices on the Members not less than seven days before the Meeting provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the Meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in the English language and the other in the regional language of that place.<br><br>(3) Every person (other than Director retiring by rotation or otherwise or person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.<br><br>(4) A person other than a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate |

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| | Director or a person filling a casual vacancy in the office of a Director under Section 252 of the Act ,appointed as a Director re- appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director. |
| Disclosure by Directors of their holdings of their Shares and debentures of the Company | 180.<br>Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given. |
| Votes of Body Corporate | 181.<br>A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and poser (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were as individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote. |

**PROCEEDINGS OF THE BOARD OF DIRECTORS**

| Title of Article | Article Number and contents |
|---|---|
| Meeting of Directors | 193.<br>The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 285 of the Act allow otherwise, Directors shall so meet at least once in every three months and atleast four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum. |
| Quorum | 194.<br>(a) Subject to Section 287 of the Act the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher. PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of remaining who are not interested) present at the Meeting being not less than two shall be the quorum during such time.<br><br>(b)for the purpose of clause(a)<br><br>(i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number |

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| | of the Directors if any, whose places may be vacant at the time, and<br>(ii) "Interested Directors" means any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter. |
| Procedure when Meeting adjourned for want of quorum | 195.<br>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<br>next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place. |
| Chairman of Meeting | 196.<br>The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting. |
| Question at Board meeting how decided | 197.<br>Subject to the provisions of Section 316, 372(5) and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote. |
| Powers of Board meeting | 198.<br>A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally. |
| Directors may appoint Committee | 199.<br>The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of the Act, and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board. |
| Meeting of the Committee how to be governed | 200.<br>The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two. |
| Circular resolution | 201.<br>(a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 201 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held.<br>(b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a |

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| | meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution. |
| Acts of Board or Committee valid notwithstanding defect in appointment | 202.<br>All acts done by any meeting of the Board or by a Committee of the Board 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 one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated. |

**POWERS OF THE BOARD**

| Title of Article | Article Number and contents |
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| General powers of management vested in the Board of Directors | 203.<br>The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.<br><br>Provided that the Board shall not, except with the consent of the Company in General Meeting :-<br><br>(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;<br><br>(b) remit, or give time for the repayment of, any debut due by a Director,<br><br>(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or 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 cannot be carried on or can be carried on only with difficulty or only after a considerable time;<br><br>(d) borrow moneys 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;<br><br>(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 |

| Title of Article | Article Number and contents |
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| | will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;<br>(i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) of as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e)<br>(ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature. |
| Certain powers to be exercised by the Board only at Meetings | 204.<br>(1) 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 the meeting of the Board;<br><br>(a) the power to make calls, on shareholders in respect of money unpaid on their Shares,<br>(b) the power to issue Debentures,<br>(c) the power to borrow moneys otherwise than on Debentures,<br>(d) the power to invest the funds of the Company, and<br>(e) the power to make loans<br><br>Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c) (d) and (e) to the extent specified below:<br>(2) Every resolution delegating the power referred to in sub-clause (1) (c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.<br>(3) Every resolution delegating the power referred to in sub-clause (1) (d) above 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.<br>(4) Every resolution delegating the power referred to in sub-clause (1) (e)above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases. |
| Certain powers of the Board | 205.<br>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:<br>1. To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.<br>2. To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.<br>3. Subject to Section 292 and 297 and other provisions applicable of the Act to |

| Title of Article | Article Number and contents |
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| | purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorized to acquire, 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 other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.<br>4. At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise 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, mortgages 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.<br>5. To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.<br>6. To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.<br>7. To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.<br>8. 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 to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.<br>9. To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.<br>10. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.<br>11. Subject to the provisions of Sections 291, 292, 295, 370,372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.<br>12. 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 whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.<br>13. To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.<br>14. To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any, Director, officer or other person employed by the Company a commission on the profits of any particular |

| Title of Article | Article Number and contents |
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| | business or transaction, and to charge such bonus or commission as a part of the working expenses of the Company.<br>15. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.<br>16. Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they 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 such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.<br>17. To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, laborers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general conferred by this sub-clause. |

| Title of Article | Article Number and contents |
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| | 18. To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.<br>19. From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.<br>20. Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorize the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.<br>21. At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person 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 Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board 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 discretions for the time being vested in them.<br>22. Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.<br>23. From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.<br>24. To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.<br>25. To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated 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.<br>26. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, |

| Title of Article | Article Number and contents |
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| | machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce,<br>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.<br>27. To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.<br>28. To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.<br>29. From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.<br>30. To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.<br>31. To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.<br>32. To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.<br>33. Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.<br>34. To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with. |

**DIVIDENDS AND CAPITALISATION OF RESERVES**

| Title of Article | Article Number and contents |
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| Division of profits | 212.<br>(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares;<br><br>(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares. |
| The Company at | 213.<br>The Company in General Meeting may declare dividends, to be paid to Members |

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| General Meeting may declare dividend | according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting. |
| Dividends out of profits only | 214.<br>No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act. |
| Interim dividend | 215.<br>The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies. |
| Debts may be deducted | 216.<br>(a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.<br>(b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same. |
| Capital paid-up in advance to carry interest, not the right to earn dividend | 217.<br>Where the capital is paid in advance of the 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. |
| Dividends in proportion to amounts paid-up | 218.<br>All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly. |
| No Member to receive dividend while indebted to the Company and the Company's right in respect thereof | 219.<br>No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone of jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company. |
| Effect of transfer of Shares | 220.<br>A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer. |
| Dividend to joint holders | 221.<br>Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares. |
| Dividend how remitted | 222.<br>The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt |

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| | lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means. |
| Notice of dividend | 223.<br>Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided. |
| Reserves | 224.<br>The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit. |
| Dividend to be paid within time required by law. | 225.<br>The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:-<br><br>(a) where the dividend could not be paid by reason of the operation on any law; or<br><br>(b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or<br>(c) where there is dispute regarding the right to receive the dividend; or<br><br>(d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or<br><br>(e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company. |
| Unpaid or unclaimed dividend | 226.<br>Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called " *(name of company)* _____ *(year)* Unpaid Dividend Account".<br><br>Any money transferred to the unpaid dividend account of a 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 Fund known as Investor Education and Protection Fund established under section 205C of the Act.<br>No unclaimed or unpaid divided shall be forfeited by the Board. |
| Set-off of calls against dividends | 227.<br>Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and 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. |
| Dividends in | 228.<br>No dividends shall be payable except in cash, provided that nothing in this Article |

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| cash | shall be deemed to prohibit the capitalization of the profits 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 Members of the Company. |
| Capitalization | 229.<br>(1)The Company in General Meeting may, upon the recommendation of the Board, resolve:<br>(a) That is desirable to capitalize any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and<br><br>(b)that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.<br><br>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;<br><br>(a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or<br>(b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or<br>(c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)<br>(3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares. |
| Board to give effect | 230.<br>The Board shall give effect to the resolution passed by the Company in pursuance of above Article. |
| Fractional certificates | 231.<br>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;<br>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and<br>(b) Generally do all acts and things required to give effect thereto.<br>(2)The Board shall have full power:<br>(a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also<br>(b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing Shares.<br>(3) Any agreement made under such authority shall be effective and binding on all such Members.<br>(4)That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit. |

## SECTION IX: OTHER INFORMATION

## LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before this DRHP), which are or may be deemed material to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred under material documents below all of which have been attached to the copy of this DRHP and have been delivered to the Stock Exchange and may be inspected at the Registered Office of the Company situated at 12/2881, "Altret House", Saiyedpura Main Road, Surat, Gujarat, India – 395 003 between 9:30 am to 5:30 pm on any working day from the date of this DRHP until the date of closure of the subscription List.

**MATERIAL CONTRACTS**

1. Engagement Letter dated November 19, 2011 appointing Comfort Securities Limited as Book Running Lead Managers to the Issue.

2. Memorandum of Understanding dated December 29, 2011 between our Company and the BRLM.

3. Memorandum of Understanding dated September 09, 2011 entered into with M/s. Sharepro Services (India) Private Limited to appointing them as the Registrar to the Issue.

4. Copy of tripartite agreement dated [●] between NSDL, our Company and Sharepro Services (India) Private Limited.

5. Copy of tripartite agreement dated [●] between CDSL, our Company and Sharepro Services (India) Private Limited.

6. Escrow Agreement dated [●] between our Company, BRLM, Escrow Collection Bank and the Registrar to the issue.

7. Syndicate Agreement dated [●] between our Company, BRLM, and the Syndicate Members.

8. Underwriting Agreement dated [●] between our Company, BRLM, and the Syndicate Members.

**DOCUMENTS FOR INSPECTION**

1. Memorandum and Articles of Association of our Company as amended from time to time.

2. Copy of the resolution passed at the meeting of the Board of Directors held on November 21, 2011 approving the issue.

3. Copy of the resolution passed by the shareholders of our Company under section 81 (1A) at the Extra Ordinary General Meeting held on December 21, 2011.

4. Copy of board resolution dated April 05, 2011 appointing Mr. Raj Lokhandwala as the Managing Director and Mr. Sam Lokhandwala as Whole Time Director of our company for a period of five years w.e.f. April 01, 2011 and approving their remuneration and terms.

5. Consents of the Directors, Company Secretary/Compliance Officer, Auditors, Book Running Lead Manager to the Issue, Bankers to the Company, Legal Advisors to the Issue and Registrars to the Issue, to include their names in the Draft Red Herring Prospectus to act in their respective capacities.

6. Copies of Annual Reports of our Company for the last five (5) financial years viz 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11.

7. Audit report and restated financial information issued by our Statutory Auditors i.e. B. N. Kedia & Co., Chartered Accountants, dated December 31, 2011 included in the Draft Red Herring Prospectus.

8. Letter dated December 31, 2011 from the Statutory Auditors of our Company, B. N. Kedia & Co., Chartered Accountants, detailing the tax benefits.

9. Copy of certificate from the Statutory Auditors of our Company, B. N. Kedia & Co., Chartered Accountants, dated December 31, 2011 regarding the sources and deployment of funds as on December 31, 2011.

10. Board Resolution dated February 08, 2012 for approval of Draft Red Herring Prospectus.

11. Due diligence certificate dated February 08, 2012 to SEBI from Book Running Lead Manager viz. Comfort Securities Limited.

12. Copy of in-principle listing approval dated [•] from BSE.

13. SEBI Observation letter no [•] dated [•].

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

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or regulations issued or guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY ALL THE DIRECTORS OF OUR COMPANY**

Mr. Sam Bakirbhai Lokhandwala

Mr. Raj Sam Lokhandwala

Mr. Nizar Keizarbhai Kapadia

Mr. Dushyant Ambalal Patel

Mr. Mubinhusain Siddiqhusain Saiyed

**SIGNED BY FINANCE CONTROLLER**

Mr. Muhammad Pahelvan

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

Ms. Smita Jain

Date: 08/02/2012
Place: Surat