

**PROSPECTUS**

Dated: November 9, 2016

Read section 32 of the Companies Act, 2013

**100% Book Built issue****Agro Phos India Limited**

Our Company was originally formed and registered as a partnership firm under the Partnership Act in the name and style of "Agro Phos (India)", pursuant to a deed of partnership dated February 10, 2001. Agro Phos (India) was thereafter converted from a partnership firm to a private limited company under Part IX of the Companies Act, 1956 with the name of "Agro Phos (India) Private Limited" and received a certificate of incorporation from the Registrar of Companies, Madhya Pradesh and Chhattisgarh on September 19, 2002 bearing registration no. 015285. Subsequently our Company was converted into a public limited company vide pursuant to special resolution dated February 28, 2004 and fresh Certificate of Incorporation dated March 01, 2004 and the name of our Company was changed to "Agro Phos (India) Limited". The Corporate Identity Number of our Company is U24123MP2002PLC015285. The partners of M/s Agro Phos (India) were initial subscribers to Memorandum of Association of our Company. For details of Incorporation, change of name and registered office of our Company, please refer to chapter titled "General Information", "Our History and Certain Other Corporate Matters" beginning on page 64 and 223 of this Prospectus

**Registered Office:** M-87, Trade Centre 18M, South Tukoganj, Indore- 452001, Madhya Pradesh, India  
**Tel. No.:** 0731- 2529490; **Fax No.:** 0731- 2529490; **E-mail:** [investors@agrophos.com](mailto:investors@agrophos.com); **Website:** [www.agrophos.com](http://www.agrophos.com)

**Contact Person:** Neetu Dubey, Company Secretary and Compliance Officer

**Promoters of our Company:** RAJ KUMAR GUPTA AND VISHNU KANT GUPTA

**THE ISSUE**

**INITIAL PUBLIC OFFER CONSISTING OF FRESH ISSUE OF 58,80,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF RS. 22/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 12/- PER EQUITY SHARE) (THE "ISSUE PRICE") AGGREGATING UP TO RS. 1293.60 LAKHS\* (THE "ISSUE"), OF WHICH 3,12,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. 22/- PER EQUITY SHARE, AGGREGATING RS. 68.64 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 55,68,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. 22/- PER EQUITY SHARE, AGGREGATING RS. 1224.96 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 29.00% AND 27.46% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT HAS BEEN DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs") AND HAS BEEN ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER BUSINESS STANDARD, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER BUSINESS STANDARD AND ALL EDITIONS OF THE HINDI NEWSPAPER INDORE SAMACHAR (HINDI BEING THE REGIONAL LANGUAGE OF MADHYA PRADESH WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE AND HAS BEEN MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE", REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE**

**THE FACE VALUE OF EQUITY SHARES IS RS.10/- EACH. THE ISSUE PRICE IS RS.22/- AND IS 2.2 TIMES THE FACE VALUE OF THE EQUITY SHARES.**

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only 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. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 356 of this Prospectus. A copy has been delivered for registration to the Registrar of Companies, Gwalior, Madhya Pradesh as required under Section 26(4) of the Companies Act, 2013.

**THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME ("SEBI (ICDR) REGULATIONS"). FOR FURTHER DETAILS PLEASE REFER THE SECTION TITLED "ISSUE INFORMATION" BEGINNING ON PAGE 346 OF THIS PROSPECTUS.**

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each. The Floor Price is 1.9 times the face value and the Cap Price is 2.2 times the face value. The Issue Price (determined and justified by our Company, in consultation with the BRLMs as stated in "Basis for Issue Price" on page 154 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 or 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 entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the 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 issued 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 the Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 20 of this Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this 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 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 of our Company issued through this Prospectus are proposed to be listed on the EMERGE platform of National Stock Exchange of India Limited ("NSE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an approval letter dated October 17, 2016 from NSE for using its name in the Issue Document for listing of our shares on the EMERGE Platform of NSE. For the purpose of this Issue, EMERGE Platform of the NSE shall be the Designated Stock Exchange. A copy of the Red Herring Prospectus has been delivered and the copy of this Prospectus is being delivered for registration to the Registrar of Companies.

**BOOK RUNNING LEAD MANAGERS****REGISTRAR TO THE ISSUE**

**PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED** 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East), Mumbai - 400051  
**Tel:** +91-22 6194 6725  
**Fax:** +91-22 2659 8690  
**Website:** [www.pantomathgroup.com](http://www.pantomathgroup.com)  
**Email:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)  
**Investor Grievance Id:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)  
**Contact Person:** Saahil Kinkhabwala  
**SEBI Registration No:** INM000012110

**INDIAN OVERSEAS BANK**  
 Merchant Banking Division, 763, Anna Salai, Chennai-600 002  
**Tel.:** + 91 44 2851 9548/ 2888 9367; **Email:** [mdb@iobnet.co.in](mailto:mdb@iobnet.co.in)  
**Investor Grievance Id:** [mdbregu@iobnet.co.in](mailto:mdbregu@iobnet.co.in)  
**Website:** [www.iob.in](http://www.iob.in)  
**Contact Person:** (i) Mrs. B. Gomathy/Mrs.S.Chandra, Merchant Banking Division, Chennai  
 (ii) Mr. Muralidharan, Capital Market Services Branch, Mumbai,  
**Tel:** + 91 22 226 22017/2262 2018  
**Compliance Officer:** B. Gomathy  
**SEBI Registration No:** INM000001386

**BIGSHARE SERVICES PRIVATE LIMITED**  
 E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East) Mumbai - 400 072  
**Tel:** +91 22 40430200  
**Fax:** +91 22 28475207  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Investor Grievance Id:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person:** Vipin Gupta  
**SEBI Registration Number:** INR000001385

**BID / ISSUE PROGRAMME**

**BID/ISSUE OPENED ON : THURSDAY, OCTOBER 27, 2016**

**BID/ISSUE CLOSED ON : MONDAY , NOVEMBER 07, 2016**

\* Subject to finalisation of Basis of Allotment.

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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (“U.S. Securities Act”) or any state securities laws in the United States and 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), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## SECTION I – GENERAL DEFINITION AND ABBREVIATION

In this Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

### Company Related Terms

| Term  | Description   |
|---|---|
| “Agro Phos (India) Limited”, or “the Company”, or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company” | Agro Phos (India) Limited, a public limited company incorporated under the provisions of the Companies Act, 1956  |
| “Articles” or “Articles of Association” or “AOA”  | The Articles of Association of our Company, as amended from time to time  |
| “Auditor” or “Statutory Auditor”  | The statutory auditor of our Company, being M/s. Rajendra Goyal & Co, Chartered Accountants   |
| Banker to our Company   | IndusInd Bank Limited and Union Bank of India   |
| “Board” or “Board of Directors” or “our Board”  | The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof   |
| Company Secretary and Compliance Officer  | The Company Secretary and Compliance Officer of our Company being Neetu Dubey   |
| Director(s)   | The Director(s) of our Company, unless otherwise specified  |
| Equity Shares   | Equity Shares of our Company of face value of Rs. 10/- each fully paid up   |
| Equity Shareholders   | Persons/Entities holding Equity Shares of our Company   |
| Group Companies   | Such companies as are included in the chapter titled “ <i>Our Group Companies</i> ” beginning on page number 242 of this Prospectus   |
| “Memorandum of Association” or “Memorandum” or “MOA”  | The Memorandum of Association of our Company, as amended from time to time  |
| Peer Reviewed Auditor   | The Peer Reviewed Auditor of our Company, being M/s. Rajendra Goyal & Co., Chartered Accountants  |
| “Promoters” or “Our Promoters”  | Promoters of our Company being Raj Kumar Gupta and Vishnu Kant Gupta  |
| Promoter Group  | Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and a list of which is provided in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 243 of this Prospectus. |
| Registered Office   | The Registered office of our Company situated at M-87, Trade Centre 18M, South Tukoganj Indore- 452001 Madhya Pradesh, India  |
| RoC / Registrar of Companies  | The Registrar of Companies, Madhya Pradesh located at 3rd Floor, 'A' Block, Sanjay Complex Jayendra Ganj, Gwalior.  |
| Shareholders  | Shareholders of our Company   |

## Issue Related Terms

| Term  | Description   |
|---|---|
| Acknowledgement Slip                            | The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.   |
| Allocation/ Allocation of Equity Shares         | The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Applicants  |
| Allotment/ Allot/ Allotted                      | Issue and allotment of Equity Shares of our Company pursuant to Issue of the Equity Shares to the successful Applicants   |
| Allotment Advice                                | Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges.   |
| Allottee(s)                                     | Successful Applicant(s) to whom Equity Shares of our Company have been allotted   |
| ASBA / Application Supported by Blocked Amount  | An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account  |
| ASBA Account                                    | An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form   |
| ASBA Form                                       | An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Prospectus.   |
| ASBA Application Location(s) / Specified Cities | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Indore, Surat and Ahmedabad  |
| Applicant/ASBA Applicant                        | Any prospective investor who makes an application for Equity Shares of our Company in terms of this Prospectus. All the applicants should make application through ASBA only.   |
| Application Amount                              | The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Prospectus   |
| Application Collecting Intermediaries           | <ol style="list-style-type: none"> <li>1. a SCSB with whom the bank account to be blocked, is maintained</li> <li>2. a syndicate member (or sub-syndicate member), if any</li> <li>3. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)('broker')</li> <li>4. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> <li>5. a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)</li> </ol> |
| Application Form                                | The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue   |
| Banker(s) to the Issue/ Public Issue Bank(s)    | The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account is opened and in this case being ICICI Bank Limited and IndusInd Bank Limited  |
| Basis of Allotment                              | The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled " <i>Issue Procedure</i> " beginning on page 357 of this Prospectus.  |

| Term   | Description  |
|--|--|
| Bid  | An indication to make an issue during the Bid Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form |
| Bid Amount                                   | The amount at which the bidder makes a bid for Equity Shares of our Company in terms of the Red Herring Prospectus   |
| Bid cum Application Form                     | The application form in terms of which a Bidder (including an ASBA Bidder) makes a Bid in terms of the Red Herring Prospectus and which will be considered as an application for Allotment   |
| Bid/Issue Closing date                       | The date after which the Syndicate and SCSBs shall not accept any Bids   |
| Bid/Issue Opening Date                       | The date on which the Syndicate and SCSBs shall start accepting Bids   |
| Bid/Issue Period                             | The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both the days during which prospective Investors submitted their bids, including any revision thereof.   |
| Bid/Issue Price                              | The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 22/- per Equity Share of face value of Rs. 10 each fully paid   |
| Bid/Issue Proceeds                           | Proceeds from the fresh Issue that will be available to our Company, being Rs 1293.60 lakhs  |
| Bidder                                       | Any prospective investor who intends to bid for Equity Shares in this issue in terms of the Red Herring Prospectus   |
| Bidding Centre(s)                            | Centres at which the Designated Intermediaries accepted the Bid Cum Application Forms, i.e, Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs  |
| Book Building Process / Book Building Method | The book building route as provided under Schedule XI of the SEBI (ICDR) Regulations, 2009 in terms of which this Issue is being made  |
| Book Running Lead Managers / BRLMs           | Book Running Lead Managers to the Issue in this case being Pantomath Capital Advisors Private Limited and Indian Overseas Bank, SEBI Registered Category I Merchant Banker   |
| Broker Centres                               | Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of National Stock Exchange of India Limited.   |
| CAN / Confirmation of Allocation Note        | The notice or advice or intimation of Allocation of Equity Shares sent to the successful Bidders ASBA Bidders who have been Allocated Equity Shares upon the discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof  |
| Cap Price                                    | The higher end of the Price Band above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted  |
| Client ID                                    | Client Identification Number maintained with one of the Depositories in relation to demat account.   |
| Collecting Centres                           | Centres at which the Designated Intermediaries shall accept the  |

| Term                         | Description  |
|------------------------------|--|
|                              | Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs   |
| Controlling Branch           | Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time   |
| Cut-off Price                | Any price within the Price Band finalised by our Company in consultation with BRLMs. A Bid submitted at Cut-off Price is a valid price at all levels within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding Rs 22. No other category of Bidders is entitled to Bid at the Cut-off Price.                                       |
| Demographic Details          | The demographic details of the Applicants such as their address, PAN, occupation and bank account details  |
| Depositories                 | Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL  |
| Depository Participant       | A Depository Participant as defined under the Depositories Act, 1996   |
| Designated Branches          | Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility">http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility</a>               |
| Designated Date              | The date on which the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account or the amount is unblocked in the ASBA Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted to the successful Applicants   |
| Designated RTA Locations     | Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchanges ( <a href="http://www.nseindia.com">www.nseindia.com</a> and <a href="http://www.bseindia.com">www.bseindia.com</a> ) and updated from time to time     |
| Designated Stock Exchange    | EMERGE Platform of National Stock Exchange of India Limited  |
| Designated CDP Locations     | Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time |
| Draft Red Herring Prospectus | The Draft Red Herring Prospectus dated September 15, 2016 issued in accordance with section 32 of the Companies Act, 2013 and filed with the NSE EMERGE under SEBI (ICDR) Regulations  |
| Eligible NRIs                | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein   |

| Term  | Description   |
|---|---|
| General Information Document  | The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI.   |
| First/ Sole Applicant   | Bidder whose name is mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names  |
| FII/ Foreign Institutional Investors  | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.   |
| Floor Price   | The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids (or a revision thereof) will be accepted   |
| Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO | Public Issue of 58,80,000 Equity Shares of face value of Rs. 10/- each fully paid of Agro Phos (India) Limited for cash at a price of Rs 22/- per Equity Share (including a premium of Rs. 12/- per Equity Share) aggregating Rs. 1293.60 lakhs.  |
| Issue Agreement   | The agreement dated August 11, 2016 and Amendment dated October 10, 2016 between our Company and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue.   |
| Listing Agreement`  | The Equity Listing Agreement to be signed between our Company and the NSE Emerge Platform of NSE India Limited  |
| Market Making Agreement   | Market Making Agreement dated October 10, 2016 between our Company, BRLMS and Market Maker.   |
| Market Maker  | Market Maker appointed by our Company from time to time, in this case being BCB Brokerage Private Limited , who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time |
| Market Maker Reservation Portion  | The Reserved Portion of 3,12,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs 22/- per Equity Share aggregating Rs. 68.64 lakhs for the Market Maker in this Issue   |
| Mutual Fund(s)  | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time  |
| NIF   | National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India  |
| Net Issue   | The Issue excluding the Market Maker Reservation Portion of 55,68,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs 22/- per Equity Share aggregating Rs. 1224.96 lakhs by our Company  |
| Net Proceeds  | The Issue Proceeds, less the Issue related expenses, received by the Company.   |
| Non Institutional Investors   | All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than Rs. 2,00,000   |
| OCB/ Overseas Corporate Body  | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is  |

| Term                                   | Description   |
|--|---|
|  | irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue  |
| Person/ Persons                        | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, 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  |
| Price Band                             | Price band of a minimum price (Floor Price) of Rs 19 and the maximum price (Cap Price) of Rs 22 and includes revisions thereof. The Price Band has been decided by our Company in consultation with the BRLMs and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least five working days prior to the Bid/Issue Opening Date  |
| Pricing Date                           | The date on which our Company in consultation with the BRLMs, finalises the Issue Price   |
| Prospectus                             | The Prospectus filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information   |
| Public Issue Account                   | Account opened with the Bankers to the Issue i.e. ICICI Bank Limited and IndusInd Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.   |
| Public Issue Account Agreement         | Agreement entered on August 11, 2016 and Amendment dated October 10, 2016 amongst our Company, Lead Manager, the Registrar to the Issue and Bankers to the Issue for collection of the Application Amount on the terms and conditions thereof.  |
| Qualified Institutional Buyers or QIBs | A Mutual Fund, Venture Capital Fund, Alternative Investment Fund and Foreign Venture Capital investor registered with the Board, , foreign portfolio investor other than Category III foreign portfolio investor, registered with the Board; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 25.00 Crore; a pension fund with minimum corpus of Rs. 25.00 Crore rupees; 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 army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India. |
| Red Herring Prospectus or RHP          | The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue,  |

| Term  | Description   |
|---|---|
|   | including any addenda or corrigenda thereto.<br>The Red Herring Prospectus has been registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the pricing date.   |
| Refund Account  | Account to which Application monies to be refunded to the Applicants  |
| Refund Bank/ Refund Banker  | Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited.  |
| Refund through electronic transfer of funds                             | Refund through ASBA process   |
| Registered Broker   | Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.bseindia.com/members/MembershipDirectory.aspx">http://www.bseindia.com/members/MembershipDirectory.aspx</a> & <a href="http://www.nseindia.com/membership/dynaContent/find_a_broker.htm">http://www.nseindia.com/membership/dynaContent/find_a_broker.htm</a> |
| Registrar /Registrar to the Issue                                       | Registrar to the Issue, in this case being Bigshare Services Private Limited having its office at E/2, Ansa Industrial Estate, Sakivihar Road Saki Naka, Andheri East, Mumbai – 400072  |
| Registrar and Share Transfer Agents or RTAs                             | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI  |
| Resident Indian   | A person resident in India, as defined under FEMA   |
| Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s) | Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their Karta), who apply for an amount less than or equal to Rs 2,00,000  |
| Revision Form   | The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)  |
| SCSB/ Self Certified Syndicate Banker                                   | Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries</a> or at such other website as may be prescribed by SEBI from time to time   |
| SEBI Listing Regulations  | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.   |
| SEBI (Foreign Portfolio Investor) Regulations                           | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.   |
| Specified Locations   | Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time   |

| Term   | Description   |
|--|---|
| SME Platform of NSE                          | The SME Platform of NSE for listing of Equity Shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011  |
| Sub Syndicate Member                         | A SEBI Registered member of NSE appointed by the BRLMs and/or Syndicate Member to act as a Sub-Syndicate Member in the Issue  |
| Syndicate                                    | Includes the BRLMs, Syndicate Members and Sub-Syndicate Members   |
| Syndicate Agreement                          | The agreement dated October 10, 2016 entered into amongst our Company, the BRLMs and the Syndicate Members, in relation to the collection of Bids in this Issue   |
| Syndicate ASBA Bidding Locations             | Bidding Centres where an ASBA Bidder can submit their Bid in terms of SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat.  |
| Syndicate Members / Members of the Syndicate | Intermediaries registered with the SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being Nirmal Bang Securities Private Limited and Choice Equity Broking Private Limited  |
| Transaction Registration Slip/ TRS           | The slip or document issued by the Syndicate or the SCSB (only on demand), to the Bidder as proof of registration of the Bid  |
| Specified Locations                          | Collection centres where the SCSBs shall accept application form, a list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.   |
| Underwriter                                  | Pantomath Capital Advisors Private Limited and Indian Overseas Bank   |
| Underwriting Agreement                       | The agreement dated October 15, 2016 entered into between the Underwriter and our Company   |
| Working Day                                  | (i) Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday;<br>(ii) Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 |

## Technical and Industry Related Terms

| Term          | Description   |
|---------------|---|
| ARMs          | Additional Revenue Measures   |
| ASPIRE        | A scheme for Promoting Innovation and Rural Entrepreneurs   |
| BBB           | Better Business Bureaus   |
| BSE           | Bombay Stock Exchange   |
| BSE SENSEX    | Sensex is an index; market indicator of the position of stock that is listed in the BSE (Bombay Stock Exchange) |
| CAGR          | Compound Annual Growth Rate   |
| CAP           | Corrective Action Plan  |
| CCEA          | Cabinet Committee on Economic Affairs   |
| CGTMSE        | Credit Guarantee Trust Fund for Micro and Small Enterprises   |
| CLCSS         | Credit Linked Capital Subsidy Scheme  |
| CPI           | Consumer Price Index  |
| Credit Suisse | Credit Suisse Business Analytics India  |
| CSO           | Central Statistics Office   |
| DAC           | Department of Agriculture & Cooperation   |
| DAHD&F        | Department of Animal Husbandry, Dairying & Fisheries  |
| DAP           | Diammonium Phosphate  |
| DARE          | Department of Agriculture Research & Education  |
| DIPP          | Department of Industrial Policy and Promotion   |
| EMDEs         | Emerging Market and Developing Economies  |
| EMEs          | Emerging Market Economies   |
| ERC           | Expenditure Reforms Com-mission   |
| FCO           | Fertilizer Control Order  |
| FDI           | Foreign Direct Investment   |
| FMCG          | Fast-moving Consumer Goods  |
| FPI           | Foreign Portfolio Investment  |
| FY            | Financial Year  |
| GDP           | Gross Domestic Product  |
| GM            | Genetically Modified  |
| GOI           | Government of India   |
| GST           | Goods and Services Tax  |
| GVA           | Gross Value Added   |
| ICRISAT's     | International Crops Research Institute for the Semi-Arid Tropics  |
| IFFCO         | Indian Farmers Fertiliser Cooperative Limited   |
| IIP           | Index of Industrial Production  |
| IMF           | International Monetary Fund   |
| JV            | Joint Venture   |
| K2O           | Potash  |
| M T           | Million Tones   |
| M&M           | Mahindra & Mahindra   |
| MAT           | Minimum Alternative Tax   |
| MGNREGA       | Mahatma Gandhi National Rural Employment Guarantee Act  |
| MMTC Limited  | Minerals & Metals Trading Corporation   |
| M-o-M         | Month-On-Month  |
| MOP           | Muriate of Potash   |
| MRP           | Maximum Retail Price  |

| Term                          | Description   |
|-------------------------------|---|
| MS                            | Market Season   |
| MSECDP                        | Micro and Small Enterprises- Cluster Development Programme              |
| MSMEs                         | Micro, Small and Medium Enterprises                                     |
| MYEA                          | Mid-Year Economic Analysis  |
| N                             | Nutrients   |
| NAM                           | National Agriculture Market   |
| NBS                           | Nutrient Based Subsidy  |
| NDDB                          | National Dairy Development Board  |
| NITI Aayog                    | National Institution for Transforming India Aayog                       |
| NPK                           | Nitrogen Phosphate and Potash composition                               |
| NPS                           | New Pricing Scheme  |
| OGI                           | Open General License  |
| OIJIF                         | Oman India Joint Investment Fund  |
| OIL                           | Oil India Limited   |
| ONGC                          | Oil and Natural Gas Corporation   |
| P & K                         | Phosphatic & Potassic   |
| P <sub>2</sub> O <sub>5</sub> | Phosphate   |
| PC                            | Pay Commission  |
| PDF                           | Project Development Facility  |
| PMEGP                         | Prime Minister's Employment Generation Programme                        |
| PPP                           | Purchasing Power Parity   |
| R & D                         | Research & Development  |
| RIFD                          | Rural Infrastructure Development Fund                                   |
| RIRI                          | Rational Investor Ratings Index   |
| RPS                           | Retention Pricing Scheme  |
| RRB                           | Regional rural bank   |
| SBI                           | State Bank Of India   |
| SFAC                          | Small Farmers' Agri-Business Consortium                                 |
| SFURTI                        | Scheme of Fund for Regeneration of Traditional Industries               |
| SGRF                          | State General Reserve Fund  |
| SMEs                          | Small And Medium Enterprises  |
| SSP                           | Single Super Phosphate  |
| TSP                           | Triple Super Phosphate  |
| UAM                           | Udyog Aadhaar Memorandum  |
| UAN                           | Udyog Aadhaar Number  |
| US Fed                        | United States Federal Reserve   |
| US\$/ US dollar               | United States Dollar, the official currency of United States of America |
| US/ U.S./ USA                 | United States of America  |
| VCAS                          | Venture Capital Assistance Scheme                                       |
| WEO                           | World Economic Outlook  |
| WPI                           | Wholesale Price Index   |

#### Conventional and General Terms/ Abbreviations

| Term | Description   |
|------|---|
| A/C  | Account   |
| AGM  | Annual General Meeting  |
| AIF  | Alternative Investments Fund as defined in and registered with SEBI under Securities and Exchange Board of India (Alternative Investments |

| Term                | Description   |
|---------------------|---|
|                     | Funds) Regulations, 2012  |
| AS                  | Accounting Standards as issued by the Institute of Chartered Accountants of India   |
| A.Y.                | Assessment Year   |
| AoA                 | Articles of Association   |
| ASBA                | Application Supported by Blocked Amount   |
| B.Com               | Bachelor of Commerce  |
| BG/LC               | Bank Guarantee / Letter of Credit   |
| BIFR                | Board for Industrial and Financial Reconstruction   |
| B.Sc.               | Bachelor of Science   |
| B. Tech.            | Bachelor of Technology  |
| BSE                 | BSE Limited   |
| C.A.                | Chartered Accountant  |
| CAGR                | Compounded Annual Growth Rate   |
| CB                  | Controlling Branch  |
| CC                  | Cash Credit   |
| CDSL                | Central Depository Services (India) Limited   |
| CENVAT              | Central Value Added Tax   |
| CFO                 | Chief Financial Officer   |
| CIN                 | Corporate Identification Number   |
| CS                  | Company Secretary   |
| CST                 | Central Sales Tax   |
| CMD                 | Chairman and Managing Director  |
| Companies Act       | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.             |
| Companies Act, 2013 | The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections   |
| Depositories        | NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time |
| Depositories Act    | The Depositories Act, 1996, as amended from time to time.   |
| DGFT                | Directorate General of Foreign Trade  |
| DIN                 | Director Identification Number  |
| DIPP                | Department of Industrial Policy & Promotion   |
| DP                  | Depository Participant  |
| DP ID               | Depository Participant's Identity   |
| EBIDTA              | Earnings before interest, depreciation, tax, amortization and extraordinary items   |
| ECS                 | Electronic Clearing Services  |
| EGM                 | Extraordinary General Meeting   |
| EPFA                | The Employees' Provident Funds and Miscellaneous Provisions Act, 1952   |
| EPS                 | Earnings Per Share  |
| ESIC                | Employee State Insurance Corporation  |
| ESOP                | Employee Stock Ownership Plan   |
| ESPS                | Employee Stock Purchase Scheme  |
| EPS                 | Earnings Per Share  |
| FCNR Account        | Foreign Currency Non Resident Account   |

| Term                           | Description   |
|--------------------------------|---|
| FDI                            | Foreign Direct Investment   |
| FEMA                           | Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under   |
| FII(s)                         | Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India  |
| FII Regulations                | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.   |
| FIs                            | Financial Institutions  |
| FIPB                           | The Foreign Investment Promotion Board, Ministry of Finance, Government of India  |
| FPI(s)                         | “Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992 |
| FTP                            | Foreign Trade Policy, 2009  |
| FV                             | Face Value  |
| FVCI                           | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000   |
| Financial Year/FY/ Fiscal Year | The period of twelve (12) months ended on March 31 of that particular year.   |
| GDP                            | Gross Domestic Product  |
| GAAP                           | Generally Accepted Accounting Principles  |
| GoI/Government                 | Government of India   |
| HUF                            | Hindu Undivided Family  |
| HNI                            | High Net Worth Individual   |
| i.e.                           | That is   |
| IFRS                           | International Financial Reporting Standards   |
| Indian GAAP                    | Generally Accepted Accounting Principles in India   |
| INR / Rs./ Rupees              | Indian Rupees, the legal currency of the Republic of India  |
| IPO                            | Initial Public Offer  |
| IRDA                           | Insurance Regulatory and Development Authority  |
| I. T. Act                      | The Income Tax Act, 1961, as amended.   |
| IT Authorities                 | Income Tax Authorities  |
| I. T. Rules                    | The Income Tax Rules, 1962, as amended, except as stated otherwise.   |
| KMP                            | Key Managerial Personnel  |
| LM                             | Lead Manager  |
| MICR                           | Magnetic Ink Character Recognition  |
| Ltd.                           | Limited   |
| MD                             | Managing Director   |
| Mtr                            | Meter   |
| Mn                             | Million   |
| MNC                            | Multi National Company  |
| MoA                            | Memorandum of Association   |
| MoF                            | Ministry of Finance, Government of India  |
| MoU                            | Memorandum of Understanding   |
| NBFC                           | Non- Banking Finance Company  |

| Term        | Description   |
|-------------|---|
| N/A or N.A. | Not Applicable  |
| No.         | Number  |
| NAV         | Net Asset Value   |
| NBFC        | Non- Banking Finance Company  |
| NECS        | National Electronic Clearing Services   |
| NEFT        | National Electronic Fund Transfer   |
| Net Worth   | The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account |
| No.         | Number  |
| NOC         | No Objection Certificate  |
| NI Act      | Negotiable Instruments Act, 1881  |
| NOC         | No Objection Certificate  |
| NR          | Non Resident  |
| NRE Account | Non Resident (External) Account   |
| NRO Account | Non-Resident (Ordinary) Account   |
| NRI         | Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time                 |
| NSE         | National Stock Exchange of India Limited  |
| NSEEMERGE   | SME Platform of NSE   |
| NSDL        | National Securities Depository Limited  |
| OCB         | Overseas Corporate Bodies   |
| p.a.        | per annum   |
| PAC         | Persons Acting in Concert   |
| PAN         | Permanent Account Number  |
| PAT         | Profit After Tax  |
| PBT         | Profit Before Tax   |
| P/E Ratio   | Price Earnings Ratio  |
| Pvt.        | Private   |
| QIB         | Qualified Institutional Buyer   |
| RBI         | Reserve Bank of India   |
| RBI Act     | The Reserve Bank of India Act, 1934, as amended from time to time   |
| R & D       | Research and Development  |
| ROE         | Return on Equity  |
| RoC         | Registrar of Companies  |
| RoNW        | Return on Net Worth   |
| RTGS        | Real Time Gross Settlement  |
| Rs. / INR   | Indian Rupees, the official currency of the Republic of India   |
| SARFAESI    | The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002  |
| SCRA        | Securities Contracts (Regulation) Act, 1956, as amended from time to time.  |
| SCRR        | Securities Contracts (Regulation) Rules, 1957   |
| SCSB        | Self Certified Syndicate Bank   |
| SEBI        | Securities and Exchange Board of India  |

| Term  | Description   |
|---|---|
| SEBI (Venture Capital) Regulations                              | Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time   |
| SEBI Act  | Securities and Exchange Board of India Act, 1992, as amended from time to time  |
| SEBI Insider Trading Regulations                                | The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time                     |
| SEBI Takeover Regulations /Takeover Regulations / Takeover Code | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011  |
| Sec.  | Section   |
| SICA  | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time  |
| SME   | Small Medium Enterprise   |
| STT   | Securities Transaction Tax  |
| TAN   | Tax Deduction Account Number  |
| TRS   | Transaction Registration Slip   |
| TIN   | Taxpayers Identification Number   |
| US/ U.S. / USA/United States                                    | United States of America  |
| U.S. GAAP   | Generally Accepted Accounting Principles in the United States of America  |
| USD/ US\$/ \$   | United States Dollar, the official currency of the United States of America   |
| VAT   | Value added tax   |
| VCF / Venture Capital Fund                                      | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India |
| w.e.f.  | With effect from  |
| YoY   | Year over year  |

Notwithstanding the following: -

- i. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 407 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- ii. In the section titled “*Financial Statements*” beginning on page 261 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- iii. In the section titled “*Risk Factor*” beginning on page 20 of this Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 159 of this Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 303 of this Prospectus, defined terms shall have the meaning given to such terms in that section.

## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

### **FINANCIAL DATA**

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements’ beginning on page 261 this Prospectus. 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 (ICDR) Regulations.

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

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled ‘Financial Statements’ beginning on page 261 of this Prospectus.

### **CURRENCY OF PRESENTATION**

In this Prospectus, 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. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

### **INDUSTRY & MARKET DATA**

Unless otherwise stated, Industry & Market data used throughout this Prospectus have been obtained from internal Company reports and Industry publications inter alia Planning Commission of India, Economic Survey, Industry Chambers and Associations etc. 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 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.



Further the extent to which the market and industry data presented in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENT

This Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward looking statement.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to the following:-

General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in industry which we operate;
- Factors affecting the industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 20 and 303 respectively of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Prospectus. Neither we, our Directors, Lead Manager, Underwriters nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the BRLMs and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

## SECTION II – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

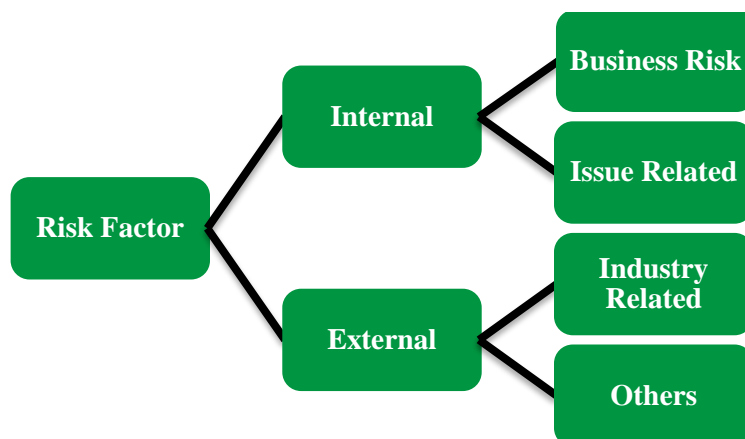
*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 191, “Our Industry” beginning on page 168 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 303 respectively, of this Prospectus as well as other financial information contained herein.*

*The following factors have been considered for determining the materiality of Risk Factors:*

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 3 of this Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*The risk factors are classified as under for the sake of better clarity and increased understanding:*



1. *There are several outstanding litigations against our Company; Promoter/Director and Group Company. There is a criminal litigation against our Promoter who is also Director of the Company ) under Section 200 of the Code of Criminal Procedure, 1973 (Cr.P.C.) and Section 138 of the Negotiable Instrument Act, 1881. There is also a criminal proceeding against the Supervisor and Contractor of the Company for death of an employee during working hours. Any adverse decision in such proceedings may render us liable to liabilities / penalties and may adversely affect our business, cash flows and results of operations.*

Our Company its Promoter/Director, Group Company, Contractor and Supervisor are currently involved in certain litigations. There was a survey conducted by the Department and stock and goods worth Rs. 4,51,00,664/- were impounded under Section 133A(3)(ia) of the Act. Company has proposed to treat this as income for AY 2015-16. Any adverse decisions in such proceeding may impact financial of the Company. One proceeding against the Company is also pending in relation to environment clearance. Also, there is no assurance that in future our Company will not face similar legal proceedings. There are cases filed against the Company with labour court and an inquiry with Environment Impact Assessment Authority. There is an accident case filed against the Supervisor and Contractor of the Company for death of an employee while on work. Both of them are acquitted and are released on bail after production of surety and renewed bail bonds.

Also, there is no assurance that in future, we, our promoters, our directors or group companies may not face legal proceedings; any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters, Directors, Group Company please refer the chapter titled “Outstanding Litigations and Material Developments” on page 316 of this Prospectus.

| Name of Entity      | Criminal Proceedings | Civil/ Arbitration Proceedings | Tax Proceedings | Labour Disputes | Consumer Complaints | Complaints under Section 138 of NI Act, 1881 | Aggregate amount involved (Rs.) |
|---------------------|----------------------|--------------------------------|-----------------|-----------------|---------------------|--|---------------------------------|
| <b>Company</b>      |                      |                                |                 |                 |                     |  |                                 |
| By the Company      | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil  | Nil                             |
| Against the Company | Nil                  | 2*                             | 3               | Nil             | Nil                 | Nil  | 0.32                            |
| <b>Promoters</b>    |                      |                                |                 |                 |                     |  |                                 |
| By the Promoter     | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil  | Nil                             |

| Name of Entity   | Criminal Proceedings | Civil/ Arbitration Proceedings | Tax Proceedings | Labour Disputes | Consumer Complaints | Complaints under Section 138 of NI Act, 1881 | Aggregate amount involved (Rs.) |
|--|----------------------|--------------------------------|-----------------|-----------------|---------------------|--|---------------------------------|
| Against the Promoter   | 1**                  | Nil                            | Nil             | Nil             | Nil                 | (Refer the Note Below)                       | 0.30                            |
| <b>Group Companies</b>   |                      |                                |                 |                 |                     |  |                                 |
| By Group Companies   | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil  | Nil                             |
| Against Group Companies  | Nil                  | Nil                            | 2               | Nil             | Nil                 | Nil  | 0.12                            |
| <b>Directors other than promoters</b>  |                      |                                |                 |                 |                     |  |                                 |
| By the Directors   | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil  | Nil                             |
| Against the Directors  | Nil                  | Nil                            | Nil             | Nil             | Nil                 | Nil  | Nil                             |
| <b>Outstanding Litigations against other companies or any other person whose outcome could have an adverse effect on our company</b> |                      |                                |                 |                 |                     |  |                                 |
| Against the Supervisor and Contractor of the Company   | 1                    | Nil                            | Nil             | Nil             | Nil                 | Nil  | Nil                             |

\* The amount of civil litigations and one of the taxation matters is Not Ascertainable.

\*\* The criminal proceeding against the Promoter under section 200 of Code of Criminal Procedure, 1973 includes a Complaint made under Section 138 of Negotiable Instruments Act, 1881.

**2. We have certain contingent liabilities that have not been provided for in our Company's financials which if materialised, could adversely affect our financial condition.**

Our contingent liabilities as on April 30, 2016 is as under:

- Bank guarantees issued by Union Bank of India for an aggregate sum of Rs. 13 lakhs (margin money deposited in the form of bank fixed deposits with the same bank for a sum of Rs.3.25 lakhs).
- Foreign Letter of Credit issued by Union Bank of India for a sum of Rs.402.08 lakhs and outstanding as at the year end. (Margin money in the form of fixed deposits of the same bank for a sum of Rs.100.00 lakhs).
- Revolving Letter of Credit issued by Union Bank of India for a sum of Rs.13.37 lakhs and outstanding as at the year end. (Margin money in the form of fixed deposits of the same bank for a sum of Rs.5.44 lakhs).

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled “Financial Statements” on page 261 of this Prospectus.

**3. Our Company's audited financial information for FY 2011-12, FY 2012-13, FY 2013-14 and FY 2014-15 had certain qualifications in the audit report**

Out of the last five financial years, the Auditors of our Company had qualified their audit reports for FY 2011-12, FY 2012-13 and FY 2013-14 by stating that our Company needs to strengthen its internal control systems in order to commensurate with the size of our Company and the nature of its business and with regard to purchases of inventory, fixed assets and sale of goods. There have been no such qualification in this regard in the auditor's report for FY 2014-15 and FY 2015-16. Further the qualifications are not affecting the financials and are for improvement of systems only.

Our auditors in their audit report for FY 14-15 have reported the following emphasis of matter.

“We draw attention to note 34 in the matter of I.T. survey on 22<sup>nd</sup> and 23<sup>rd</sup> of January 2015 at the business premises of the Company. During the survey proceedings, an excess stock valuing Rs. 44208200 and excess cash in hand amounting to Rs. 892464 were found aggregating to Rs. 45100664. The Company offered to tax these excess stock and cash as income for the financial year 2014-15 and accordingly accounted for a sum of Rs. 45100664 in the books of account for the FY 2014-15. In view of the above, audit has been completed based on computer accounting data, books of account and records made available to us consequent upon the Survey Proceedings carried out by the Income Tax Deptt. This has resulted into an exceptional situation affecting the profitability and state of affairs of the Company and hence the same are not comparable with the previous year figures. For further details, please refer chapter titled ‘Financial Statements’ on page number 261 of this Prospectus. Investors should consider the above in evaluating our financial position, cash flows and results of operations.

**4. *The fertilizer business is highly seasonal and such seasonality may affect our operating results.***

Our business is seasonal in nature. Our Company is engaged in manufacturing of fertilizers which is used for agricultural industry. Our business is influenced by the traditional crop seasons in India. In India, majority of the farmers depend on monsoon for cultivation. Rainfall usually occurs during Kharif season and hence, the timing and seasonality of rainfall has an impact on the business of our Company. Thus, we are subject to seasonal factors, which make our operational results very unpredictable.

We recognize revenues only upon the sale of our products. During periods of lower sales, we continue to incur substantial operating expenses, but our revenues remain usually lower. Due to the inherent seasonality of our business, results of one reporting period may not be necessarily comparable with preceding or succeeding reporting periods.

Sometimes, even if there is a slight change in timing of rain fall, the sales will get deferred from one reporting period to another reporting period. The sales that were supposed to take place during one financial year may get added to sales of the next financial year and therefore results of even full financial year may not necessarily be comparable to the other financial year.

**5. *The capacity of our manufacturing units at Meghnagar is not fully utilized.***

The capacity of our manufacturing units situated at Meghnagar is not fully utilized and is operating below its installed capacity. Continued unutilisation of available capacity can affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance. Meghnagar unit was set up in the Financial Year 2015 as our unit at Dewas was operating at optimum capacity and hence there was a need to expand our existing infrastructure facility to cater to increasing business opportunities. We believe that the unutilisation of capacity available at Meghnagar unit is temporary as the facility has recently commissioned commercial production. For further details relating to capacity available and utilised, please refer to section titled "Our Business" at page 191 of this Prospectus.

**6. *We are subject to various laws and regulations relating to the handling and disposal of hazardous materials and wastes and bio-medical wastes. If we fail to comply with such laws and regulations, we can be subjected to prosecution, including imprisonment and fines or incur costs that could have a material adverse effect on the success of our business.***

The Environmental Protection Act, 1986, as amended, the Air (Prevention and Control of Pollution) Act, 1981, as amended, the Water (Prevention and Control of Pollution) Act, 1974, as amended and other regulations promulgated by the Ministry of Environment and Forest and various statutory and regulatory authorities and agencies in India regulate our handling of hazardous substances and bio-medical wastes. We are required to obtain registrations from the relevant State Pollution Control Board to be able to handle and dispose hazardous and bio-medical wastes. We are also required to take a number of precautionary measures and follow prescribed practices in this regard. Our failure to comply with these laws could result in us being prosecuted, including our directors and officers responsible for compliance being subjected to imprisonment and fines. We may also be liable for damage caused to the environment. Any such action could adversely affect our business and financial condition.

**7. *Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Our industry being labour intensive is dependent on labour force for carrying out its manufacturing operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Though we have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

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

Our Company has entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Company. While we believe that all such transactions are conducted on arms length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter "Related Party Transactions" beginning on page 259 of the Prospectus.

**9. *Our Company has not complied with certain statutory provisions under Companies Act. Such non-compliances/lapses may attract penalties.***

Our Company has not complied with certain statutory provisions such as the following:

- Provisions of Section 185 of Companies Act, 2013 and Section 295 of Companies Act, 1956 by giving loan to any of its directors or to any other person in whom the director is interested;
- Provision of Section 58A of the Companies Act, 1956 with respect to availment of unsecured loans from persons other than the directors of the Company during the past.

- Provision of Section 297 of Companies Act, 1956 with respect to board's sanction to be required for certain contracts in which particular directors are interested.

No show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent. Such delay/noncompliance may in the future render us liable to statutory penalties and disallowing the resolutions, which may have consequence of violation of statutory provisions concerned.

**10. Some of our corporate records including forms filed with the Registrar of Companies are not traceable.**

Our Company is unable to trace certain corporate and other documents in relation to our Company including forms filed with the Registrar of Companies prior to the year 2006. Due to change in methods of record keeping on account of technological advancement and computerisation, over the years, certain forms filed with ROC prior to the year 2006 like Return of Allotment, Registration of charges and modification of charges, Increase in Authorised Capital, transfer of Equity Shares etc., could not be traced by our Company. Further online filing of RoC documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence some of these forms could not be retrieved from Ministry of Corporate Affairs (MCA) portal. Our Company had carried search for the physical copies of the untraceable forms at the office of ROC, Gwalior, but the forms are not available at the office of Registrar of Companies as well. As such under the circumstances elaborated above, Our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the Company are correct. Also our Company may not be in a position to attend to and / or respond appropriately to any legal matter due to lack of lost destroyed records and to that extent the same could adversely affect our business operations.

**11. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.**

Our business is working capital intensive. A significant portion of our working capital is utilized towards inventories. Summary of our working capital position is given below:-

*Amount (Rs. In lakhs)*

| Particulars                                     | For the period ended April 30, 2016 | As at March 31, 2016 | As at March 31, |          |          |          |
|---|-------------------------------------|----------------------|-----------------|----------|----------|----------|
|   |                                     |                      | 2015            | 2014     | 2013     | 2012     |
| <b>A. Current Assets</b>                        |                                     |                      |                 |          |          |          |
| Inventories                                     | 1237.03                             | 1,319.29             | 885.76          | 1,030.42 | 1,359.02 | 881.97   |
| Trade Receivables                               | 1629.94                             | 1,546.27             | 807.23          | 434.42   | 414.18   | 526.21   |
| Cash and Cash Equivalents                       | 118.94                              | 108.84               | 139.65          | 22.29    | 170.59   | 146.79   |
| Short Term Loans & Advances                     | 225.68                              | 224.69               | 197.43          | 377.44   | 294.54   | 65.13    |
| Other Current Assets                            | 1707.58                             | 1,693.39             | 1,002.71        | 619.66   | 1,040.23 | 1,241.80 |
| <b>B. Current Liabilities</b>                   |                                     |                      |                 |          |          |          |
| Short Term Borrowings                           | 1517.72                             | 1,546.26             | 1,154.38        | 878.10   | 922.36   | 451.04   |
| Trade Payables                                  | 2167.56                             | 2,106.21             | 1,014.63        | 788.93   | 1,099.54 | 1,559.66 |
| Other Current Liabilities                       | 241.45                              | 266.71               | 152.56          | 148.76   | 96.34    | 140.75   |
| Short Term Provisions                           | 67.12                               | 65.02                | 34.80           | 29.31    | 38.90    | 32.73    |
| <b>Working Capital (A-B)</b>                    | 925.32                              | 908.28               | 676.41          | 639.13   | 1,121.42 | 677.72   |
| <b>Inventories as % of total current assets</b> | 25.14%                              | 26.97%               | 29.21%          | 41.48%   | 41.45%   | 30.82%   |

We intend to continue growing by reaching to other geographical areas. This may result in increase in the quantum of current assets particularly Inventories. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “Objects of the Issue” beginning on page 147 of this Prospectus.

**12. We do not own the land on which our manufacturing facility and registered office are located.**

We do not own the land on which our manufacturing facility and registered office are located. The registered office of our Company situated at M-87, Trade Centre, 18M, South Tukkoganj, Indore is taken on rent from Ms Kiran Gupta which is valid until March 31, 2019. The manufacturing facility situated at Dewas, Madhya Pradesh is taken on lease from District Trade and Industry Centre, Dewas, which is valid until December 25, 2033 while the facility situated at Meghnagar unit is taken on lease from M.P. Audyogik Kendra Vikas Nigam, Indore which is valid until March 01, 2030. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse affect on our operations and there can be no assurance that renewal of lease agreement with the owner will be entered into. In the event of non-renewal of lease, we may be required to shift our registered office/manufacturing facilities to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one.

**13. Our Company has negative cash flows from its operating activities, investing activities as well as financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

| Particulars                                     | For the period ended April 30, 2016 | For the year ended March 31, 2016 | Amount (Rs. In lakhs)        |          |          |          |
|---|-------------------------------------|-----------------------------------|------------------------------|----------|----------|----------|
|   |                                     |                                   | For the year ended March 31, |          |          |          |
|   |                                     |                                   | 2015                         | 2014     | 2013     | 2012     |
| Cash Flow from / (used in) Operating Activities | 62.01                               | (41.68)                           | 70.32                        | 485.23   | (263.11) | (11.20)  |
| Cash Flow from / (used in) Investing Activities | (11.06)                             | (81.44)                           | (781.97)                     | (300.66) | (210.99) | (242.21) |
| Cash Flow from / (used in) Financing Activities | (51.85)                             | 73.71                             | 752.25                       | (253.79) | 555.31   | 252.61   |

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

**14. Some of our Group Companies have negative Networth and have incurred losses as on date of the last audited financials.**

Sustained financial losses by our Group Companies may not be perceived positively by external parties such as customers, bankers, suppliers etc, which may affect our credibility and business operations. Our Group Companies, Suhane Buildcon India Private Limited, Techronies Infotech Private Limited and Arient Hybrids & Fertilisers Private Limited have incurred losses in previous years:

**Financial Performance of Suhane Buildcon India Private Limited**

(Rs in lakhs)

| Particulars            | For the Year ended March 31, |        |        |
|------------------------|------------------------------|--------|--------|
|                        | 2015                         | 2014   | 2013   |
| Paid up Capital        | 17.15                        | 17.15  | 17.15  |
| Reserves & Surplus     | 11.68                        | 11.89  | 12.23  |
| Networth               | 28.83                        | 29.04  | 29.38  |
| Sales and other income | 0.00                         | 0.00   | 0.00   |
| Profit/loss after tax  | (0.21)                       | (0.34) | (0.42) |

**Financial Performance of Techronies Infotech Private Limited**

(Rs in lakhs)

| Particulars            | 2014-15 |
|------------------------|---------|
| Paid Up Capital        | 1.00    |
| Reserves and Surplus   | (1.97)  |
| Networth               | (0.97)  |
| Sales and other income | 0.00    |
| Profit/loss after tax  | (1.97)  |

**Financial performance of Arisent Hybroids & Fertilisers Private Limited**

(Rs in lakhs)

| Particulars            | 2014-15 | 2013-14 | 2012-13 |
|------------------------|---------|---------|---------|
| Paid Up Capital        | 1.00    | 1.00    | 1.00    |
| Reserves and Surplus   | (1.18)  | (0.57)  | (0.52)  |
| Net worth              | (0.18)  | 0.42    | 0.47    |
| Sales and other income | 0.00    | 8.79    | 3.66    |
| Profit/ loss after tax | (0.60)  | (0.04)  | (0.52)  |

**Financial performance of Nafco Commodities Private Limited**

(Rs in lakhs)

| Particulars            | 2014-15 | 2013-14 |
|------------------------|---------|---------|
| Paid Up Capital        | 5.00    | 5.00    |
| Reserves and Surplus   | 0.00    | (0.33)  |
| Net worth              | 5.00    | 4.56    |
| Sales and other income | 253.74  | 0.00    |
| Profit/ loss after tax | 0.33    | (0.33)  |

15. *We are dependent upon few suppliers for our raw material for our current manufacturing facilities. In an eventuality where our suppliers are unable to deliver us the required materials in a time-bound manner it may have a material adverse effect on our business operations and profitability.*

For the year ended March 31, 2016 our top 5 suppliers contributed around 63.91% and top 10 suppliers contributed around 81.04% of our purchases. Any problems faced by our suppliers in their manufacturing facilities resulting in delays or non-adherence to quality requirements could adversely impact our ability to meet our customer's requirements in time and our operations would be affected to the extent we are unable to line up supplies from alternate suppliers.

**16. *We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.***

We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. Approvals required for storage of Petroleum Class “C” substance, certificate of registration under Madhya Nivesh Samverdhan Sahayata Yojana, 2010 for Dewas unit, Registration Certificate cum Passbook for environmentally sound recycling of hazardous wastes for Meghnagar Unit (Zinc Ash/Zinc Skimming @ 1800 MTA) and consolidated Environment approval are some material approvals yet to be applied. In case of delay or failure to obtain the same, it could affect our business operations. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. For more information, see chapter “Government and Other Statutory Approvals” on page 324 of this Prospectus.

**17. *Our business operations involve handling and storage of hazardous materials. Risks arising from the same may result in damages to life and property, as also exposure to litigations.***

Our Company is engaged in manufacturing of fertilisers which require handling hazardous materials including explosive, toxic and combustible materials. We are also required to obtain several licenses and approvals for the storage and handling of such materials, which in turn impose several obligations and restrictions on our Company. If improperly handled or subjected to less than optimal conditions, these materials could harm employees and other persons, cause damage to life and to property and harm the environment. This in turn could subject our Company to significant penalties including closure of our manufacturing units and / or litigation which may have an adverse effect on our business and financial operations. For a description of the regulations and laws applicable to our Company in this regard, please refer to the chapter titled “Key Industry Regulations and Policies” beginning on page 168 of this Prospectus. For details of licenses and approvals obtained by our Company for the storage and handling of certain materials, please refer to the chapter titled “Government and Other Statutory Approvals” beginning on page 324 of this Prospectus.

**18. *Our Company has manufacturing facilities located at Dewas and Meghnagar, Madhya Pradesh. Any delay in production at, or shutdown of, or any interruption for a significant period of time, in this facility may in turn adversely affect our business, financial condition and results of operations.***

Our Company has manufacturing facilities located at Dewas and Meghnagar, Madhya Pradesh. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns at any or all of these facilities due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company’s operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

**19. *The shortage or non-availability of power facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.***

Our manufacturing processes requires substantial amount of power facilities. The quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involve significant capital expenditure and per unit cost of electricity produced is very high in view of increasing oil prices and other constraints. We are mainly dependent on State Government for meeting our electricity requirements. Any defaults or non compliance of the conditions may render us liable for termination of the agreement or any future changes in the terms of the agreement may lead to increased costs, thereby affecting the profitability. Further, since we are majorly dependent on third party power supply; there may be factors beyond our control affecting the supply of power.

Any disruption / non availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

**20. *We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.***

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

**21. *Our Company may not be able to maintain or expand its distribution network. We may be liable to damages in case our products do not conform to quality specifications.***

Our Company markets, sells and distributes its products in India through its dealers and distributors. We have also entered into marketing agreement for our products SSP and NPK with Indian Potash Limited for supply of minimum 40,000 +/- 10% mt per annum of SSP and 25,000 mt per annum of NPK. SSP is marketed by Indian Potash Limited (IPL) in the states of Madhya Pradesh, Chhattisgarh and Maharashtra while NPK is marketed in the states of Madhya Pradesh and Chhattisgarh. Our product is sold by IPL under the brand name "IPL". In case we are not able to maintain our existing distribution network or expand it further, it may impact our revenue from operations. Further, in case our products do not conform to the quality specifications as specified by our distributor or our products are found to be of substandard quality, we may be liable to take back the substandard material and all expenses including the cost of returning may be required to be borne by us. Though our Company is well equipped with in-house testing laboratory to test the products as per quality standards and relevant chemical composition, however, any such negative developments can materially and adversely affect our business, financial condition and results of operations.

**22. *Our Company has lapsed /delayed in making the required filings under various regulations applicable to us.***

Our Company is required under various regulations applicable to it, like Companies Act, The Bureau of Indian Standards Act, 1986, The Factories Act, 1948, Environment (Protection) Act, 1986, Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974, The Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, The Employee's Compensation Act, 1923, The Shops and Establishment Acts, The Minimum Wages Act, 1948, Hazardous Waste Management & Handling Rules, 2008, Commercial Tax, Central Excise Act, 1944, Income Tax Act, 1961 etc. to make filings with various authorities constituted under the said acts, some of which has not been

done within the stipulated time period at some instances. Due to these delays in filings, our Company had on several occasions paid the requisite late fees. Although, we have not received any show-cause notice in respect of the above, such delay/non-compliance may in the future render us liable to statutory penalties and could have serious consequences on our operations. While this could be attributed to technical lapses and human errors, our Company is in the process of setting up a system to ensure that requisite filings are done appropriately with the requisite timeline.

***23. Our operations may be adversely affected in case of industrial accidents at any of our production facilities.***

Usage of heavy machinery, handling of materials by labour during production process or otherwise, lifting of materials by humans, cranes, heating processes of the furnace etc. may result in accidents, which could cause injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Though our plants and machinery and personnel are covered under insurance, occurrence of accidents could hamper our production and consequently affect our profitability.

***24. Conflicts of interest may arise out of common business undertaken by our Company, Promoters and our Group Company.***

Our Group Companies, Mahadan Phosphate Private Limited, Madhav Agro Chem Private Limited, Suhane Agro India Private Limited and Arisent Hybrids & Fertilisers Private Limited are also authorized to carry similar activities as those conducted by our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, and our Group Companies in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other companies in which our Promoters have interests. There can be no assurance that our Promoters or our Group Companies or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

***25. Our Company is dependent on third party transportation providers for the delivery of our goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

Our Company uses third party transportation providers for delivery of our goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

***26. Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of operations.***

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations. We are also subject to environmental laws and regulations, including but not limited to:

- a. Environment (Protection) Act, 1986
- b. Air (Prevention and Control of Pollution) Act, 1981
- c. Water (Prevention and Control of Pollution) Act, 1974
- d. Hazardous Waste Management & Handling Rules, 2008
- e. Other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Madhya Pradesh.

which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business.

The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and management time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

***27. Continued operations of our manufacturing facility are critical to our business and any disruption in the operation of our facility may have a material adverse effect on our business, results of operations and financial condition.***

Our manufacturing facilities, at Dewas and Meghnagar, Madhya Pradesh is subject to operating risks, such as unavailability of machinery, break-down, obsolescence or failure of machinery, disruption in power supply or processes, performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Our machines have limited lives and require periodic cleaning as well as annual over hauling maintenance. In the event of a breakdown or failure of such machinery, replacement parts may not be available and such machinery may have to be sent for repairs or servicing. We have not entered into any technical support service agreements for the maintenance and smooth functioning of our equipment's and machineries. This may lead to delay and disruption in our production process that could have an adverse impact on our sales, results of operations, business growth and prospects.

***28. Our insurance coverage may not be adequate.***

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of standard fire and special perils (material damage) and burglary standard policy. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like housebreaking, terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

For further details, please refer chapter titled "Our Business" beginning on page 191 of this Prospectus.

***29. Our lenders have charge over our movable and immovable properties in respect of finance availed by us.***

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs. 2015.81 Lakhs as on April 30, 2016. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse affect on business, financial condition or results

of operations. For further information on the *Financial Indebtedness* please refer to page 313 of this Prospectus.

- 30. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios.***

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, see the chapter titled “*Financial Indebtedness*” on page 313 of the Prospectus

Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance.

- 31. *The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions.***

The market for our products is competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as technical competence, quality of products, distribution network, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

- 32. *We have taken guarantees from Promoters, Directors as well as others in relation to debt facilities provided to us.***

We have taken guarantees from Promoters, Directors as well as others in relation to all our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information please see the chapter titled “*Financial Indebtedness*” beginning on page 313 of this Prospectus.

- 33. *Any changes in regulations or applicable government incentives can materially and adversely impact our operations and growth prospects***

Our Company is enjoying benefit of subsidies in relation to the sale of certain fertilisers and as such is subjected to various regulations in India. Due to change in government rules and policies, if such subsidy reduces or is not available to us at all, it could adversely impact the business and prospects of our Company.

- 34. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page 147 of this Prospectus.

- 35. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” on page 260 of this Prospectus.

- 36. Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 147 of this Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

We intend to use entire fresh Issue Proceeds towards working capital needs, repayment of loan and to meet the issue expenses. We intend to deploy the Net Issue Proceeds in financial year 2016-17 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “Objects of the Issue” beginning on page 147 of this Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled ‘Objects of the Issue’ beginning on page 147 of this Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue.

- 37. Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***



We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

***38. Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.***

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

***39. In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see “Capital Structure” and “Our Management” on pages 77 and 227, respectively, of this Prospectus.

***40. Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

After completion of the Issue, our Promoters and Promoter Group will collectively own 55.58 % of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.



***41. 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. If our trademark is 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. Further some of the applications made by us have also been objected by third parties. As some of our logos are not registered, we would not enjoy the statutory protections accorded to a registered trademark and our ability to use our logo may be impaired. For further details please refer to section titled "Government and Other Approvals" beginning on page 324 of this Prospectus.

***42. We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

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

Modernization and technology upgradation is essential to provide better products. Although we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing employed by us. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations.

***44. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

***45. Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.***

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

***46. Industry information included in this Prospectus has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry

reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus.

- **Issue Specific Risks**

***47. We have issued Equity Shares in the last twelve months, the price of which is lower than the Issue Price.***

Our Company has issued 1,15,15,292 bonus Equity Shares in the last twelve months. For further details of Equity Shares issued, please refer to chapter titled, 'Capital Structure' beginning on page 77 of this Prospectus.

***48. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares has been determined by book built method. This price is based on numerous factors (For further information, please refer chapter titled "Basis for Issue Price" beginning on page 155 of this Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

## **EXTERNAL RISK FACTORS**

### **Industry Risks:**

***49. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.***

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

## **Other Risks**

### ***50. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax (“STT”) has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain on the sale of shares held for a period of 12 months or less will be subject to capital gains tax in India. Further, any gain on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

### ***51. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Prospectus.***

As stated in the reports of the Auditor included in this Prospectus under chapter “Financial Statements as restated” beginning on page 261, the financial statements included in this Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Prospectus. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Prospectus should accordingly be limited.

### ***52. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- custom duties on imports of raw materials and components;
- excise duty on certain raw materials and components;
- central and state sales tax, value added tax and other levies; and
- Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

### ***53. The nationalized goods and services tax (GST) regimes proposed by the Government of India may have material impact on our operations.***

The Government of India has proposed a comprehensive national goods and service tax (GST) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Given the limited liability of information in the public domain covering the GST we are unable to provide/ measure the impact this tax regime may have on our operations.

***54. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

***55. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and agriculture industry contained in the Prospectus.***

While facts and other statistics in the Prospectus relating to India, the Indian economy and the agriculture industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled 'Our Industry' beginning on page 168 of this Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

***56. 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, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

***57. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency

and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**58. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

**59. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by 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 may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

**60. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**61. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

## PROMINENT NOTES

1. Public Issue of 58,80,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. 22/- per Equity Share ("Issue Price") aggregating upto Rs. 1,293.60 Lakhs, of which 3,12,000 Equity Shares of face value of Rs. 10 each will be reserved for subscription by Market Maker to the Issue ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. Net Issue of 55,68,000 Equity Shares of face value of Rs. 10 each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 29.00% and 27.46%, respectively of the post Issue paid up equity share capital of the Company.

2. Investors may contact the Book Running Lead Managers or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled “General Information” beginning on page 64 of this Prospectus.
3. The pre-issue net worth of our Company was Rs 2425.10 lakhs, Rs. 2,417.64 Lakhs, Rs. 2,049.89 Lakhs, Rs. 953.09 Lakhs, Rs. 762.38 Lakhs and Rs. 549.68 Lakhs as of April 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 respectively. The adjusted book value after bonus issue of each Equity Share was Rs 16.85, Rs. 16.80, Rs. 14.24, Rs. 6.68, Rs. 5.39 and Rs. 3.94 as of April 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 respectively as per the restated financial statements of our Company. For more information, please refer to section titled “Financial Statements” beginning on page 261 of this Prospectus.
4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

| Name of the Promoters | No. of Shares held | Average cost of acquisition (in Rs.) |
|-----------------------|--------------------|--------------------------------------|
| Raj Kumar Gupta       | 40,75,435          | 2.78                                 |
| Vishnu Kant Gupta     | 15,96,075          | 4.23                                 |

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled “Capital Structure” beginning on page 77 of this Prospectus.

5. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer Annexure XXIV “Related Party Transaction” under chapter titled “Financial Statements as restated” beginning on page 261 of this Prospectus.
6. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “Issue Structure” beginning on page 354 of this Prospectus.
7. Except as disclosed in the chapter titled “Capital Structure”, “Our Promoter and Promoter Group”, “Our Management” and “Related Party Transaction” beginning on pages 77, 243, 227 and 259 respectively, of this Prospectus, none of our Promoters, Directors or Key Management Personnel has any interest in our Company.
8. Except as disclosed in the chapter titled “Capital Structure” beginning on page 77 of this Prospectus, we have not issued any Equity Shares for consideration other than cash.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
10. Investors are advised to refer to the chapter titled “Basis for Issue Price” beginning on page 155 of the Prospectus.
11. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with the Stock exchange.
12. Our Company was originally formed and registered as a partnership firm under the Partnership Act in the name and style of ‘Agro Phos (India)’, pursuant to a deed of partnership dated February 10, 2001. Rajesh Kumar Gupta and Virendra Kumar Gupta were partners of Agro Phos (India). Ramesh Chand Suhane, Preeti Gupta, Neelam Gupta, Suman Gupta and Vikas Gupta were admitted as partners of the partnership firm vide supplementary partnership deed dated April 01, 2002. Agro Phos (India) was thereafter converted from a partnership firm to a private limited company under Part IX of the Companies Act, 1956 with the name of “Agro Phos (India) Private Limited” and received a certificate of incorporation from the Registrar of Companies, Madhya Pradesh and

Chhattisgarh on September 19, 2002 bearing registration no. 015285. Subsequently our Company was converted into a public limited company vide pursuant to special resolution dated February 28, 2004 and fresh Certificate of Incorporation dated March 01, 2004 and the name of our Company was changed to “Agro Phos (India) Limited”. The Corporate Identity Number of our Company is U24123MP2002PLC015285. The partners of M/s Agro Phos (India) were initial subscribers to Memorandum of Association of our Company.

## SECTION III – INTRODUCTION

### SUMMARY OF OUR INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 20 and 261 respectively of this Prospectus before deciding to invest in our Equity Shares.*

### INDIAN FERTILIZER INDUSTRY: INTRODUCTION

Fertilizers play an important role in the global agricultural economy. It's a fact that fertilizers are an essential factor in increasing food production globally. Indian fertilizer industry has witnessed a sharp growth since the era of green revolution (1960's). It has emerged gracefully in the last 50 years and at present ranks third in the world. It has succeeded in meeting the demand of nearly all chemical fertilizers over the years and now become an important segment of Indian economy. Presently, there are 30 large size urea manufacturing plants, 21 DAP and complex fertilizers producing units, 5 units producing low analysis straight nitrogenous fertilizers and 2 units manufacturing Ammonium Sulphate as by-product. Besides, there are about 85 medium and small-scale SSP manufacturing units in the country.

#### Importance of Fertilizer:

Fertilizer is defined as any organic or inorganic sub-stance, natural or artificial in nature supplying one or more of the chemical elements/nutrients required for plant growth. Sixteen plant nutrients are necessary for proper plant development. These are classified into three categories viz; primary (macro) nutrients, secondary nutrients, and micronutrients. Application of essential plant nutrients in right proportion, through correct method and time of application is helpful to increase crop production. Primary (macro) nutrients are nitrogen (N), phosphorus (P), and potassium (K). They are the most frequently required in a crop fertilization programme and are needed in the larger quantity by plants as fertilizer. So, major focus of the Indian fertilizer sector policy has been on primary (macro) nutrient

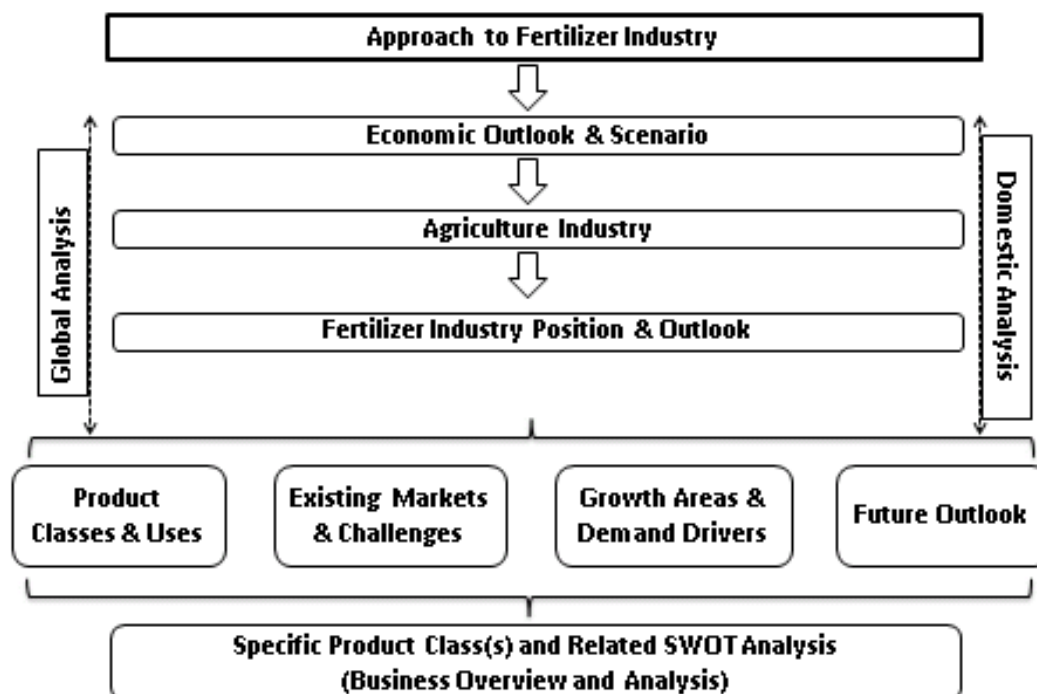
(Sources: Indian Fertilizer Industry: A Market Overview by Renuka Kholkute [www.ifaj.org](http://www.ifaj.org))

### APPROACH TO FERTILIZER INDUSTRY ANALYSIS

Analysis of Fertilizer Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Fertilizer Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of Manufacturing Sector should be at preface while analysing the Fertilizer Industry.

Manufacturing Sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Manufacturing Sector is 'Fertilizer Industry'.

Thus, Manufacturing of fertilisers segment should be analysed in the light of 'Fertiliser Industry' at large. An appropriate view of Fertiliser Industry, then calls for the analysis of overall economic outlook and scenario, performance and expectations of manufacturing sector, position and outlook of Fertiliser Industry and micro analysis thereof



*This Approach Note is developed by Pantomath Capital Advisors (P) Ltd ('Pantomath') and any unauthorized reference or use of this Note, whether in the context of Fertilizer Industry and / or any other industry, may entail legal consequences.*

## GLOBAL ECONOMIC ENVIRONMENT

### INTRODUCTION

Since the Economic Survey and Budget were presented a year ago, the Indian economy has continued to consolidate the gains achieved in restoring macro-economic stability. Inflation, the fiscal deficit, and the current account deficit have all declined, rendering India a relative haven of macro stability in these turbulent times. Economic growth appears to be recovering, albeit at varying speeds across sectors.

At the same time, the upcoming Budget and 2016-17 (FY-2017) economic policy more broadly, will have to contend with an unusually challenging and weak external environment. Although the major international institutions are yet again predicting that global growth will increase from its current subdued level, they assess that risks remain tilted to the downside. This uncertain and fragile outlook will complicate the task of economic management for India.

The risks merit serious attention not least because major financial crises seem to be occurring more frequently. The Latin American debt crisis of 1982, the Asian Financial crisis of the late 1990s, and the Eastern European crisis of 2008 suggested that crises might be occurring once a decade. But then the rapid succession of crises, starting with Global Financial Crisis of 2008 and proceeding to the prolonged European crisis, the mini-crises of 2013, and the China provoked turbulence in 2015 all hinted that the intervals between events are becoming shorter.

This hypothesis could be validated in the immediate future, since identifiable vulnerabilities exist in at least three large emerging economies—China, Brazil, Saudi Arabia—at a time when underlying growth and productivity developments in the advanced economies are soft. More flexible exchange rates, however, could moderate full-blown eruptions into less disruptive but more prolonged volatility.

One tail risk scenario that India must plan for is a major currency re-adjustment in Asia in the wake of a similar adjustment in China; as such an event would spread deflation around the world. Another tail risk scenario could unfold as a consequence of policy actions—say, capital controls taken to respond to curb outflows from large emerging market countries, which would further moderate the growth impulses emanating from them.

In either case, foreign demand is likely to be weak, forcing India—in the short run—to find and activate domestic sources of demand to prevent the growth momentum from weakening. At the very least, a tail risk event would require Indian monetary and fiscal policy not to add to the deflationary impulses from abroad. The consolation would be that weaker oil and commodity prices would help keep inflation and the twin deficits in check.

(Source: *Economic Survey 2015-16-Volume I*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **GLOBAL ECONOMIC OVERVIEW**

The global macroeconomic landscape is currently chartering a rough and uncertain terrain characterized by weak growth of world output. The situation has been exacerbated by; (i) declining prices of a number of commodities, with reduction in crude oil prices being the most visible of them, (ii) turbulent financial markets (more so equity markets), and (iii) volatile exchange rates. These conditions reflect extreme risk-aversion behavior of global investors, thus putting many, and in particular, commodities exporting economies under considerable stress.

One important positive outcome in 2015 is the modest pickup in the growth of some of the advanced economies. However, growth in emerging market and developing economies declined for the fifth consecutive year. As a result, overall global economic activity remained subdued in 2015. In its latest Update of the World Economic Outlook (WEO), published on 19 January 2016, the IMF projected growth in the global economy to improve from 3.1 per cent in 2015, to 3.4 per cent in 2016 and further to 3.6 per cent in 2017. Growth in advanced economies is projected at 2.1 per cent in 2016 and to continue through 2017 at the same rate.

The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large Emerging Market and Developing economies (EMDE) are likely to continue to weigh on their growth prospects in 2016–17. Assessments indicate that mixed inflation developments in the EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year. The WEO update also indicated that India and the rest of emerging Asia are bright spots, with some other countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. World trade volume growth projections have been placed at 2.6 per cent and 3.4 per cent respectively for 2015 and 2016, which is much lower than what was estimated earlier in WEO in October 2015.

(Source: *Economic Survey 2015-16-Volume II*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

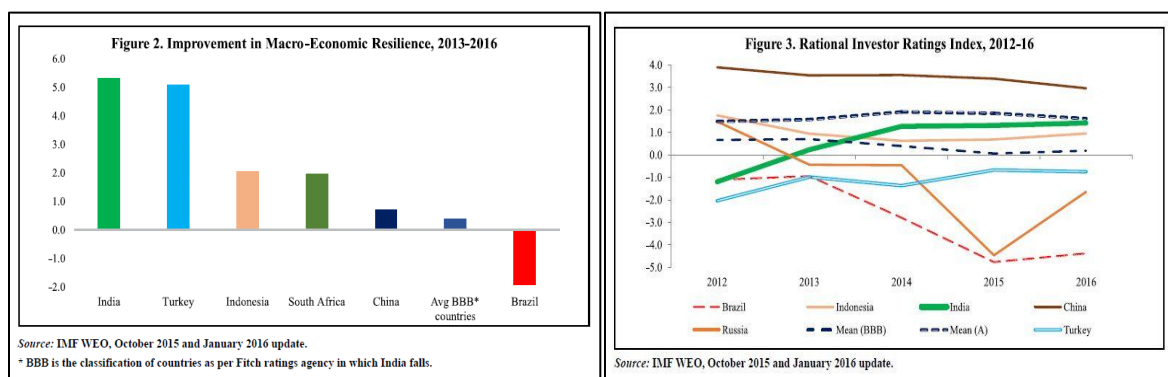
## **THE INDIAN ECONOMY**

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. A sense of this turnaround is illustrated by a cross-country comparison. In last year's Survey, we had constructed an overall index of macroeconomic vulnerability, which adds a country's fiscal deficit, current account deficit, and inflation. This index showed that in 2012 India was the most vulnerable of the major emerging market countries. Subsequently, India has made the most dramatic strides in reducing its macro-vulnerability. Since 2013, its index has improved by 5.3 percentage points compared with 0.7

percentage points for China, 0.4 percentage points for all countries in India's investment grade (BBB), and a deterioration of 1.9 percentage points in the case of Brazil (Figure 2).

If macro-economic stability is one key element of assessing a country's attractiveness to investors, its growth rate is another. In last year's Survey we had constructed a simple Rational Investor Ratings Index (RIRI) which combined two elements, growth serving as a gauge for rewards and the macro-economic vulnerability index proxying for risks. The RIRI is depicted in Figure 3; higher levels indicate better performance. As can be seen, India performs well not only in terms of the change of the index but also in terms of the level, which compares favorably to its peers in the BBB investment grade and even its "betters" in the A grade. As an investment proposition, India stands out internationally.

(Source: *Economic Survey 2015-16-Volume I*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))



(Source: *Economic Survey 2015-16-Volume I*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

In the Advance Estimates of GDP that the Central Statistics Office (CSO) released recently, the growth rate of GDP at constant market prices is projected to increase to 7.6 per cent in 2015-16 from 7.2 per cent in 2014-15, mainly because private final consumption expenditure has accelerated. Similarly, the growth rate of GVA for 2015-16 is estimated at 7.3 per cent vis-à-vis 7.1 per cent in 2014-15. Although agriculture is likely to register low growth for the second year in a row on account of weak monsoons, it has performed better than last year. Industry has shown significant improvement primarily on account of the surprising acceleration in manufacturing (9.5 per cent vis-à-vis 5.5 per cent in 2014-15). Meanwhile, services continue to expand rapidly.

- Even as real growth has been accelerating, nominal growth has been falling, to historically low levels, an unusual trend highlighted in the Mid-Year Economic Analysis (MYEA), 2015-16.
- According to the Advance Estimates, nominal GDP (GVA) is likely to increase by just 8.6 (6.8) percent in 2015-16.
- In nominal terms, construction is expected to stagnate, while even the dynamic sectors of trade and finance are projected to grow by only 7 to 73/4 percent.
- Inflation remains under control The CPI-New Series inflation has fluctuated around 51/2 percent, while measures of underlying trends—core inflation, rural wage growth and minimum support price increases—have similarly remained muted. Meanwhile, the WPI has been in negative territory since November 2014, the result of the large falls in international commodity prices, especially oil. As low inflation has taken hold and confidence in price stability has improved, gold imports have largely stabilized, notwithstanding the end of a period of import controls
- Similarly, the external position appears robust. The current account deficit has declined and is at comfortable levels; foreign exchange reserves have risen to US\$351.5 billion in early February

2016, and are well above standard norms for reserve adequacy; net FDI inflows have grown from US\$21.9 billion in April-December 2014-15 to US\$27.7 billion in the same period of 2015-16; and the nominal value of the rupee, measured against a basket of currencies, has been steady. India was consequently well-positioned to absorb the volatility from the U.S. Federal Reserve actions to normalize monetary policy that occurred in December 2015. Although the rupee has declined against the dollar, it has strengthened against the currencies of its other trading partners.

- The fiscal sector registered three striking successes: on-going fiscal consolidation, improved indirect tax collection efficiency; and an improvement in the quality of spending at all levels of government.
- Government tax revenues are expected to be higher than budgeted levels. Direct taxes grew by 10.7 per cent in the first 9 months (9M) of 2015-16. Indirect taxes were also buoyant. In part, this reflected excise taxes on diesel and petrol and an increase in the Swachh Bharat cess. The central excise duty collection from petroleum products during April to December 2015-16 recorded a growth of 90.5 per cent and stood at Rs.1.3 lakh crore as against Rs. 0.7 lakh crore in the same period last year. Tax performance also reflected an improvement in tax administration because revenues increased even after stripping out the additional revenue measures (ARMs). Indirect tax revenues grew by 10.7 per cent (without ARMs) and 34.2 per cent (with ARMs).
- The main findings are that a welcome shift in the quality of spending has occurred from revenue to investment, and towards social sectors. Aggregate public investment has increased by about 0.6 per cent of GDP in the first 8 months of this fiscal year, with contributions from both the Centre (54 per cent) and states (46 per cent).

(Source: *Economic Survey 2015-16-Volume I*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## INDIAN AGRICULTURAL INDUSTRY

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product (GDP).

As per estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 15.35 per cent of the Gross Value Added (GVA) during 2015–16 at 2011–12 prices.

India is the largest producer, consumer and exporter of spices and spice products. India's fruit production has grown faster than vegetables! making it the second largest fruit producer in the world. India's horticulture output, comprising fruits, vegetables and spices, has reached to a record high of 283.5 million tonnes (MT) in 2014-15. It ranks third in farm and agriculture outputs. Agricultural export constitutes 10 per cent of the country's exports and is the fourth-largest exported principal commodity. The agro industry in India is divided into several sub segments such as canned, dairy, processed, frozen food to fisheries, meat, poultry, and food grains.

The Department of Agriculture and Cooperation under the Ministry of Agriculture is responsible for the development of the agriculture sector in India. It manages several other bodies, such as the National Dairy Development Board (NDDB), to develop other allied agricultural sectors.

### Market Size

Over the recent past, multiple factors have worked together to facilitate growth in the agriculture sector in India. These include growth in household income and consumption, expansion in the food processing sector and increase in agricultural exports. Rising private participation in Indian agriculture, growing organic farming and use of information technology are some of the key trends in the agriculture industry.

As per the 3rd Advance Estimates, India's food grain production has increased marginally to 252.23 million tonnes (MT) in the 2015-16 crop year. Production of pulses is estimated at 17.06 million tonnes.

With an annual output of 146.31 MT, India is the largest producer of milk, accounting for 18.5 per cent of the total world production. It also has the largest bovine population. India, the second-largest producer of sugar, accounts for 14 per cent of the global output. It is the sixth-largest exporter of sugar, accounting for 2.76 per cent of the global exports.

Spice exports from India are expected to reach US\$ 3 billion by 2016–17 due to creative marketing strategies, innovative packaging, strength in quality and strong distribution networks. The spices market in India is valued at Rs 40,000 crore (US\$ 5.87 billion) annually, of which the branded segment accounts for 15 per cent. In fact, the Spices Board of India has decided to set up a spice museum at Willingdon Island in Kochi to attract and educate tourists and seafarers about the history and growth of Indian spices industry.

The procurement target for rice during marketing season (MS) 2015–16 has been finalised as 30 MT.

### **Investments**

Several players have invested in the agricultural sector in India, mainly driven by the government's initiatives and schemes.

According to the Department of Industrial Policy and Promotion (DIPP), the Indian agricultural services and agricultural machinery sectors have cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 2,261 million from April 2000 to December 2015.

Some major investments and developments in agriculture in the recent past are as follows:

- ITC Ltd, one of India's leading fast-moving consumer goods (FMCG) company, plans to make Andhra Pradesh a hub for its agricultural business operations.
- Mahindra and Mahindra Ltd has acquired 35 per cent stake in a Finnish combine harvesters manufacturer, Sampo Roselnew Oy, for US\$ 20.46 million and will jointly focus on the combine harvester business in Asia, Africa and Eurasian Economic Union countries.
- The Small Farmers' Agri-Business Consortium (SFAC) plans to organise camps in Madhya Pradesh and Chhattisgarh to promote its venture capital assistance scheme (VCAS), which seeks to provide capital and project development facility (PDF) to agri-business entrepreneurs.
- Agri-research institute ICRISAT's incubation arm is looking to set up a Rs.100 crore (US\$ 14.67 million) fund in a year, an initiative that could help small entrepreneurs from the agri-business and nutrition space raise money.
- Mahindra & Mahindra (M&M), India's leading tractor and utility vehicle manufacturer, announced its entry into pulses retailing under the brand 'NuPro'. Going forward, the company plans to foray into e-retailing and sale of dairy products.
- Fertiliser cooperative IFFCO launched a joint venture with Japanese firm Mitsubishi Corp for manufacturing agrochemicals in India.
- Acumen, a not-for-profit global venture fund, has invested Rs 11 crore (US\$ 1.7 million) in Sahayog Dairy, an integrated entity in the segment, based at Harda district in Madhya Pradesh.
- Rabo Equity Advisors, the private equity arm of Netherlands-based Rabo Group, raised US\$ 100 million for the first close of its second fund – India Agri Business Fund II. The fund plans to invest US\$ 15–17 million in 10–12 companies.

- Oman India Joint Investment Fund (OIJIF), a joint venture (JV) between the State Bank of India (SBI) and State General Reserve Fund (SGRF), invested Rs 95 crore (US\$ 13.94 million) in GSP Crop Science, a Gujarat-based agrochemicals company.
- The world's seventh-largest agrochemicals firm, Israel-based ADAMA Agrochemicals plans to invest at least US\$ 50 million in India over the next three years.

## FERTILIZER INDUSTRY: GLOBAL SCENARIO

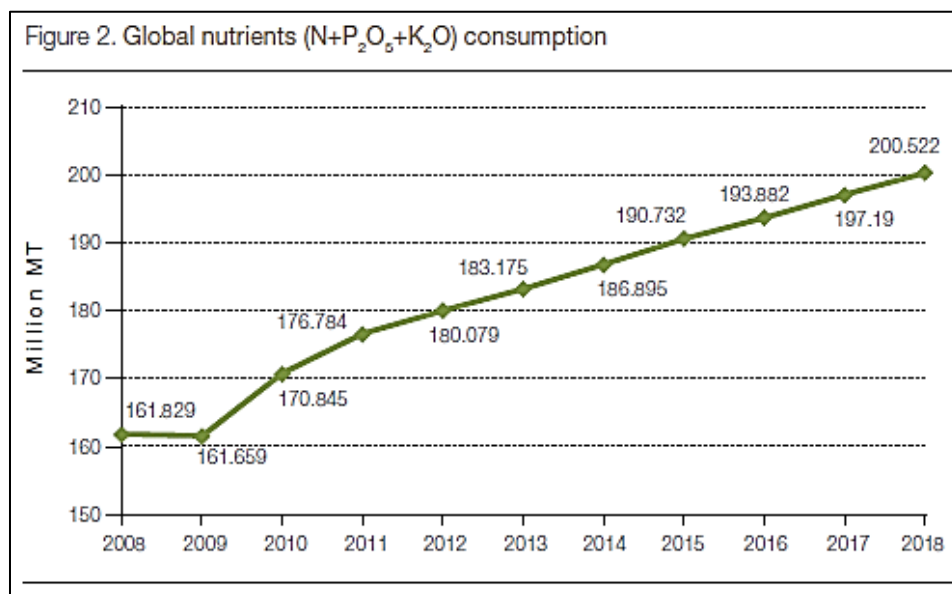
World demand for total fertilizer nutrients is estimated to grow at 1.8 percent per annum from 2014 to 2018. The demand for nitrogen, phosphate, and potash is forecast to grow annually by 1.4, 2.2, and 2.6 percent, respectively, during the period. Over the next five years, the global capacity of fertilizer products, intermediates and raw materials will increase further.

The global potential nitrogen balance (i.e. the difference between N potentially available for fertilizers and N fertilizer demand) as a percentage of N fertilizer demand is expected to steadily rise during the forecast period, from 3.7 percent in 2014, to 5.4 percent in 2015, and then 6.9 percent in 2016, a further 8.8 percent in 2017 and reach 9.5 percent in 2018. The global potential balance of phosphorous is expected to rise from 2,700,000 tonnes in 2014 to 3,700,000 tonnes in 2018 or from 6.4 percent of total demand to 8.5 percent.

The global potential balance of potassium is expected to rise significantly from 8,700,000 tonnes in 2014 to 12,700,000 tonnes in 2018, or from 25 percent of total demand to 33 percent.

### Demand for fertilizer Nutrients

The demand for fertilizer nutrients have been projected for the coming five years. Total fertilizer nutrient (N+P<sub>2</sub>O<sub>5</sub>+K<sub>2</sub>O) consumption is estimated at 183 200 000 tonnes in 2013 and is forecast to reach 186 900 000 tonnes in 2014. With a successive growth of 1.8 percent per year, it is expected to reach 200 500 000 tonnes by the end of 2018. Figure 2 indicates the forecasts of world demand for total fertilizer nutrients from 2014 to 2018, against the actual consumption in the preceding six years.

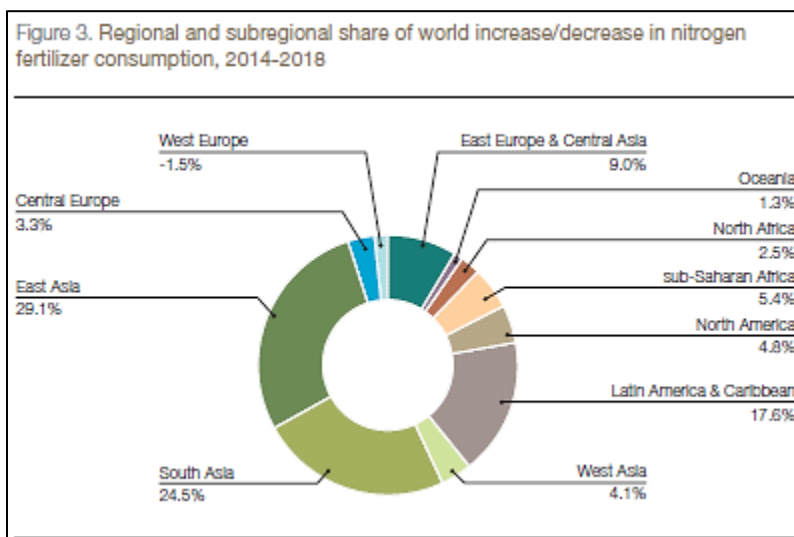


The global demand for fertilizer nutrients are summarized in Table 4

| Table 4. World demand for fertilizer nutrients, 2014-2018 (thousand tonnes) |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| Year  | 2014    | 2015    | 2016    | 2017    | 2018    |
| Nitrogen (N)  | 113 147 | 115 100 | 116 514 | 117 953 | 119 418 |
| Phosphate ( $P_2O_5$ )  | 42 706  | 43 803  | 44 740  | 45 718  | 46 648  |
| Potash ( $K_2O$ )   | 31 042  | 31 829  | 32 628  | 33 519  | 34 456  |
| Total (N+ $P_2O_5$ + $K_2O$ )   | 186 895 | 190 732 | 193 882 | 197 190 | 200 522 |

### Nitrogen (N)

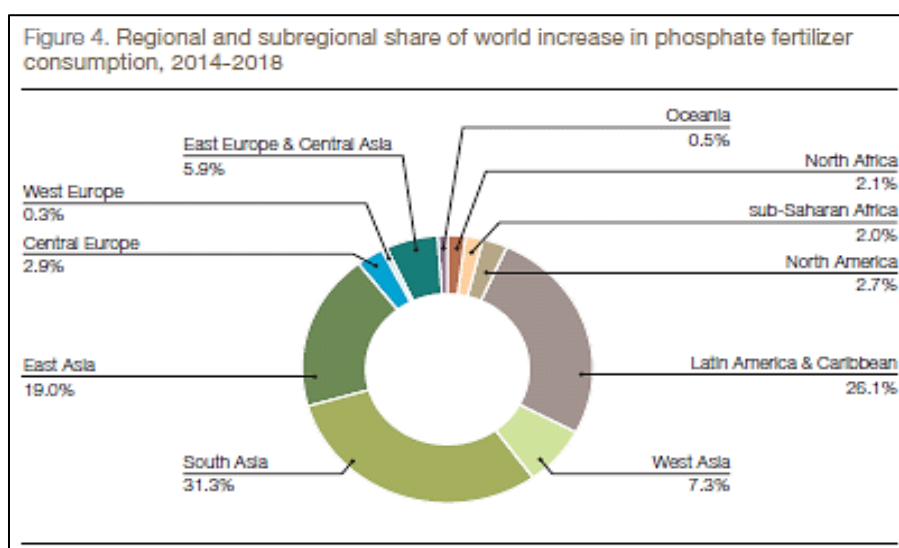
The world nitrogen fertilizer demand increased from 111,400,000 tonnes in 2013 to 113,100,000 tonnes in 2014, at a growth rate of 1.5 percent. It is expected to be around 119,400,000 tonnes in 2018 at the annual growth of 1.4 percent. Of the overall increase in demand for 6,300,000 tonnes of nitrogen between 2014 and 2018, 58 percent would be in Asia, 22 percent in the Americas, 11 percent in Europe, 8 percent in Africa and 1 percent in Oceania. Among the Asian countries, the bulk of the increase of world demand for nitrogen is expected to come from China (18 percent) and India (17 percent), followed by Indonesia (6 percent), Pakistan (4 percent), Bangladesh (2 percent), Vietnam (2 percent) and Malaysia and Thailand (1 percent each). In the Americas, the major share of the increase is expected to be in Latin America (18 percent), and will come mainly from Brazil, Argentina, Colombia and Mexico. In North America, the share of increase is expected to be around 5 percent, contributed largely by USA and Canada. In Europe, the major share of increase is expected in East Europe and Central Asia (9 percent), in Ukraine (5 percent) and Russia (3 percent). The share of increase in Central Europe is expected to be around 3 percent. In West Europe, there may be a nominal decline in consumption during the period. The share of increase in North Africa is expected to be around 2.5 percent, mainly in Egypt and Morocco. The share of increase in sub-Saharan Africa is expected to be around 5 percent, mainly in Nigeria, and Ethiopia. Figure 3 shows the regional and sub regional share of world increase in nitrogen consumption between 2014 and 2018.



### Phosphate ( $P_2O_5$ )

Phosphate fertilizer consumption/demand, includes  $H_3PO_4$  (phosphoric acid) based fertilizer demand + non- $H_3PO_4$  fertilizer demand. The non- $H_3PO_4$  fertilizer demand includes  $P_2O_5$  in single super phosphate, direct application phosphate rock (DAPR), nitric acid-based phosphate fertilizers, etc. The world phosphate fertilizer demand increased from 41,700,000 tonnes in 2013 to 42,700,000 tonnes in

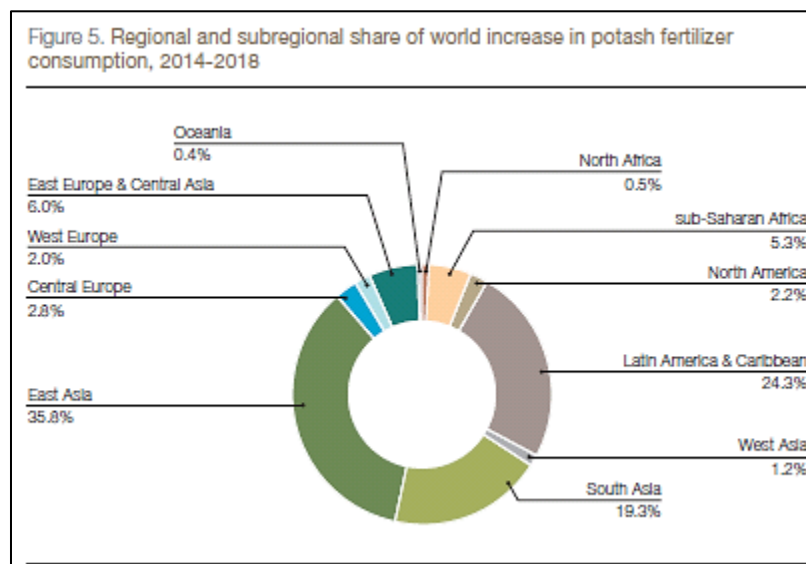
2014, at a growth rate of 2.4 percent. It is expected to touch 46,600,000 tonnes in 2018 at a growth rate of 2.2 percent per year. Of the overall increase in demand for 3,900,000 tonnes P<sub>2</sub>O<sub>5</sub> between 2014 and 2018, 58 percent would be in Asia, 29 percent in America, 9 percent in Europe, 4 percent in Africa and 0.5 percent in Oceania. Among the Asian countries, about 27 percent of the growth in world demand of phosphate is expected in India, 10 percent in China, 5 percent in Indonesia, 3 percent in Pakistan and 2 percent in Bangladesh. West Asia accounts for 7 percent of the increase in consumption of which Iran has the majority of the share of the increase. Among the major countries in the Americas, 19 percent of the growth in world demand is projected to be in Brazil, 4 percent in Argentina and 2 percent in the USA. The share of East Europe and Central Asia is expected to be 6 percent, of which Russia accounts for a share of 2 percent and Ukraine approximately 2 percent. West Europe has a flat forecasted consumption level and Central Europe is expected to contribute 3 percent of the world increase in consumption. The share of increase in Oceania is expected to be 0.5 percent. In sub-Saharan Africa, the increase is likely to be 2 percent and in North Africa, it is also expected to be around 2 percent. Figure 4 shows regional and sub regional shares of world increase in phosphate consumption between 2014 and 2018.



### Potash (K<sub>2</sub>O)

Potassium fertilizer demand is estimated to increase from 30,060,000 tonnes in 2013 to 31,040,000 tonnes in 2014, indicating an increase of 3.3 percent. The world potash fertilizer demand is expected to be 34,500,000 tonnes in 2018 with per annum growth of 2.6 percent over 2014. Of the overall increase in demand for 34,00,000 tonnes of potash between 2014 and 2018, 56 percent would be in Asia, 27 percent in the Americas, 11 percent in Europe, 6 percent in Africa and 0.4 percent in Oceania.

Among the Asian countries, about 23 percent of the growth in world demand for potash is expected in China, 17 percent in India, 7 percent in Indonesia, 2 percent in Malaysia and 1 percent for the remainder from the rest of Asia. In the Americas, the largest share of the growth of about 18 percent is projected to be in Brazil. In Europe, about 6 percent of the growth in world demand for potash is expected in East Europe and Central Asia: of which Russia accounts for 3 percent, and 2 percent in Ukraine. This is followed by 3 percent in Central Europe, with West Europe expected to increase by about 2 percent during the reference period. Figure 5 shows regional and sub regional shares of world increase in potash consumption during 2014 to 2018.



(Source: *World Fertilizer Trends and Outlook to 2018* by Food and Agriculture Organization of the United Nations [www.fao.org](http://www.fao.org))

## SUMMARY OF OUR BUSINESS

### Overview

Incorporated in 2002, our Company M/s. Agro Phos (India) Limited is an ISO 9001:2008 certified Company engaged in the manufacturing of fertilisers such as Single Super Phosphate (SSP), Nitrogen Phosphate and Potassium (NPK), Zinc Sulphate, Organic manure and Calcium Sulphate commonly known as soil conditioner or gypsum. Our Company also undertakes trading of Diammonium Phosphate (DAP), Urea, Ammonium Sulphate and other fertilizers depending upon the demand of the customers. The Registered Office of our Company is situated at M-87, Trade Centre 18M, South Tukoganj, Indore, Madhya Pradesh.

Our manufacturing facilities are located at Dewas and Meghnagar, Madhya Pradesh and are well equipped with required facilities including machinery, crane, conveyor belt, other handling equipments to facilitate smooth manufacturing process and easy logistics. We endeavor to maintain safety in our premises by adhering to key safety norms. Our manufacturing process is completely integrated from procurement of raw materials and final testing and packing of fertilisers for direct use of our customers.

We have entered into Memorandum of Understanding for our products SSP and NPK with Indian Potash Limited for supply of minimum 40,000 +/- 10% MT per annum of SSP and 25,000 MT per annum of NPK. SSP is marketed by Indian Potash Limited in the states of Madhya Pradesh, Chhattisgarh and Maharashtra while NPK is marketed in the states of Madhya Pradesh and Chattisgarh.

Our Company is well equipped with in-house testing laboratory to test the products as per quality standards and relevant chemical composition. In our quest to maintain high standards of quality for our products, we have imported testing machine to test the product in real time basis. The final product has to pass special quality test to ensure that it is of the requisite quality and contains the requisite chemical composition. We use gazette bags for packing of our products. These bags are very easy to handle and facilitates easy stacking as well. Apart from providing quality products at an affordable cost, our Company also emphasizes on the product reach through its distribution network. We have over 200 dealers and distributors.

Our Company also takes part in various educational awareness programs for farmers. Farmer suicide has become a major concern since being an agrarian country, a large percentage of population in our Country is dependent on agriculture. Towards this social initiative, our Company will be telecasting programme called **"Himmat Na Haar"** on Doordarshan (Regional telecast at Madhya Pradesh and Chhattisgarh). This programme will aim at educating farmers towards the use of fertilisers, pesticides, improve irrigation, address crop failures and such other agriculture related concerns and creating awareness about government policies.

## OUR COMPETITIVE STRENGTHS



### 1. Quality assurance

Our Company has a testing division and an in house laboratory which is responsible for the final approval of product manufactured. The final product manufactured has to undergo a quality check before it is finally packed into HDPE bags. Our in house laboratory, equipped with different testing machines checks the requisite chemical composition and ensures that the product passes the ultimate quality check and receive quality approval from the testing department before final packaging and dispatch.

### 2. Leveraging the experience of our promoters

Our promoters, Mr Raj Kumar Gupta and Mr Vishnu Kant Gupta has around 10 years of experience in the fertilizer industry. We believe that the knowledge and experience of our Promoters have helped our Company move up the value chain in the industry in which we operate.

### 3. Strategic Location of Manufacturing Unit

Our Company has 2 manufacturing units situated at Dewas and Meghnagar, Madhya Pradesh. Strategic location of our manufacturing unit ensures timely and speedy availability of raw material which leads to quick advent of the production process. It also gives us competitive cost advantage in terms of raw material sourcing, manufacturing and labour costs and enables us to address markets efficiently.

#### 4. Our distribution network

We have presence in Central India through our network of around 200 dealers. Major portion of our sales are made to our dealers through our network of distributors. The dealers then sell our product to farmers situated in rural areas.

#### 5. Quality of service

Our Company has been accredited with ISO 9001:2008 certification for manufacturing and supply of Fertilisers and Pesticides chemicals. We adhere to the quality standards as prescribed. We believe this has helped us in getting repetitive orders from customers.

#### 6. Proficient Management Team

Both our Promoters have experience of more than a decade in the fertilizer industry. Our senior management team has experience in sourcing of raw materials, operating manufacturing facilities and ensuring quality check of our products. The vision, prudence and dynamism of our management enable us to discover and capitalize on new opportunities and accordingly gives us a competitive footing in our industry.

### BUSINESS STRATEGY



#### 1. Develop and maintain relationship with our clients

We believe in maintaining good relationship with our clients which is the most important factor to keep our Company growing. Our dedicated and focused approach has helped us build strong relationships over a number of years with our customers and suppliers. We bag and place repetitive order with our customers as well as with our suppliers, which facilitates efficient and timely delivery of products to our clients. For us, establishing strong, mutually beneficial long-term relationships with strategic supplier relationship management is a critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop. We have also entered into a marketing agreement with Indian Potash Limited for our product SSP and NPK.

## **2. Improving functional efficiency**

Our Company intends to improve efficiencies to achieve cost reductions to have a competitive edge over our peers. We believe that this can be achieved through continuous process improvement, customer service and technology development.

## **3. Brand image**

We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services by way of providing quality goods with required chemical composition.

## **4. Expand our dealership network**

We have a network of dealers and distributors and we intent to expand our distribution network by further appointing new distributors in states where we have limited presence or no presence.

## SUMMARY OF FINANCIAL STATEMENTS

The following summary of financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the Peer Reviewed Auditor's Report in the section titled "*Financial Statements*". You should read this financial data in conjunction with our financial statements for the period ended April 30, 2016 and for the financial Year 2016, 2015, 2014, 2013, 2012 and 2011 including the notes thereto and the reports thereon, which appears under the section titled "*Financial Statements*" and chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 261 and 303 of this Prospectus.

### STATEMENT OF ASSETS AND LIABILITIES AS RESTATED - ANNEXURE I

(Rs. in Lacs)

| Sr. No.   | Particulars                       | As at March 31, 2012 | As at March 31, 2013 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2016 | As at April 30, 2016 |
|-----------|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>1)</b> | <b>Equity &amp; Liabilities</b>   |                      |                      |                      |                      |                      |                      |
|           | <b>Shareholders' funds</b>        |                      |                      |                      |                      |                      |                      |
|           | a. Share capital                  | 118.25               | 137.12               | 147.57               | 287.88               | 287.88               | 287.88               |
|           | b. Reserves & surplus             | 431.43               | 625.26               | 805.52               | 1,762.01             | 2,129.76             | 2137.22              |
|           | <b>Sub-total</b>                  | 549.68               | 762.38               | 953.09               | 2,049.89             | 2,417.64             | 2425.10              |
| <b>2)</b> | <b>Share application money</b>    | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>3)</b> | <b>Non-current liabilities</b>    |                      |                      |                      |                      |                      |                      |
|           | a. Long-term borrowings           | 439.18               | 543.10               | 358.08               | 575.80               | 498.81               | 498.09               |
|           | b. Deferred tax liabilities (net) |                      |                      |                      |                      |                      |                      |
|           | c. Long-term liabilities          | 29.81                | 34.18                | 34.35                | -                    | -                    | -                    |
|           | d. Long-term provisions           | 200.43               | 559.78               | 375.11               | 242.06               | 128.06               | 128.06               |
|           | <b>Sub-total</b>                  |                      |                      |                      |                      |                      |                      |
| <b>4)</b> | <b>Current liabilities</b>        |                      |                      |                      |                      |                      |                      |
|           | a. Short-term borrowings          | 451.04               | 922.36               | 878.10               | 1,154.38             | 1,546.37             | 1517.72              |
|           | b. Trade payables                 | 1,559.66             | 1,099.54             | 788.93               | 1,014.63             | 2,106.21             | 2167.56              |
|           | c. Other current liabilities      | 140.75               | 96.34                | 148.76               | 152.56               | 266.60               | 241.45               |
|           | d. Short term provisions          | 32.73                | 38.90                | 29.31                | 34.80                | 65.02                | 67.12                |
|           | <b>Sub-total</b>                  |                      |                      |                      |                      |                      |                      |
|           | <b>T O T A L (1+2+3+4)</b>        |                      |                      |                      |                      |                      |                      |
| <b>5)</b> | <b>Non-current assets</b>         |                      |                      |                      |                      |                      |                      |
|           | a. Fixed assets                   |                      |                      |                      |                      |                      |                      |
|           | i. Tangible assets                | 399.64               | 446.23               | 461.03               | 1,684.41             | 1,658.79             | 1649.95              |
|           | ii. Intangible assets             |                      |                      |                      |                      |                      |                      |
|           | iii. Capital work in progress     | 50.49                | 240.04               | 498.89               | 12.55                | 17.34                | 17.40                |
|           | b. Non-current investments        |                      |                      |                      |                      |                      |                      |
|           | c. Deferred Tax Asset             | -                    | -                    | -                    | 457.28               | 296.13               | 292.50               |
|           | d. Long term loans                | 31.52                | 19.81                | 19.85                | 14.23                | 134.65               | 136.91               |
|           | e. Other non-current assets       | 60.94                | 74.43                | 104.63               | 30.36                | 37.60                | 37.61                |

| Sr. No.   | Particulars               | As at March 31, 2012 | As at March 31, 2013 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2016 | As at April 30, 2016 |
|-----------|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|           | <b>Sub-total</b>          | <b>542.59</b>        | <b>780.51</b>        | <b>1,084.40</b>      | <b>2,198.83</b>      | <b>2,144.51</b>      | <b>2134.37</b>       |
| <b>6)</b> | <b>Current assets</b>     |                      |                      |                      |                      |                      |                      |
|           | a. Current investments    |                      |                      |                      |                      |                      |                      |
|           | b. Inventories            | 881.97               | 1,359.02             | 1,030.42             | 885.76               | 1,319.29             | 1237.03              |
|           | c. Trade receivables      | 526.21               | 414.18               | 434.42               | 807.23               | 1,546.27             | 1629.94              |
|           | d. Cash and bank balances | 146.79               | 170.59               | 22.29                | 139.65               | 108.84               | 118.94               |
|           | e. Short term loans &     | 65.13                | 294.54               | 377.44               | 197.43               | 224.69               | 225.68               |
|           | f. Other current assets   | 1,241.80             | 1,040.23             | 619.66               | 1,002.71             | 1,693.39             | 1707.58              |
|           | <b>Sub-total</b>          | <b>2,861.90</b>      | <b>3,278.56</b>      | <b>2,484.23</b>      | <b>3,032.78</b>      | <b>4,892.48</b>      | <b>4919.17</b>       |
|           | <b>T O T A L (5+6)</b>    | <b>3,404.49</b>      | <b>4,059.07</b>      | <b>3,568.63</b>      | <b>5,231.61</b>      | <b>7,036.99</b>      | <b>7053.54</b>       |

## STATEMENT OF PROFIT AND LOSS AS RESTATED - ANNEXURE II

(Rs. in Lacs)

| Particulars  | As at March 31, 2012 | As at March 31, 2013 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2016 | For the period ended April 30, 2016 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------------------|
| <b>INCOME</b>  |                      |                      |                      |                      |                      |                                     |
| Revenue from Operations(See Note   | 5,785.12             | 5,871.74             | 6,244.44             | 6,599.19             | 7,291.56             | 365.45                              |
| Less: Excise Duty  | 12.63                | 22.70                | 25.03                | 35.03                | 43.15                | 0.95                                |
| Net Revenue  | 5,772.49             | 5,849.04             | 6,219.41             | 6,564.16             | 7,248.41             | 364.50                              |
| Other income   | 17.79                | 10.27                | 9.50                 | 15.61                | 28.36                | 0.54                                |
| <b>Total revenue (A)</b>   | <b>5,790.28</b>      | <b>5,859.31</b>      | <b>6,228.91</b>      | <b>6,579.77</b>      | <b>7,276.77</b>      | <b>365.04</b>                       |
| <b>EXPENDITURE</b>   |                      |                      |                      |                      |                      |                                     |
| Cost of materials consumed   | 2,149.52             | 2,516.35             | 2,524.85             | 2,375.80*            | 3,253.04             | 54.61                               |
| Purchase of stock-in-trade   | 1,822.80             | 2,163.76             | 1,124.40             | 1,268.54             | 982.68               | 126.33                              |
| Changes in inventories of finished   | (226.61)             | (636.11)             | 618.53               | 127.85               | (325.98)             | 86.98                               |
| Employee benefit expenses  | 129.64               | 154.29               | 97.81                | 155.99               | 169.53               | 11.04                               |
| Finance costs  | 161.19               | 168.21               | 137.07               | 201.23               | 323.07               | 24.05                               |
| Depreciation and amortisation  | 14.13                | 24.83                | 29.20                | 48.20                | 104.87               | 8.84                                |
| Other expenses   | 1,538.61             | 1,261.62             | 1,505.17             | 1,739.68             | 2,252.80             | 42.10                               |
| <b>Total expenses (B)</b>  | <b>5,589.28</b>      | <b>5,652.95</b>      | <b>6,037.03</b>      | <b>5,917.29</b>      | <b>6,760.01</b>      | <b>353.95</b>                       |
| <b>Net profit/ (loss) before exceptional, extraordinary items and tax, as restated</b> | <b>201.00</b>        | <b>206.36</b>        | <b>191.88</b>        | <b>662.48</b>        | <b>516.76</b>        | <b>11.09</b>                        |
| Exceptional items  | -                    | -                    | -                    | -                    | -                    | -                                   |
| <b>Net profit/ (loss) before extraordinary items and tax, as restated</b>              | <b>201.00</b>        | <b>206.36</b>        | <b>191.88</b>        | <b>662.48</b>        | <b>516.76</b>        | <b>11.09</b>                        |

| Particulars  | As at<br>March<br>31, 2012 | As at<br>March<br>31, 2013 | As at<br>March<br>31, 2014 | As at<br>March<br>31, 2015 | As at<br>March<br>31, 2016 | For the<br>period<br>ended<br>April<br>30, 2016 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---|
| Extraordinary items  | -                          | -                          | -                          | -                          | -                          | -   |
| <b>Net profit/ (loss) before tax, as restated</b>              | 201.00                     | 206.36                     | 191.88                     | 662.48                     | 516.76                     | 11.09   |
| Tax expense:   |                            |                            |                            |                            |                            |   |
| (i) Current tax  | 40.52                      | 64.79                      | 63.71                      | 146.33                     | 106.61                     | 2.26  |
| (ii) Income Tax Paid for earlier                               | -                          | -                          | -                          | -                          | 2.86                       | -   |
| (iii) MAT Credit Entitlement                                   | (14.67)                    | -                          | -                          | -                          | (106.61)                   | 3.63  |
| (iv) Deferred tax (asset)/liability                            | 2.31                       | 4.36                       | 0.18                       | (491.64)                   | 161.15                     | (2.26)  |
| <b>Total tax expense</b>                                       | 28.16                      | 69.15                      | 63.89                      | (345.31)                   | 164.01                     | 3.63  |
| <b>Profit/ (loss) for the year/ period, as restated</b>        | 172.84                     | 137.21                     | 127.99                     | 1,007.79                   | 352.75                     | 7.46  |
| <b>Earning per equity share (face value of Rs. 10/- each):</b> | 1.25                       | 0.98                       | 0.90                       | 7.03                       | 2.45                       | 0.05  |

\*After considering value of stock surrendered during I T Survey.

Note: Details of Revenue from Operations-

(Rs in lacs)

| Particulars   | For Period<br>ended<br>31.03.2011 | For Period<br>ended<br>31.03.2012 | For Period<br>ended<br>31.03.2013 | For Period<br>ended<br>31.03.2015 | For Period<br>ended<br>31.03.2016 | For the<br>period<br>ended<br>30.04.2016 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--|
| Sales of Traded Goods                                   | 1,731.65                          | 1,616.02                          | 1,282.45                          | 1,445.99                          | 522.02                            | 208.55                                   |
| Sales of Manufactured Goods                             | 1,840.33                          | 2,762.37                          | 3358.89                           | 3693.40                           | 4482.46                           | 111.95                                   |
| Turnover in respect of products not normally dealt with | -                                 | -                                 | -                                 | -                                 | -                                 | -  |
| Subsidy on SSP  | 2,203.94                          | 1,489.19                          | 1,360.24                          | 1,360.72                          | 2,161.43                          | 14.29                                    |
| Freight Subsidy   | 3.19                              | -                                 | -                                 | 1.47                              | 14.09                             | 3.53                                     |
| Moisture Rebate   | 5.59                              | -                                 | -                                 | 1.47                              | -                                 | -  |
| Vat & Rate Difference                                   | -                                 | -                                 | -                                 | -                                 | -                                 | 5.28                                     |
| Trade Discount  | 0.42                              | 4.16                              | 242.86                            | 96.14                             | 111.56                            | 21.85                                    |
| <b>TOTAL</b>  | 5,785.12                          | 5,871.74                          | 6244.44                           | 6599.19                           | 7291.56                           | 365.45                                   |

**STATEMENT OF CASH FLOW AS RESTATED - ANNEXURE III**
*(Rs. in Lacs)*

| Particulars   | For Year ended<br>31.03.2012 | For Year ended<br>31.03.2013 | For Year ended<br>31.03.2014 | For Year ended<br>31.03.2015 | For Year ended<br>31.03.2016 | For Period ended<br>30.04.2016 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|
| <b><u>Cash flow from Operating Activities</u></b>       |                              |                              |                              |                              |                              |                                |
| Net Profit Before tax as per Statement of Profit & Loss | 201.00                       | 206.36                       | 191.88                       | 662.48                       | 516.76                       | 11.09                          |
| <b>Adjustments for</b>                                  |                              |                              |                              |                              |                              |                                |
| Depreciation &  | 14.13                        | 24.83                        | 29.19                        | 48.20                        | 104.87                       | 8.84                           |
| Loss (Profit) on Sale of                                | 1.20                         | 2.76                         | 0.07                         | -                            | -                            | -                              |
| Loss (Profit) on Sale of                                | (3.20)                       | -                            | -                            | -                            | -                            | -                              |
| Provision for Gratuity                                  | 0.48                         | 1.30                         | 0.42                         | 4.64                         | 0.84                         | -                              |
| Dividend Income   | -                            | -                            | -                            | -                            | -                            | -                              |
| Extraordinary Items                                     | -                            | -                            | -                            | -                            | -                            | -                              |
| Interest Income   | (12.79)                      | (9.89)                       | (7.75)                       | (6.23)                       | (14.95)                      | (0.01)                         |
| Preliminary Expenses                                    | -                            | -                            | -                            | -                            | -                            | -                              |
| Sundry Balances   | 0.03                         | -                            | -                            | -                            | -                            | -                              |
| Finance Cost  | 85.30                        | 89.08                        | 116.70                       | 144.19                       | 256.68                       | 22.39                          |
| <b>Operating Profit before working capital changes</b>  | <b>286.15</b>                | <b>314.44</b>                | <b>330.51</b>                | <b>853.28</b>                | <b>864.20</b>                | <b>42.31</b>                   |
| <b>Changes in Working</b>                               |                              |                              |                              |                              |                              |                                |
| Trade receivable  | (228.46)                     | 107.87                       | (16.08)                      | (372.81)                     | (739.04)                     | (83.67)                        |
| Other Loans and   | (35.84)                      | (230.38)                     | (82.68)                      | 179.75                       | (26.23)                      | (0.89)                         |
| Inventories   | (241.83)                     | (477.05)                     | 328.60                       | 144.66                       | (433.53)                     | 82.26                          |
| Other Current Assets                                    | (866.93)                     | 202.55                       | 420.34                       | (382.79)                     | (691.70)                     | (14.29)                        |
| Trade Payables  | 986.33                       | (96.60)                      | (449.25)                     | (206.06)                     | 977.57                       | 61.35                          |
| Other Current   | 101.77                       | (38.08)                      | 22.98                        | (12.33)                      | 98.65                        | (25.05)                        |
| Other Long Term   | -                            | -                            | 3.50                         | 1.40                         | -                            | -                              |
| Long Term Provisions                                    | -                            | -                            | -                            | -                            | -                            | -                              |
| Other Long Term Loans and Advances                      | 2.32                         | (3.05)                       | (0.18)                       | 5.48                         | (14.05)                      | (0.01)                         |
| Short Term Borrowings                                   | -                            | -                            | -                            | -                            | -                            | -                              |
| Short term Provisions                                   | -                            | -                            | -                            | -                            | -                            | -                              |
| <b>Net Cash Flow from</b>                               | <b>3.51</b>                  | <b>(220.30)</b>              | <b>557.74</b>                | <b>210.58</b>                | <b>35.87</b>                 | <b>62.01</b>                   |
| Less : Income Tax paid                                  | (14.71)                      | (42.81)                      | (72.51)                      | (140.26)                     | (77.55)                      | -                              |

| Particulars  | For Year ended<br>31.03.2012 | For Year ended<br>31.03.2013 | For Year ended<br>31.03.2014 | For Year ended<br>31.03.2015 | For Year ended<br>31.03.2016 | For Period ended<br>30.04.2016 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|
| <b>Net Cash Flow from Operating Activities (A)</b>                     | (11.20)                      | (263.11)                     | 485.23                       | 70.32                        | (41.68)                      | 62.01                          |
| <b>Cash flow from investing Activities</b>                             |                              |                              |                              |                              |                              |                                |
| Purchase of Fixed  | (116.97)                     | (91.79)                      | (45.58)                      | (248.86)                     | (58.99)                      | -                              |
| Increase in Capital  | -                            | (172.93)                     | (312.56)                     | (536.36)                     | (10.07)                      | (0.06)                         |
| Sale of Fixed Assets   | 8.38                         | 1.00                         | 1.51                         | -                            | -                            | -                              |
| Purchase of Investment   | (140.17)                     | -                            | -                            | (82.09)                      | (19.60)                      | (11.00)                        |
| Sale / Redemption of   | 4.00                         | 53.41                        | 115.13                       | -                            | -                            | -                              |
| Movement in Loan & Advances (Other non                                 | -                            | (16.35)                      | (65.49)                      | 81.86                        | -                            | -                              |
| Interest Income  | 2.55                         | 15.67                        | 6.33                         | 3.48                         | 7.22                         |                                |
| Dividend Income  | -                            | -                            | -                            | -                            | -                            | -                              |
|  |                              |                              |                              |                              |                              |                                |
| <b>Net Cash Flow from Investing Activities</b>                         | <b>(242.21)</b>              | <b>(210.99)</b>              | <b>(300.66)</b>              | <b>(781.97)</b>              | <b>(81.44)</b>               | <b>(11.06)</b>                 |
|  |                              |                              |                              |                              |                              |                                |
| <b>Cash Flow From</b>  |                              |                              |                              |                              |                              |                                |
| Proceeds From Issue of   | 8.25                         | 18.88                        | 10.45                        | 22.25                        | -                            | -                              |
| Increase in Share  | 74.21                        | 56.63                        | 52.27                        | 66.75                        | -                            | -                              |
| Decrease in Secured  | -                            | -                            |                              | -                            |                              | -                              |
| Increase in Term   | 255.10                       | 568.88                       | (199.82)                     | 807.44                       | 330.39                       | (29.46)                        |
| Increase in Unsecured  | -                            | -                            |                              | -                            |                              | -                              |
| Interest Paid  | (84.95)                      | (86.43)                      | (116.62)                     | (144.19)                     | (256.68)                     | (22.39)                        |
| Loan Processing  | -                            | (2.65)                       | (0.07)                       | -                            | -                            | -                              |
| Dividend paid (  | -                            | -                            |                              | -                            | -                            | -                              |
| <b>Net Cash Flow from Financing Activities (C)</b>                     | <b>252.61</b>                | <b>555.31</b>                | <b>(253.79)</b>              | <b>752.25</b>                | <b>73.71</b>                 | <b>(51.85)</b>                 |
| <b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b> | (0.80)                       | 81.21                        | (69.22)                      | 40.60                        | (49.41)                      | (0.90)                         |
| Opening Cash & Cash  | 2.42                         | 1.62                         | 82.83                        | 13.60                        | 54.20                        | 4.79                           |
| <b>Cash and cash equivalents at the end of the period</b>              | <b>1.62</b>                  | <b>82.83</b>                 | <b>13.61</b>                 | <b>54.20</b>                 | <b>4.79</b>                  | <b>3.89</b>                    |

| Particulars                                | For Year ended<br>31.03.2012 | For Year ended<br>31.03.2013 | For Year ended<br>31.03.2014 | For Year ended<br>31.03.2015 | For Year ended<br>31.03.2016 | For Period ended<br>30.04.2016 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|
| <b>Cash And Cash Equivalents Comprise:</b> |                              |                              |                              |                              |                              |                                |
| Cash                                       | 1.34                         | 5.41                         | 8.78                         | 5.84                         | 1.29                         | 2.27                           |
| <b>Bank Balance :</b>                      |                              |                              |                              |                              |                              |                                |
| Current                                    | 0.28                         | 77.42                        | 4.83                         | 48.36                        | 3.50                         | 1.62                           |
| <b>Total</b>                               | <b>1.62</b>                  | <b>82.83</b>                 | <b>13.61</b>                 | <b>54.20</b>                 | <b>4.79</b>                  | <b>3.89</b>                    |

## THE ISSUE

The following table summarizes the Issue details:

| Particulars                                  | Details of Equity Shares  |
|--|---|
| Issue of Equity Shares by our Company        | 58,80,000 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs.22 /- per Equity Share aggregating Rs. 1293.60 lakhs  |
| <i>Of which:</i>                             |   |
| Market Maker Reservation Portion             | 3,12,000 Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. 22 /- per Equity Share aggregating Rs. 68.64 lakhs   |
| Net Issue to the Public                      | 55,68,000 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. 22 /- per Equity Share aggregating Rs. 1,224.96 lakhs  |
|  | <i>Of which:</i>  |
|  | Not less than 27,84,000 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. 22 /- per Equity Share aggregating Rs. 612.48 lakhs will be available for allocation to investors up to Rs.2,00,000 Lacs |
|  | Upto 27,84,000 Equity Shares of face value of Rs.10 each fully paid of the Company for cash at price of Rs. 22 /- per Equity Share aggregating Rs. 612.48 lakhs will be available for allocation to investors above Rs.2.00 Lacs              |
| <b>Pre and Post Issue Equity Shares</b>      |   |
| Equity Shares outstanding prior to the Issue | 1,43,94,115 Equity Shares of face value of Rs.10 each   |
| Equity Shares outstanding after the Issue    | 2,02,74,115 Equity Shares of face value of Rs. 10 each  |
| Use of Proceeds                              | For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 147 of this Prospectus for information on use of Issue Proceeds.  |

### Notes

1. Allocation to all categories shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. Under-subscription, if any, in any category would be allowed to be met with spillover from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and NSE and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.

2. The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on August 18, 2016 and by the shareholders of our Company *vide* a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on August 27, 2016.

For further details please refer to section titled “*Issue Information*” beginning on page 347 of this Prospectus.

## GENERAL INFORMATION

Our Company was originally formed and registered as a partnership firm under the Partnership Act in the name and style of 'Agro Phos (India)', pursuant to a deed of partnership dated February 10, 2001. Rajesh Kumar Gupta and Virendra Kumar Gupta were partners of Agro Phos (India). Ramesh Chand Suhane, Preeti Gupta, Neelam Gupta, Suman Gupta and Vikas Gupta were admitted as partners of the partnership firm vide supplementary partnership deed dated April 01, 2002.

Agro Phos (India) was thereafter converted from a partnership firm to a private limited company under Part IX of the Companies Act, 1956 with the name of "Agro Phos (India) Private Limited" and received a certificate of incorporation from the Registrar of Companies, Madhya Pradesh and Chhattisgarh on September 19, 2002 bearing registration no. 015285. Subsequently our Company was converted into a public limited company vide pursuant to special resolution dated February 28, 2004 and fresh Certificate of Incorporation dated March 01, 2004 and the name of our Company was changed to "Agro Phos (India) Limited". The Corporate Identity Number of our Company is U24123MP2002PLC015285. The partners of M/s Agro Phos (India) were initial subscribers to Memorandum of Association of our Company.

For further details of change of name and registered office of our Company, please refer to chapter titled "Our History and Certain Other Corporate Matters" beginning on page 223 of this Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

#### **Agro Phos (India) Limited**

M-87, Trade Centre 18M,

South Tukoganj

Indore- 452001

Madhya Pradesh, India

**Tel:** 0731- 2529490

**Fax:** 0731- 2529490

**Email:** [investors@agrophos.com](mailto:investors@agrophos.com)

**Website:** [www.agrophos.com](http://www.agrophos.com)

**Corporate Identification Number:** U24123MP2002PLC015285

### REGISTRAR OF COMPANIES

#### **Registrar of Companies, Gwalior, Madhya Pradesh**

3rd Floor, 'A' Block, Sanjay Complex

Jayendra Ganj, Gwalior- 474009

Website: [www.mca.gov.in](http://www.mca.gov.in)

### DESIGNATED STOCK EXCHANGE

#### **NSE EMERGE- SME Platform of NSE**

Exchange Plaza, Plot no. C/1, G Block,

Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

### BOARD OF DIRECTORS OF OUR COMPANY

| Sr. No. | Name              | Age | DIN      | Address   | Designation                  |
|---------|-------------------|-----|----------|---|------------------------------|
| 1.      | Raj Kumar Gupta   | 41  | 00244925 | A-7 Mangal Murti Nagar<br>Indore 452001 Madhya Pradesh, India | Chairman & Managing Director |
| 2.      | Vishnu Kant Gupta | 36  | 05233476 | RH-18, Scheme no. 54, Indore<br>452001 Madhya Pradesh, India  | Whole Time Director          |

| Sr. No. | Name                      | Age | DIN      | Address  | Designation                           |
|---------|---------------------------|-----|----------|--|---------------------------------------|
| 3.      | Abhay Gupta               | 18  | 07595771 | A-7 Mangal Murty Nagar<br>Navlakha Indore 452001 MP<br>IN  | Additional Director                   |
| 4.      | Mukesh Kumar<br>Jhawar    | 47  | 00527049 | Flat 502, 5th Floor Sector C,<br>Scheme No. 71, Tirumala<br>Classic, Sudama Nagar<br>Indore- 452009 Madhya<br>Pradesh, India | Additional<br>Independent<br>Director |
| 5.      | Vijay Singh<br>Bharkatiya | 80  | 00017285 | 414-A Mahalaxmi Nagar<br>Indore – 452001, Madhya<br>Pradesh, India   | Additional<br>Independent<br>Director |
| 6.      | Vani Gupta                | 34  | 07590997 | 34, Kamla Kayenj<br>Balkeshwar Agra -282004<br>Uttar Pradesh, India  | Additional<br>Independent<br>Director |

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 227 of this Prospectus.

#### COMPANY SECRETARY & COMPLIANCE OFFICER

**Neetu Dubey**

M-87, Trade Centre 18M,

South Tukoganj

Indore- 452001

Madhya Pradesh, India

**Tel:** 0731- 2529490

**Fax:** 0731- 2529490

**Email:** [cs@agrophos.com](mailto:cs@agrophos.com)

**Website:** [www.agrophos.com](http://www.agrophos.com)

**Corporate Identification Number:** U24123MP2002PLC015285

#### CHIEF FINANCIAL OFFICER

**Prashant Jain**

M-87, Trade Centre 18M,

South Tukoganj

Indore- 452001

Madhya Pradesh, India

**Tel:** 0731- 2529490

**Fax:** 0731- 2529490

**Email:** [cfo@agrophos.com](mailto:cfo@agrophos.com)

**Website:** [www.agrophos.com](http://www.agrophos.com)

**Corporate Identification Number:** U24123MP2002PLC015285

**Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and / or the BRLMs to the issue, in case of any Pre-Issue or Post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.**

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Locations), giving full details such as name, address of the bidders, number of Equity Shares applied for, Amount blocked, ASBA Account



number and the Designated Branch of the relevant SCSBs where the ASBA Bid Form was submitted by the ASBA bidders.

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

#### **STATUTORY AUDITOR AND PEER REVIEWED AUDITOR**

**Rajendra Goyal. & Co.**

**Chartered Accountants**

Kalyan Vishranthi Grah

Railway Station, Jhabua Road, Tower Road,

Indore- 452001, Madhya Pradesh, India

**Tel. No.:** 0731- 2511780, 2510289

**Email:** [kogata12@yahoo.com](mailto:kogata12@yahoo.com)

**Contact person:** Tarun Kumar Mehta

**Firm Registration No:** 001256C

**Membership No:** 071787

M/s **Rajendra Goyal. & Co.** holds a peer reviewed certificate dated July 01, 2014 issued by the Institute of Chartered Accountants of India.

#### **BOOK RUNNING LEAD MANAGER**

**Pantomath Capital Advisors Private Limited**

406-408, Keshva Premises,

Behind Family Court,

Bandra Kurla Complex, Bandra (East),

Mumbai 400 051, Maharashtra, India.

**Tel:** +9122 61946725

**Fax:** +9122 26598690

**Email:** [ipo@pantomathgroup.com](mailto:ipo@pantomathgroup.com)

**Website:** [www.pantomathgroup.com](http://www.pantomathgroup.com)

**Contact Person:** Saahil Kinkhabwala

**SEBI Registration No:** INM000012110

**Indian Overseas Bank**

Merchant Banking Division, 763, AnnaSalai,  
Chennai-600 002

**Tel.:** + 91 44 2851 9548/ 2888 9367;

**Email:** mbd@iobnet.co.in

**Website:** www.iob.in

**Contact Person:** (i) Mrs. B. Gomathy/Mrs.S.Chandra, Merchant Banking Division, Chennai (ii) Mr.Muralidharan, Capital Market Services Branch, Mumbai,

**Tel:** + 91 22 226 22017/2262 2018

**SEBI Registration No:** INM000001386

#### **REGISTRAR TO THE ISSUE**

**Bigshare Services Private Limited**

E/2, Ansa Industrial Estate, Sakivihar Road

Saki Naka, Andheri East, Mumbai – 400072

**Tel:** 022 40430200

**Fax:** 022 28475207

**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**Contact Person:** Vipin Gupta

**SEBI Registration Number:** INR000001385

#### **LEGAL ADVISOR TO THE ISSUE**

**M.V. Kini, Law Firm**

Kini House, 216/263, 1<sup>st</sup> Floor

Near Citi Bank, D.N. Road, Fort

Mumbai - 400001

**Tel:** +91 22 22612527/ 28/ 29  
**Fax:** +91 22 22612530  
**Email:** [vidisha@mvkini.com](mailto:vidisha@mvkini.com)  
**Website:** [www.mvkini.com](http://www.mvkini.com)  
**Contact Person:** Vidisha Krishan

### BANKER TO THE COMPANY

**IndusInd Bank Limited**  
 Kwaliti Business Centre,  
 Ground Floor, Plot No-7,  
 Zone II, M.P. Nagar, Bhopal- 462011  
**Tel:** 0755- 5228090  
**Fax:** 0755- 5228093  
**Email:** gaurav.shrivastava@indusind.com  
**Website:** [www.indusind.com](http://www.indusind.com)  
**Contact Person:** Gaurav Shrivastava

**Union Bank of India**  
 377, Jawahar Marg,  
 Siyaganj,  
 Indore, Madhya Pradesh- 452007  
**Tel:** 0737- 2543536  
**Fax:** NA  
**Email:** [cbssiyaganj@unionbankofindia.com](mailto:cbssiyaganj@unionbankofindia.com) ,  
[lalchand.jharwal@unionbankofindia.com](mailto:lalchand.jharwal@unionbankofindia.com)  
**Contact Person:** L.C. Jharwal

### BANKERS TO THE ISSUE

**ICICI Bank Limited**  
 Capital Market Division  
 1<sup>st</sup> Floor, 122, Mistry Bhavan  
 Dinshaw Vachha Road, Mumbai – 400020  
**Tel:** (91) 022 2285 9907/23/24  
**Fax:** (91) 022 2261 1138  
**Email:** [rishav.bagrecha@icicibank.com](mailto:rishav.bagrecha@icicibank.com)  
**Website:** [www.icicibank.com](http://www.icicibank.com)  
**Contact Person:** Mr Rishav Bagrecha  
**SEBI Registration No.:** INBI000000004

**IndusInd Bank Limited**  
 IndusInd Bank, PNA House, 4th Floor  
 Plot No 57 & 57/1, Road No. 17  
 Near SRL, MIDC Andheri East  
 Mumbai – 400093  
**Tel:** (91) 022 61069248  
**Fax:** (91) 022 66238021  
**Email:** [suresh.esaki@indusindbank.com](mailto:suresh.esaki@indusindbank.com)  
**Contact Person:** Suresh Esaki  
**SEBI Registration No.:** INBI000000002

### REFUND BANKER

**ICICI Bank Limited**  
 Capital Market Division  
 1<sup>st</sup> Floor, 122, Mistry Bhavan  
 Dinshaw Vachha Road, Mumbai – 400020  
**Tel:** (91) 022 2285 9922  
**Fax:** (91) 022 2261 1138  
**Email:** [rishav.bagrecha@icicibank.com](mailto:rishav.bagrecha@icicibank.com)  
**Website:** [www.icicibank.com](http://www.icicibank.com)  
**Contact Person:** Mr Rishav Bagrecha  
**SEBI Registration No.:** INBI000000004

### SYNDICATE MEMBER

|  |   |
|--|---|
| <b>Nirmal Bang Securities Private Limited</b><br><br>38B, Khatau Bldg, 2nd floor, Alkesh Dinesh Mody<br>Marg, Fort, Mumbai -400023<br><b>Tel:</b> +91 22 39269050<br><b>Fax:</b> +91 22 39269010<br><b>Email:</b> <a href="mailto:jignesh.shah@nirmalbang.com">jignesh.shah@nirmalbang.com</a><br><b>Website:</b> <a href="http://www.nirmalbang.com">www.nirmalbang.com</a> | <b>Choice Equity Broking Private Limited</b><br><br>Shree Shakambhari Corporate Park, Plot No. 156<br>158, Chakravarti Ashok Society, J.B.Nagar,<br>Andheri (E), Mumbai – 400 099<br><b>Tel:</b> +91 22 67079999<br><br><b>Fax:</b> +91 22 67079898 |
|--|---|

|                                     |   |
|-------------------------------------|---|
| <b>Contact Person:</b> Jignesh Shah | <b>Email:</b> <a href="mailto:sme@choiceindia.com">sme@choiceindia.com</a><br><b>Website:</b> <a href="http://www.choiceindia.com">www.choiceindia.com</a><br><b>Contact Person:</b> Premkumar Harikrishnan |
|-------------------------------------|---|

### SELF CERTIFIED SYNDICATE BANKS

The lists 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/sebiweb/home/detail/33722/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility>. For details on Designated Branches of SCSBs collecting the ASBA Bid Form, please refer to the above-mentioned SEBI link.

### BROKER CENTRES/ DESIGNATED CDP LOCATIONS/ DESIGNATED RTA LOCATIONS

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at [www.nseindia.com](http://www.nseindia.com). The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### CREDIT RATING

This being an issue of Equity Shares, credit rating is not required.

### IPO GRADING

Since the Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

### APPRAISAL AND MONITORING AGENCY

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50,000 Lakhs. Since the Issue size is only of Rs. 1293.60 lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### INTER-SE ALLOCATION OF RESPONSIBILITIES

Below mentioned table set forth the inter-se allocation of responsibilities for various activities among the Lead Managers to this Issue; i.e. PCAPL and IOB

| Sr. No. | Activities   | Responsibility | Coordinator |
|---------|--|----------------|-------------|
| 1.      | Capital restructuring with the relative components and formalities such as type of instruments, etc. | PCAPL, IOB     | PCAPL       |
| 2.      | Due diligence of the Company's   | PCAPL, IOB     | PCAPL       |

| Sr. No. | Activities   | Responsibility | Coordinator |
|---------|--|----------------|-------------|
|         | operations/ management/ business plans/ legal, etc. Drafting and design of offer document and of statutory advertisement including memorandum containing salient features of the Red Herring Prospectus/ Red Herring Prospectus and Prospectus. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock exchange(s), RoC and SEBI including finalization of the Draft Red Herring Prospectus/ Red Herring Prospectus and Prospectus and filing with the RoC. |                |             |
| 3.      | Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.  | PCAPL          | PCAPL       |
| 4.      | Appointment of registrar and other agencies to the Issue.  | PCAPL          | PCAPL       |
| 5.      | Appointment of all other intermediaries including bankers to the Issue, printers, advertising agency etc.  | PCAPL          | PCAPL       |
| 6.      | <ul style="list-style-type: none"> <li>Developing marketing strategy which will cover, inter alia</li> <li>Formulating marketing strategies, preparation of publicity budget; <i>f</i></li> <li>Finalising media, marketing and public relations strategy;</li> <li>Finalising bidding and collection centres; and <i>f</i></li> <li>Follow-up on distribution of publicity and issue material including form, Draft Red Herring Prospectus/ Red Herring Prospectus and Prospectus and deciding on the quantum of the issue material.</li> </ul> | PCAPL, IOB     | PCAPL       |
| 7.      | Coordination with Stock Exchange for bidding terminals and mock trading.   | PCAPL          | PCAPL       |
| 8.      | Management of Public Issue Bank account and Refund Bank account and allocation.  | PCAPL          | PCAPL       |
| 9.      | Post bidding activities including coordination for non- institutional  | IOB            | IOB         |

| Sr. No. | Activities  | Responsibility | Coordinator |
|---------|---|----------------|-------------|
|         | allocation, coordination with Registrar and Banks, intimation of allocation and dispatch of refund to Bidders, etc. The post issue activities of the issue will involve essential follow up steps, which include finalization of trading and dealing instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrar to the Issue, Banker to the Issue and the bank handling refund business, unblocking of ASBA funds, etc. The Book Running Lead Managers shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge the responsibility through suitable agreements with the Issuer Company. |                |             |

#### EXPERT OPINION

Except as stated below, our Company has not obtained any other expert opinion:

1. Report of the Peer Reviewed Auditor on statement of tax benefits

#### DEBENTURE TRUSTEE

Since this is not a debenture issue, appointment of debenture trustee is not required.

#### UNDERWRITER

Our Company and Book Running Lead Managers to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated October 15, 2016 and pursuant to the terms of the underwriting agreement; obligations of the underwriters are subject to certain conditions specified therein. The underwriters have indicated their intention to underwrite following number of specified securities being offered through this Issue.

| Name and Address of the Underwriters   | % of the Total Issue Size Underwritten |
|--|--|
| <b>Pantomath Capital Advisors Private Limited</b><br>406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai 400051<br><b>Tel:</b> 022 61946772<br><b>Fax:</b> 022 26598690<br><b>Email:</b> <a href="mailto:ipo@pantomathgroup.com">ipo@pantomathgroup.com</a><br><b>Website:</b> <a href="http://www.pantomathgroup.com">www.pantomathgroup.com</a><br><b>Contact Person:</b> Madhu Lunawat<br><b>SEBI Registration Number:</b> INM000012110 | 85.00                                  |

| Name and Address of the Underwriters  | % of the Total Issue Size Underwritten |
|---|--|
| <b>Indian Overseas Bank</b><br>Merchant Banking Division, 763, AnnaSalai, Chennai-600 002<br><b>Tel.:</b> + 91 44 2851 9548/ 2888 9367;<br><b>Email:</b> mbd@iobnet.co.in<br><b>Website:</b> www.iob.in<br><b>Contact Person:</b> (i) B. Gomathy/ S.Chandra, Merchant Banking Division, Chennai (ii) M Muralidharan, Capital Market Services Branch, Mumbai,<br>Tel: + 91 22 226 22017/2262 2018<br><b>SEBI Registration No:</b> INM000001386 | 15.00                                  |
| <b>Total</b>  | <b>100%</b>                            |

Includes 3,12,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 106 V(4) of the SEBI (ICDR) Regulations, 2009, as amended.

In the opinion of the Board of Directors of the Company, the resources of the above mentioned underwriter are sufficient to enable them to discharge their respective underwriting obligations in full.

#### DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Book Running Lead Manager have entered into a tripartite agreement dated October 10, 2016 with the following Market Maker, duly registered with NSE to fulfill the obligations of Market Making:

**BCB Brokerage Private Limited**

1207-A P J Towers, Dalal Street,  
Mumbai-400001

**Tel:** +91 2272 0000

**Fax:** +91 2272 2451

**E-mail:** [marketmaker@bcbbrokerage.com](mailto:marketmaker@bcbbrokerage.com)

**Website:** www.bcbbrokerage.com

**Contact Person:** Uttam Bagri

**SEBI Registration No.:** INB011161131:

BCB Brokerage Private Limited, registered with SME segment of NSE will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE and SEBI in this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of Rs.22/- the minimum lot size is 6,000 Equity Shares thus minimum depth of the quote shall be Rs.1.32 Lakhs/- until the same, would be revised by NSE.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 3,12,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, BCB Brokerage Private Limited is acting as the sole Market Maker.
7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Managers, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Managers to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Managers reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement shall be available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

10. EMERGE Platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

11. Emerge Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

12. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Makers during market making process has been made applicable, based on the issue size and as follows:

| Issue size                   | Buy quote exemption threshold<br>(including mandatory initial<br>inventory of 5% of the Issue<br>Size) | Re-Entry threshold for buy<br>quote (including mandatory<br>initial inventory of 5% of the<br>Issue Size) |
|------------------------------|--|---|
| Up to Rs. 20 Crore           | 25%  | 24%   |
| Rs. 20 crore to Rs. 50 crore | 20%  | 19%   |
| Rs. 50 to Rs. 80 crore       | 15%  | 14%   |
| Above Rs. 80 crore           | 12%  | 11%   |

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI/NSE from time to time.

### 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 and the Bid cum Application Forms. The Price Band, the Bid lot size for the issue will be decided by our company and in consultation with the BRLMs, which would be announced at least five working days before the opening of the Bid/Issue. The Issue Price shall be determined by our Company, in consultation with the BRLMs, in accordance with the Book Building Process, after the Bid/ Issue Closing Date.

The principal parties involved in the Book Building Process are:

1. Our Company;
2. The BRLMs;
3. Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) are appointed by the BRLMs;
4. Registrar to the Issue;
5. All Designated Intermediaries

This Issue is being made through the 100 per cent Book Building Process wherein 50 per cent of the Issue shall be available for allocation to Retail Individual Bidders and the balance shall be offered to QIBs and Non-Institutional Investors. Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under-subscription, if any, in any category, would be allowed to be met

with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Stock Exchange.

All Bidders (excluding Anchor Investors) can participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Except Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Issue will be on a proportionate basis. We will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Pantomath Capital Advisors Private Limited and Indian Overseas Bank as the Book Running Lead Managers, respectively to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI ICDR 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.

For further details on the method and procedure for Bidding, refer to the chapter titled “Issue Procedure” beginning on page 357 of this Prospectus.

**Illustration of Book Building Process and Price Discovery Process** (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue and also excludes bidding by Anchor Investors)

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

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

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

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (see section titled “Issue Procedure” on page 357. of this Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.

Ensure that the Bid cum Application Form is duly completed as per instructions given in this Prospectus and in the Bid cum Application Form;

### **Bid/Issue Programme**

| <b>Activity</b>   | <b>Indicative dates</b>        |
|---|--------------------------------|
| Bid Opening Date  | October 27, 2016               |
| Bid Closing Date  | November 07, 2016              |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or before November 11, 2016 |
| Credit of Equity Shares to Demat accounts of Allottees                | On or before November 11, 2016 |
| Initiation of refunds   | On or before November 11, 2016 |
| Commencement of trading of Equity Shares                              | On or before November 16, 2016 |

The above timetable is indicative and does not constitute any obligation on our Company, or the Book Running Lead Managers. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Managers to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Managers is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

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, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

## CAPITAL STRUCTURE

*Certain forms and resolutions filed with Registrar of Companies (prior to 2006) are not traceable by our Company. With respect to this chapter these include forms and resolutions for incorporation and change in constitution of Company, change in registered office of Company, increase in authorised share capital, etc. Hence, this chapter is prepared based on the ROC search reports, data provided by management and to the best of information available.*

The Equity Share capital of our Company, as on the date of this Prospectus and after giving effect to the Issue is set forth below:

*Amount (Rs.in Lakhs except share data)*

| No.       | Particulars  | Aggregate nominal value | Aggregate value at Issue Price |
|-----------|--|-------------------------|--------------------------------|
| <b>A.</b> | <b>Authorised Share Capital</b>  |                         |                                |
|           | 2,10,00,000 Equity Shares of face value of Rs. 10/- each   | 2,100.00                |                                |
| <b>B.</b> | <b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>   |                         |                                |
|           | 1,43,94,115 Equity Shares of face value of Rs. 10/- each   | 1439.41                 |                                |
| <b>C.</b> | <b>Present Issue in terms of this Prospectus</b>   |                         |                                |
|           | 58,80,000 Equity Shares of face value of Rs.10/- each  | 588.00                  | 1293.60                        |
|           | <b>Consisting :</b>  |                         |                                |
|           | <b>Reservation for Market Maker</b> – 3,12,000 Equity Shares of face value of Rs. 10/- at price of Rs 22/- per Equity Share reserved as Market Maker portion   | 31.20                   | 68.64                          |
|           | <b>Net Issue to the Public</b> – 55,68,000 Equity Shares of face value of Rs. 10/- each at a price of Rs 22/- per Equity Share   | 556.80                  | 1224.96                        |
|           | <b>Of the Net Issue to the Public</b>  |                         |                                |
|           | <b>Allocation to Retail Individual Investors</b> – 27,84,000 Equity Shares of face value of Rs. 10/- each at a price of Rs 22/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2 lacs             | 278.40                  | 612.48                         |
|           | <b>Allocation to Other than Retail Individual Investors</b> – 27,84,000 Equity Shares of face value of Rs. 10/- each at a price of Rs 22/- per Equity Share shall be available for allocation for Investors applying for a value of above Rs. 2 lacs | 278.40                  | 612.48                         |
| <b>D.</b> | <b>Issued, Subscribed and Paid-Up Share Capital after the Issue</b>  |                         |                                |
|           | 2,02,74,115 Equity Shares of face value of Rs. 10/- each   | 2,027.41                |                                |
| <b>E.</b> | <b>Securities Premium Account</b>  |                         |                                |
|           | Before the Issue   |                         | Nil                            |
|           | After the Issue  |                         | 705.60                         |

The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on , August 18, 2016 and by the shareholders of our Company *vide* a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on August 27, 2016.

The Company has one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Prospectus.

## NOTES TO THE CAPITAL STRUCTURE

### 1. Details of changes in authorized Share Capital:

Since the incorporation of our Company, the authorized share capital of our Company has been altered in the manner set forth below:

| Sr. No. | Change in authorized share capital  | Date of AGM/EGM Resolution | AGM/EGM |
|---------|---|----------------------------|---------|
| 1       | The authorized share capital was of Rs. 10,00,000 divided into 1,00,000 Equity Shares of Rs. 10 each  | On incorporation           | -       |
| 2       | The authorised share capital of Rs. 10,00,000 consisting 1,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 30,00,000 consisting of 3,00,000 Equity Shares of Rs. 10/- each.            | September 30, 2003         | EGM     |
| 3       | The authorised share capital of Rs. 30,00,000 consisting 3,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 60,00,000 consisting of 6,00,000 Equity Shares of Rs. 10/- each.            | January 30, 2004           | EGM     |
| 4       | The authorised share capital of Rs. 60,00,000 consisting 6,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 80,00,000 consisting of 8,00,000 Equity Shares of Rs. 10/- each.            | March 29, 2005             | EGM     |
| 5       | The authorised share capital of Rs. 80,00,000 consisting 8,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 1,00,00,000 consisting of 10,00,000 Equity Shares of Rs. 10/- each.         | March 18, 2006             | EGM     |
| 6       | The authorised share capital of Rs. 100,00,000 consisting 10,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 1,25,00,000 consisting of 12,50,000 Equity Shares of Rs. 10/- each.       | March 30, 2009             | EGM     |
| 7       | The authorised share capital of Rs. 125,00,000 consisting 12,50,000 Equity Shares of Rs. 10/- each was increased to Rs. 5,00,00,000 consisting of 50,00,000 Equity Shares of Rs. 10/- each.       | July 09, 2012              | EGM     |
| 8       | The authorised share capital of Rs. 5,00,00,000 consisting of 50,00,000 Equity Shares of Rs. 10/- each was increased to Rs 20,00,00,000 consisting of 2,00,00,000 Equity Shares of Rs 10/- each.  | July 18, 2016              | EGM     |
| 9       | The authorized share capital of Rs 20,00,00,000 consisting of 2,00,00,000 Equity Shares of Rs 10/- each was increased to Rs 21,00,00,000 consisting of 2,10,00,000 Equity Shares of Rs 10/- each. | October 14, 2016           | EGM     |

### 2. History of Equity Share Capital of our Company

| Date of Allotment / Fully Paid-up | No. of Equity Shares allotted | Face value (Rs.) | Issue Price (Rs.) | Nature of consideration | Nature of Allotment                                      | Cumulative number of Equity Shares | Cumulative Paid-up Capital (Rs.) |
|-----------------------------------|-------------------------------|------------------|-------------------|-------------------------|--|------------------------------------|----------------------------------|
| *September 19, 2002               | 1,00,000                      | 10               | 10                | Other than Cash         | Subscription to Memorandum of Association <sup>(1)</sup> | 1,00,000                           | 10,00,000                        |
| October 31, 2003                  | 2,00,000                      | 10               | 10                | Cash                    | Further Issue <sup>(2)</sup>                             | 3,00,000                           | 13,00,000                        |
| March 29, 2004                    | 1,92,770                      | 10               | 10                | Cash                    | Further Issue <sup>(3)</sup>                             | 4,92,770                           | 49,27,700                        |
| March 31, 2004                    | 1,07,230                      | 10               | 10                | Cash                    | Further Issue <sup>(4)</sup>                             | 6,00,000                           | 60,00,000                        |
| August 22, 2005                   | 2,00,000                      | 10               | 10                | Cash                    | Further Issue <sup>(5)</sup>                             | 8,00,000                           | 80,00,000                        |
| March 31, 2006                    | 2,00,000                      | 10               | 10                | Cash                    | Further Issue <sup>(6)</sup>                             | 10,00,000                          | 100,00,000                       |
| October 26, 2009                  | 1,00,000                      | 10               | 30                | Cash                    | Further Issue <sup>(7)</sup>                             | 11,00,000                          | 110,00,000                       |
| March 31, 2012                    | 82,450                        | 10               | 100               | Cash                    | Further Issue <sup>(8)</sup>                             | 11,82,450                          | 118,24,500                       |
| March 31, 2013                    | 1,88,750                      | 10               | 40                | Cash                    | Further Issue <sup>(9)</sup>                             | 13,71,200                          | 137,12,000                       |
| March 31, 2014                    | 1,04,535                      | 10               | 60                | Cash                    | Further Issue <sup>(10)</sup>                            | 14,75,735                          | 147,57,350                       |
| June 27, 2014                     | 11,80,588                     | 10               | Nil               | Other than cash         | Bonus Issue <sup>(11)</sup>                              | 26,56,323                          | 265,63,230                       |
| September 29, 2014                | 2,22,500                      | 10               | 40                | Cash                    | Further Issue <sup>(12)</sup>                            | 28,78,823                          | 287,88,230                       |
| September 02, 2016                | 115,15,292                    | 10               | Nil               | Other than cash         | Bonus Issue <sup>(13)</sup>                              | 1,43,94,115                        | 14,39,41,150                     |

\*Equity shares allotted pursuant to conversion of Agro Phos (India), a partnership firm registered under the Partnership Act, 1932 to a private limited company under Part IX of the Companies Act, 1956 with the name of Agro Phos (India) Private Limited.

1. Initial Subscribers to Memorandum of Association subscribed 1,00,000 Equity Shares of face value of Rs. 10/-each fully paid at par as per the details given below:

| Sr. No. | Name of Person       | No. of shares Allotted |
|---------|----------------------|------------------------|
| 1.      | Rajesh Kumar Gupta   | 29,000                 |
| 2.      | Virendra Kumar Gupta | 29,000                 |
| 3.      | Ramesh Chand Suhane  | 18,000                 |
| 4.      | Preeti Gupta         | 5,800                  |
| 5.      | Neelam Gupta         | 12,000                 |
| 6.      | Suman Gupta          | 3,100                  |
| 7.      | Vikas Gupta          | 3100                   |
|         | <b>Total</b>         | <b>1,00,000</b>        |

2. Further issue of 2,00,000 Equity Shares of face value of Rs. 10/- fully paid up at par as per the details given below:

| Sr. No | Name of Person         | No. of Shares Allotted |
|--------|------------------------|------------------------|
| 1.     | Arvind Geda            | 4,500                  |
| 2.     | Babulal Rajpoot        | 5,600                  |
| 3.     | Gourishankar Nigoti    | 5,500                  |
| 4.     | Kamta Prasad Dangi     | 8,500                  |
| 5.     | Laxminarayan Gida      | 8,700                  |
| 6.     | Madanlal Suhane        | 6,900                  |
| 7.     | Sheela Choudhary       | 9,200                  |
| 8.     | Kiran Barsanya         | 9,200                  |
| 9.     | Meera Nahar            | 9,500                  |
| 10.    | Ramdevi Nikhara        | 8,200                  |
| 11.    | Ramrati Bai            | 4,200                  |
| 12.    | Shakuntla Nagda        | 3,500                  |
| 13.    | Suripi Gupta           | 4,600                  |
| 14.    | Umadevi Gupta          | 9,000                  |
| 15.    | Usha Nikhara           | 9,700                  |
| 16.    | Veni Devi Gupta        | 8,600                  |
| 17.    | Vidhya Devi            | 8,400                  |
| 18.    | Suresh Chand Saryogi   | 4,200                  |
| 19.    | Sunil Kumar Parihar    | 1,500                  |
| 20.    | Daya Gupta             | 2,500                  |
| 21.    | Babita Gupta           | 2,000                  |
| 22.    | Ashadevi Gupta         | 4,000                  |
| 23.    | Mamta Gupta            | 2,500                  |
| 24.    | Rajesh Kumar Bangar    | 2,000                  |
| 25.    | Preetma Gupta          | 3,000                  |
| 26.    | Mahesh Chand Parihar   | 2,500                  |
| 27.    | Murarilal Barsaiya     | 4,800                  |
| 28.    | Shashikant Barsaiya    | 2,700                  |
| 29.    | Ram Kumar Sharma       | 5,000                  |
| 30.    | Hirakant Barsaiya      | 4,000                  |
| 31.    | Bhole Prasad Dangi     | 3,000                  |
| 32.    | Deepak Kumar Sharma    | 4,000                  |
| 33.    | Vijay Gupta            | 3,500                  |
| 34.    | Jagdish Nikhara        | 3,000                  |
| 35.    | Dheeraj Gupta          | 4,000                  |
| 36.    | Ashok Shrivastava      | 3,000                  |
| 37.    | Jaidevi                | 1,700                  |
| 38.    | Sudama Prasad Barsaiya | 3,500                  |
| 39.    | Naveen Kumar Suhane    | 4,800                  |
| 40.    | Dinesh Kumar Suhane    | 5,000                  |
|        | <b>Total</b>           | <b>2,00,000</b>        |

3. Further issue of 1,92,770 Equity Shares of face value of Rs. 10/- fully paid up at par as per the details given below:

| Sr. No | Name of Person         | No. of Shares Allotted |
|--------|------------------------|------------------------|
| 1.     | Puranchand Suhane      | 4,900                  |
| 2.     | Ramesh Chand Suhane    | 18,000                 |
| 3.     | Rakesh Kumar Suhane    | 24,650                 |
| 4.     | Dinesh Kumar Suhane    | 3,000                  |
| 5.     | Kamal Kishore Nagotia  | 280                    |
| 6.     | Vinod Kumar Suhane     | 20,000                 |
| 7.     | Mandalal Suhane        | 1,200                  |
| 8.     | Gulabchand Suhane      | 5,000                  |
| 9.     | Asha Devi Gupta        | 12,500                 |
| 10.    | Geetadevi Suhane       | 5,000                  |
| 11.    | Kiran Gupta            | 2,900                  |
| 12.    | Preeti Gupta           | 7,700                  |
| 13.    | Sangeeta Gupta         | 6,400                  |
| 14.    | Vinod Kumar Suhane     | 3,500                  |
| 15.    | Vishnu Kant Gupta      | 6,500                  |
| 16.    | Babulal Rajpoot        | 5,070                  |
| 17.    | Ramgopal Rajpoot       | 3,850                  |
| 18.    | Kantabai               | 1,000                  |
| 19.    | Kiran Barsaiya         | 760                    |
| 20.    | Murarilal Barsaiya     | 2,300                  |
| 21.    | Sashikant Barsaiya     | 4,800                  |
| 22.    | Hirakant Barsaiya      | 4,500                  |
| 23.    | Sudama Prasad Barsaiya | 4,000                  |
| 24.    | A. K Baipayee          | 2,000                  |
| 25.    | Mahesh Kumar Parihar   | 2,000                  |
| 26.    | Sunil Kumar Parihar    | 2,500                  |
| 27.    | S.K Agrawal            | 3,000                  |
| 28.    | Meera Nahar            | 1,000                  |
| 29.    | Dheeraj Nahar          | 2,700                  |
| 30.    | Lamxminarayan Gida     | 1,600                  |
| 31.    | Kamleshdevi            | 2,000                  |
| 32.    | Babusing Arora         | 2,500                  |
| 33.    | Rajni Rajpoot          | 3,000                  |
| 34.    | Phool Singh Rajpoot    | 4,000                  |
| 35.    | Shantadevi Rajpoot     | 4,900                  |
| 36.    | Ram Kumar Sharma       | 2,500                  |
| 37.    | Deepak Kumar Sharma    | 2,500                  |
| 38.    | Vijay Yadav            | 3,960                  |
| 39.    | Pradhan Arun Kumar     | 1,400                  |
| 40.    | Kailash Chand Gupta    | 3,400                  |
|        | <b>Total</b>           | <b>1,92,770</b>        |

4. Further issue of 1,07,230 Equity Shares of face value of Rs. 10/- fully paid up at par as per the details given below:

| Sr. No | Name of Person     | No. of Shares Allotted |
|--------|--------------------|------------------------|
| 1.     | Ramdevi Nikhara    | 4,000                  |
| 2.     | Kamta Prasad Dangi | 8,000                  |

| Sr. No | Name of Person        | No. of Shares Allotted |
|--------|-----------------------|------------------------|
| 3.     | Bhole Prasad Dangi    | 5,880                  |
| 4.     | Ashadevi Gupta        | 2,000                  |
| 5.     | Sheela Rajpoot        | 5,000                  |
| 6.     | Shashi Tiwari         | 5,500                  |
| 7.     | Ramesh Prasad Tiwari  | 5,000                  |
| 8.     | Rambabu Tiwari        | 4,800                  |
| 9.     | Omkar Prasad Tiwari   | 4,900                  |
| 10.    | Kamni Rajpoot         | 3,000                  |
| 11.    | Ramkali Suhane        | 4,500                  |
| 12.    | Anoop Singh           | 9,400                  |
| 13.    | Inder Singh Thakur    | 2,000                  |
| 14.    | Brijbhan Singh Chohan | 9,250                  |
| 15.    | Amar Singh            | 8,500                  |
| 16.    | Amritlal Mahate       | 8,000                  |
| 17.    | Sukh Singh            | 9,000                  |
| 18.    | Ramendra Gupta        | 3,000                  |
| 19.    | Veni Devi Gupta       | 3,500                  |
| 20.    | Ravikant Gupta        | 2,000                  |
|        | <b>Total</b>          | <b>1,07,230</b>        |

5. Further issue of 2,00,000 Equity Shares of face value of Rs. 10/- fully paid up at par as per the details given below:

| Sr. No | Name of Person        | No. of Shares Allotted |
|--------|-----------------------|------------------------|
| 1.     | Anil Kumar Gupta      | 2,500                  |
| 2.     | Anil Kumar Sharma     | 2,000                  |
| 3.     | Anup Singh Chohan     | 2,500                  |
| 4.     | Arvind Sharma         | 3,000                  |
| 5.     | Ashish Sharma         | 2,000                  |
| 6.     | Bharat Kushvah        | 4,000                  |
| 7.     | Brijbhan Singh Chohan | 4,000                  |
| 8.     | Brajesh Sharma        | 3,500                  |
| 9.     | Harsh Gupta           | 4,000                  |
| 10.    | Kiran Gupta           | 7,500                  |
| 11.    | Mamta Goyal           | 2,500                  |
| 12.    | Onkar Prasad Tiwari   | 20,000                 |
| 13.    | Rajkumar Tiwari       | 2,500                  |
| 14.    | Rambabu Tiwari        | 15,000                 |
| 15.    | Ramesh Prasad Tiwari  | 12,500                 |
| 16.    | Ramjilal Goyal        | 3,000                  |
| 17.    | Shaym Sunder Gupta    | 6,500                  |
| 18.    | Kiran Gupta           | 19,000                 |
| 19.    | Mamta Gupta           | 13,500                 |
| 20.    | Shantadevi Rajpoot    | 4,000                  |
| 21.    | Uttamchand Goyal      | 2,500                  |
| 22.    | Vijay Kumar Billaiya  | 7,500                  |
| 23.    | Vinod Kumar Suhane    | 1,500                  |
| 24.    | Vinod Kumar Parihar   | 30,000                 |

| Sr. No | Name of Person    | No. of Shares Allotted |
|--------|-------------------|------------------------|
| 25.    | Vishnu Kant Gupta | 25,000                 |
|        | <b>Total</b>      | <b>2,00,000</b>        |

6. Further issue of 2,00,000 Equity Shares of face value of Rs. 10/- fully paid up at par as per the details given below:

| Sr. No | Name of Person      | No. of Shares Allotted |
|--------|---------------------|------------------------|
| 1.     | Amit Gupta          | 4,000                  |
| 2.     | Asha Gupta          | 2,000                  |
| 3.     | Geeta Devi Gupta    | 2,500                  |
| 4.     | Amit Gupta          | 4,000                  |
| 5.     | Kamini Rajpoot      | 7,500                  |
| 6.     | Kiran Gupta         | 2,000                  |
| 7.     | Nitin Gupta         | 5,000                  |
| 8.     | Preeti Gupta        | 2,000                  |
| 9.     | Puran Chand Suhane  | 4,000                  |
| 10.    | Rajesh Gupta        | 4,000                  |
| 11.    | Raj Kumar Gupta     | 16,000                 |
| 12.    | Rakesh Gupta        | 4,500                  |
| 13.    | Ram Gopal Rajpoot   | 3,500                  |
| 14.    | Ram Kali Gupta      | 9,000                  |
| 15.    | Sangeeta Gupta      | 5,000                  |
| 16.    | Shanti Devi Rajpoot | 2,000                  |
| 17.    | Vikas Gupta         | 4,000                  |
| 18.    | Vishnu Kant Gupta   | 4,000                  |
| 19.    | Somnath Jaiswal     | 4,500                  |
| 20.    | Ashok Gupta         | 10,000                 |
| 21.    | Naresh Yadav        | 5,000                  |
| 22.    | Ravi Sen            | 2,500                  |
| 23.    | Kamal Bhardwaj      | 2,500                  |
| 24.    | Shivlal Sharma      | 2,000                  |
| 25.    | Kamlesh Gupta       | 2,000                  |
| 26.    | Abhishek            | 2,000                  |
| 27.    | J.P. Mishra         | 2,500                  |
| 28.    | Brijesh Mishra      | 2,000                  |
| 29.    | Mukesh Sen          | 2,000                  |
| 30.    | Mukesh Goyal        | 8,800                  |
| 31.    | R.S. Shekhawat      | 4,000                  |
| 32.    | S.S. Shekhawat      | 4,000                  |
| 33.    | Inder Singh Thakur  | 5,000                  |
| 34.    | Purnima Harsole     | 3,000                  |
| 35.    | Manish Arora        | 4,000                  |
| 36.    | Neeta Arora         | 4,500                  |
| 37.    | Mahendra Makwan     | 4,000                  |
| 38.    | Pratap Singh        | 4,000                  |
| 39.    | Swapnil Deshpandey  | 4,500                  |
| 40.    | Manoj Sen           | 7,000                  |
| 41.    | Dheeraj Gupta       | 2,500                  |

| Sr. No | Name of Person       | No. of Shares Allotted |
|--------|----------------------|------------------------|
| 42.    | Mamta Goyal          | 2,500                  |
| 43.    | Ramesh Prasad Tiwari | 2,500                  |
| 44.    | Rambabu Tiwari       | 2,500                  |
| 45.    | Shobha Gupta         | 2,500                  |
| 46.    | Neetu Gupta          | 2,500                  |
| 47.    | Anuradha Gupta       | 2,000                  |
| 48.    | Brajesh Sharma       | 4,200                  |
| 49.    | S.K Tiwari           | 4,000                  |
|        | <b>Total</b>         | <b>2,00,000</b>        |

7. Further issue of 1,00,000 Equity Shares of face value of Rs. 10/- fully paid up at a premium of Rs 20/- per equity share as per the details given below:

| Sr. No | Name of Person      | No. of Shares Allotted |
|--------|---------------------|------------------------|
| 1.     | Ramesh Chand Suhane | 25,000                 |
| 2.     | Rajesh Kumar Suhane | 31,500                 |
| 3.     | Raj Kumar Gupta     | 43,500                 |
|        | <b>Total</b>        | <b>1,00,000</b>        |

8. Further issue of 82,450 Equity Shares of face value of Rs. 10/- fully paid up at a premium of Rs 90/- per share as per the details given below:

| Sr. No | Name of Person          | No. of Shares Allotted |
|--------|-------------------------|------------------------|
| 1.     | Kiran Gupta             | 8,650                  |
| 2.     | Mahendra Makwan         | 4,500                  |
| 3.     | Preeti Gupta            | 2,550                  |
| 4.     | Raj Kumar Gupta HUF     | 1,800                  |
| 5.     | Raj Kumar Gupta         | 27,800                 |
| 6.     | Rakesh Kumar Suhane     | 2,000                  |
| 7.     | Rakesh Kumar Suhane HUF | 11,000                 |
| 8.     | Saurabh Nikhara         | 4,050                  |
| 9.     | Tejas Pandey            | 3,000                  |
| 10.    | Uma Gupta               | 2,300                  |
| 11.    | Vishnu Kant Gupta       | 11,750                 |
| 12.    | Vinod Kumar Suhane HUF  | 3,050                  |
|        | <b>Total</b>            | <b>82,450</b>          |

9. Further issue of 188,750 Equity Shares of face value of Rs. 10/- fully paid up at a premium of Rs 30/- per share as per the details given below:

| Sr. No | Name of Person   | No. of Shares Allotted |
|--------|--|------------------------|
| 1.     | Aarti Sokal  | 5,000                  |
| 2.     | Mahendra Makwan  | 6,250                  |
| 3.     | Vidit Garg   | 6,250                  |
| 4.     | Raj Kumar Gupta joint with Vishnu Kant Gupta joint with Nitin Suhane | 25,000                 |
| 5.     | Raj Kumar Gupta HUF  | 12,500                 |
| 6.     | Ramesh Chand Suhane HUF  | 12,125                 |
| 7.     | Saurabh Nikhra   | 6,250                  |

| Sr. No | Name of Person         | No. of Shares Allotted |
|--------|------------------------|------------------------|
| 8.     | Vinod Kumar Suhane HUF | 13,750                 |
| 9.     | Nitin Suhane           | 7,500                  |
| 10.    | Asha Gupta             | 9,125                  |
| 11.    | Preeti Gupta           | 2,500                  |
| 12.    | Vishnu Kant Gupta      | 5,000                  |
| 13.    | Sourav Gupta           | 5,000                  |
| 14.    | Shiv Shankar Jha       | 5,000                  |
| 15.    | Shodh Chourey          | 5,000                  |
| 16.    | Pawan Gupta            | 5,000                  |
| 17.    | Purushottam Pandey     | 2,500                  |
| 18.    | Jayant Singhal         | 11,250                 |
| 19.    | Usha Singhal           | 7,500                  |
| 20.    | Chirag Singhal         | 7,500                  |
| 21.    | Satveer Singh          | 5,000                  |
| 22.    | Ravishankar Pal        | 7,500                  |
| 23.    | Bhuvnesh Pandey        | 5,000                  |
| 24.    | Tejas Pandey           | 5,000                  |
| 25.    | Uma Gupta              | 6,250                  |
|        | <b>Total</b>           | <b>1,88,750</b>        |

10. Further issue of 1,04,535 Equity Shares of face value of Rs. 10/- fully paid up at a premium of Rs 50/- per share as per the details given below:

| Sr. No | Name of Person         | No. of Shares Allotted |
|--------|------------------------|------------------------|
| 1.     | Raj Kumar Gupta HUF    | 13,330                 |
| 2.     | Vishnu Kant Gupta HUF  | 11,665                 |
| 3.     | Uma Gupta              | 8,750                  |
| 4.     | Saurabh Nikhra         | 5,000                  |
| 5.     | Mahendra Makwan        | 5,000                  |
| 6.     | Sandhya Makwan         | 3,330                  |
| 7.     | Vidit Garg             | 6,665                  |
| 8.     | Shambhu Singh Shekawat | 3,330                  |
| 9.     | Mahendra Shekawat      | 3,330                  |
| 10.    | Vinit Dubey            | 2,500                  |
| 11.    | Satveer Singh          | 3,330                  |
| 12.    | Pankaj Tripathi        | 2,500                  |
| 13.    | Sourav Gupta           | 3,330                  |
| 14.    | Jagdish Khandelwal     | 3,330                  |
| 15.    | Vandana Khandelwal     | 3,330                  |
| 16.    | Hari Khandelwal        | 3,330                  |
| 17.    | Megha Khandelwal       | 3,330                  |
| 18.    | Chirag Singhal         | 3,330                  |
| 19.    | Jayant Singhal         | 5,000                  |
| 20.    | Usha Singhal           | 4,165                  |
| 21.    | Ravi Pal               | 3,330                  |
| 22.    | Dheeraj Gupta          | 3,330                  |
|        | <b>Total</b>           | <b>104,535</b>         |

11. Bonus issue of 11,80,588 Equity Shares of face value of Rs. 10/- in the ratio of 4 Equity shares for every 5 Equity share held as per the details given below:

| Sr. No | Name of Person            | No. of Shares Allotted |
|--------|---------------------------|------------------------|
| 1.     | Rajesh Kumar Suhane       | 45,600                 |
| 2.     | Rajesh Kumar Suhane (HUF) | 4624                   |
| 3.     | Ramesh Chand Suhane       | 48,800                 |
| 4.     | Ramesh Chand Suhane (HUF) | 14,900                 |
| 5.     | Raj Kumar Gupta           | 93,040                 |
| 6.     | Raj Kumar Gupta (HUF)     | 29,272                 |
| 7.     | Babulal Rajpoot           | 4,480                  |
| 8.     | Madanlal Suhane           | 6,480                  |
| 9.     | Kiran Barsanya            | 7,968                  |
| 10.    | Meera Nahar               | 8,400                  |
| 11.    | Ramdevi Nikhara           | 9,760                  |
| 12.    | Uma Devi Gupta            | 7,200                  |
| 13.    | Usha Nikhara              | 7,760                  |
| 14.    | Veni Devi Gupta           | 9,680                  |
| 15.    | Vidhya Devi Gupta         | 6,720                  |
| 16.    | Sunil Kumar Pahariya      | 3,200                  |
| 17.    | Daya Gupta                | 2,000                  |
| 18.    | Babita Gupta              | 1,600                  |
| 19.    | Ashadevi Gupta            | 4,800                  |
| 20.    | Mamta Gupta               | 12,800                 |
| 21.    | Preetma Gupta             | 2,400                  |
| 22.    | Mahesh Chand Pahariya     | 3,600                  |
| 23.    | Sashikant Barsaiya        | 6,000                  |
| 24.    | Ram Kumar Sharma          | 6,000                  |
| 25.    | Harikant Barsaiya         | 6,800                  |
| 26.    | Vijay Gupta               | 8,800                  |
| 27.    | Dheeraj Gupta             | 5,200                  |
| 28.    | Ashok Shrivastava         | 2,400                  |
| 29.    | Sudama Prasad Barsaiya    | 6,000                  |
| 30.    | Naveen Kumar Suhane       | 3,840                  |
| 31.    | Dinesh Kumar Suhane       | 6,400                  |
| 32.    | Puranchand Suhane         | 10,720                 |
| 33.    | Rakesh Kumar Suhane       | 50,120                 |
| 34.    | Rakesh Kumar Suhane (HUF) | 16,560                 |
| 35.    | Vinod Kumar Suhane        | 20,000                 |
| 36.    | Vinod Kumar Suhane (HUF)  | 21,280                 |
| 37.    | Gulabchand Suhane         | 4,000                  |
| 38.    | Asha Devi Gupta           | 42,580                 |
| 39.    | Gita Devi Suhane          | 6,000                  |
| 40.    | Kiran Gupta               | 47,800                 |
| 41.    | Preeti Gupta              | 35,400                 |
| 42.    | Sangeeta Gupta            | 29,920                 |
| 43.    | Vishnu Kant Gupta         | 49,160                 |
| 44.    | Babulal Rajpoot           | 4,056                  |
| 45.    | Ramgopal Rajpoot          | 3,080                  |

| Sr. No | Name of Person   | No. of Shares Allotted |
|--------|--|------------------------|
| 46.    | Ramkishan Nahar  | 2,160                  |
| 47.    | Phool Singh Rajpoot  | 3,200                  |
| 48.    | Shantidevi Rajpoot   | 8,720                  |
| 49.    | Kamni Rajpoot  | 2,400                  |
| 50.    | Ramkali Suhane   | 25,504                 |
| 51.    | Ravikant Gupta   | 1,600                  |
| 52.    | Anil Kumar Gupta   | 2,000                  |
| 53.    | Arvind Sharma  | 2,400                  |
| 54.    | Kiran Gupta  | 6,000                  |
| 55.    | Rajkumar Tiwari  | 2,000                  |
| 56.    | Ramji Goyal  | 2,400                  |
| 57.    | Uttamchand Goyal   | 2,000                  |
| 58.    | Vinod Kumar Parihar  | 24,000                 |
| 59.    | Amit Gupta   | 6,400                  |
| 60.    | Kamini Rajpoot   | 6,000                  |
| 61.    | Nitin Gupta  | 17,200                 |
| 62.    | Ram Gopal Rajpoot  | 2,800                  |
| 63.    | Vikas Gupta  | 14,000                 |
| 64.    | Ashok Gupta  | 8,000                  |
| 65.    | Kamlesh Gupta  | 1,600                  |
| 66.    | Shobha Gupta   | 33,840                 |
| 67.    | Neetu Gupta  | 38,920                 |
| 68.    | Anuradha Gupta   | 20,400                 |
| 69.    | S.K.Tiwari   | 3,200                  |
| 70.    | Uma Gupta  | 45,440                 |
| 71.    | Mahendra Makwan  | 12,600                 |
| 72.    | Saurabh Nikhara  | 12,240                 |
| 73.    | Tejas Pandey   | 6,400                  |
| 74.    | Aarti Sokal  | 4,000                  |
| 75.    | Vidit Garg   | 10,332                 |
| 76.    | Raj Kumar Gupta joint with Vishnu Kant Gupta joint with Nitin Suhane | 20,000                 |
| 77.    | Sourav Gupta   | 6,664                  |
| 78.    | Shiv Shankar Jha   | 4,000                  |
| 79.    | Shodh Chourey  | 4,000                  |
| 80.    | Pawan Gupta  | 4,000                  |
| 81.    | Purushottam Pandey   | 2,000                  |
| 82.    | Jayant Singhal   | 13,000                 |
| 83.    | Usha Singhal   | 9,332                  |
| 84.    | Chirag Singhal   | 8,664                  |
| 85.    | Satveer Singh  | 6,664                  |
| 86.    | Ravishankar Pal  | 8,664                  |
| 87.    | Bhuvnesh Pandey  | 4,000                  |
| 88.    | Vishnu Kant Gupta, HUF   | 9,332                  |
| 89.    | Sandhya Makwan   | 2,664                  |
| 90.    | Shanbhu Singh Shekhawat  | 2,664                  |
| 91.    | Mahendra Shekhawat   | 2,664                  |
| 92.    | Vinit Dubey  | 2,000                  |

| Sr. No | Name of Person     | No. of Shares Allotted |
|--------|--------------------|------------------------|
| 93.    | Pankaj Tripathi    | 2,000                  |
| 94.    | Jagdish Khandelwal | 2,664                  |
| 95.    | Vandana Khandelwal | 2,664                  |
| 96.    | Hari Khandelwal    | 2,664                  |
| 97.    | Megha Khandelwal   | 2,664                  |
| 98.    | Dheeraj Gupta      | 2,664                  |
|        | <b>Total</b>       | <b>11,80,588</b>       |

12. Right issue of 2,22,500 Equity Shares of face value of Rs. 10/- fully paid up at a premium of Rs 30/- per equity share as per the details given below:

| Sr. No | Name of Person           | No. of Shares Allotted |
|--------|--------------------------|------------------------|
| 1.     | Ramesh Chand Suhane(HUF) | 7,500                  |
| 2.     | Raj Kumar Gupta          | 45,000                 |
| 3.     | Raj Kumar Gupta(HUF)     | 7,500                  |
| 4.     | Vinod Kumar Suhane(HUF)  | 5,000                  |
| 5.     | Asha Devi Gupta          | 6,250                  |
| 6.     | Vishnu Kant Gupta        | 36,250                 |
| 7.     | Nitin Gupta              | 7,500                  |
| 8.     | Uma Gupta                | 15,000                 |
| 9.     | Saurabh Nikhara          | 10,000                 |
| 10.    | Vishnu Kant Gupta(HUF)   | 7,500                  |
| 11.    | Vinit Dubey              | 5,000                  |
| 12.    | Pawan Gupta              | 5,000                  |
| 13.    | Jayant Singhal           | 5,000                  |
| 14.    | Mahendra Makwan          | 6,250                  |
| 15.    | Sandhya Makwan           | 5,000                  |
| 16.    | Pankaj Tripathi          | 6,250                  |
| 17.    | Shraddha Gupta           | 12,500                 |
| 18.    | Nitin Suhane(HUF)        | 7,500                  |
| 19.    | Umesh Goyal              | 7,500                  |
| 20.    | Sudhir trimbak Wakhare   | 5,000                  |
| 21.    | Lakhan Verma             | 5,000                  |
| 22.    | Vijay Bund               | 5,000                  |
|        | <b>Total</b>             | <b>2,22,500</b>        |

13. Bonus issue of 1,15,15,292 Equity Shares of face value of Rs. 10/- at a ratio of 4 equity shares for every one share held as per the details given below:

| Sr. No | Name of Person          | No. of Shares Allotted |
|--------|-------------------------|------------------------|
| 1.     | Rajesh Kumar Suhane     | 64,800                 |
| 2.     | Rajesh Kumar Suhane HUF | 6,520                  |
| 3.     | Ramesh Chand Suhane     | 14,36,040              |
| 4.     | Ramesh Chand Suhane HUF | 1,94,100               |
| 5.     | Raj Kumar Gupta         | 32,60,348              |
| 6.     | Raj Kumar Gupta HUF     | 3,26,768               |
| 7.     | Mamta Gupta             | 1,15,200               |
| 8.     | Vijay Gupta             | 79,200                 |

| Sr. No | Name of Person   | No. of Shares Allotted |
|--------|--|------------------------|
| 9.     | Rakesh Kumar Suhane                                      | 70,800                 |
| 10.    | Vinod Kumar Suhane                                       | 1,00,000               |
| 11.    | Vinod Kumar Suhane HUF                                   | 1,26,400               |
| 12.    | Asha Devi Gupta  | 4,41,540               |
| 13.    | Preeti Gupta   | 1,77,000               |
| 14.    | Sangeeta Gupta   | 42,000                 |
| 15.    | Vishnu Kant Gupta  | 12,76,860              |
| 16.    | Kiran Gupta  | 54,000                 |
| 17.    | Nitin Gupta  | 1,84,800               |
| 18.    | Vikas Gupta  | 1,26,000               |
| 19.    | Uma Gupta  | 5,08,960               |
| 20.    | Mahendra Makwan  | 50,400                 |
| 21.    | Vidit Garg   | 41,328                 |
| 22.    | Raj Kumar Gupta with Vishnu Kant Gupta with Nitin Suhane | 1,80,000               |
| 23.    | Sourav Gupta   | 26,656                 |
| 24.    | Shiv Shankar Jha   | 75,600                 |
| 25.    | Pawan Gupta  | 1,99,328               |
| 26.    | Purushottam Pandey                                       | 72,000                 |
| 27.    | Vishnu Kant Gupta HUF                                    | 1,51,988               |
| 28.    | Vinit Dubey  | 81,000                 |
| 29.    | Shraddha Gupta   | 80,000                 |
| 30.    | Nitin Suhane HUF   | 66,000                 |
| 31.    | Ranjana Gupta  | 2,19,600               |
| 32.    | Aarti Gupta  | 1,75,824               |
| 33.    | Ravi Chauda  | 2,04,480               |
| 34.    | Ramavtar   | 1,51,200               |
| 35.    | Ruchi Gupta  | 81,576                 |
| 36.    | Lokendra Gupta   | 1,18,336               |
| 37.    | Radhelal Sen   | 95,568                 |
| 38.    | Abhishek Kalekar   | 1,20,000               |
| 39.    | Dulichand Nayak  | 96,000                 |
| 40.    | Saurabh Nikhara  | 86,400                 |
| 41.    | Dhananjay Kulkarni                                       | 54,000                 |
| 42.    | Kishan Singh Shekhawat                                   | 64,656                 |
| 43.    | Ghanshyam Ojha   | 40,000                 |
| 44.    | Nagulal  | 36,000                 |
| 45.    | Vaishali Gupta   | 30,000                 |
| 46.    | Abhay Gupta  | 3,26,016               |
|        | <b>Total</b>   | <b>1,15,15,292</b>     |

3. We have not issued any Equity Shares for consideration other than cash except as follows:

| Date of Allotment  | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment   | Benefits Accrued to our Company | Allottees                 | No. of Shares Allotted |
|--------------------|-------------------------|------------------|-------------------|---|---------------------------------|---------------------------|------------------------|
| September 16, 2002 | 1,00,000                | 10               | 10                | Subscription to Memorandum of Association <sup>(1)</sup>                  |                                 | Rajesh Kumar Suhane       | 29,000                 |
|                    |                         |                  |                   |   |                                 | Virendra Kumar Gupta      | 29,000                 |
|                    |                         |                  |                   |   |                                 | Ramesh Chand Suhane       | 18,000                 |
|                    |                         |                  |                   |   |                                 | Preeti Gupta              | 5,800                  |
|                    |                         |                  |                   |   |                                 | Neelam Gupta              | 12,000                 |
|                    |                         |                  |                   |   |                                 | Suman Gupta               | 3,100                  |
|                    |                         |                  |                   |   |                                 | Vikas Gupta               | 3100                   |
| June 27, 2014      | 11,80,588               | 10               | Nil               | Bonus Issue in the ratio of 4 Equity shares for every 5 Equity share held | Nil                             | Rajesh Kumar Suhane       | 45,600                 |
|                    |                         |                  |                   |   |                                 | Rajesh Kumar Suhane (HUF) | 4624                   |
|                    |                         |                  |                   |   |                                 | Ramesh Chand Suhane       | 48,800                 |
|                    |                         |                  |                   |   |                                 | Ramesh Chand Suhane (HUF) | 14,900                 |
|                    |                         |                  |                   |   |                                 | Raj Kumar Gupta           | 93,040                 |
|                    |                         |                  |                   |   |                                 | Raj Kumar Gupta (HUF)     | 29,272                 |
|                    |                         |                  |                   |   |                                 | Babulal Rajpoot           | 4,480                  |
|                    |                         |                  |                   |   |                                 | Madanlal Suhane           | 6,480                  |
|                    |                         |                  |                   |   |                                 | Kiran Barsanya            | 7,968                  |
|                    |                         |                  |                   |   |                                 | Meera Nahar               | 8,400                  |
|                    |                         |                  |                   |   |                                 | Ramdevi Nikhara           | 9,760                  |
|                    |                         |                  |                   |   |                                 | Uma Devi Gupta            | 7,200                  |
|                    |                         |                  |                   |   |                                 | Usha Nikhara              | 7,760                  |
|                    |                         |                  |                   |   |                                 | Veni Devi Gupta           | 9,680                  |
|                    |                         |                  |                   |   |                                 | Vidhya Devi Gupta         | 6,720                  |
|                    |                         |                  |                   |   |                                 | Sunil Kumar Pahariya      | 3,200                  |

| Date of Allotment | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment | Benefits Accrued to our Company | Allottees                 | No. of Shares Allotted |
|-------------------|-------------------------|------------------|-------------------|-----------------------|---------------------------------|---------------------------|------------------------|
|                   |                         |                  |                   |                       |                                 | Daya Gupta                | 2,000                  |
|                   |                         |                  |                   |                       |                                 | Babita Gupta              | 1,600                  |
|                   |                         |                  |                   |                       |                                 | Ashadevi Gupta            | 4,800                  |
|                   |                         |                  |                   |                       |                                 | Mamta Gupta               | 12,800                 |
|                   |                         |                  |                   |                       |                                 | Preetma Gupta             | 2,400                  |
|                   |                         |                  |                   |                       |                                 | Mahesh Chand Pahariya     | 3,600                  |
|                   |                         |                  |                   |                       |                                 | Sashikant Barsaiya        | 6,000                  |
|                   |                         |                  |                   |                       |                                 | Ram Kumar Sharma          | 6,000                  |
|                   |                         |                  |                   |                       |                                 | Harikant Barsaiya         | 6,800                  |
|                   |                         |                  |                   |                       |                                 | Vijay Gupta               | 8,800                  |
|                   |                         |                  |                   |                       |                                 | Dheeraj Gupta             | 5,200                  |
|                   |                         |                  |                   |                       |                                 | Ashok Shrivastava         | 2,400                  |
|                   |                         |                  |                   |                       |                                 | Sudama Prasad Barsaiya    | 6,000                  |
|                   |                         |                  |                   |                       |                                 | Naveen Kumar Suhane       | 3,840                  |
|                   |                         |                  |                   |                       |                                 | Dinesh Kumar Suhane       | 6,400                  |
|                   |                         |                  |                   |                       |                                 | Puranchand Suhane         | 10,720                 |
|                   |                         |                  |                   |                       |                                 | Rakesh Kumar Suhane       | 50,120                 |
|                   |                         |                  |                   |                       |                                 | Rakesh Kumar Suhane (HUF) | 16,560                 |
|                   |                         |                  |                   |                       |                                 | Vinod Kumar Suhane        | 20,000                 |
|                   |                         |                  |                   |                       |                                 | Vinod Kumar Suhane (HUF)  | 21,280                 |
|                   |                         |                  |                   |                       |                                 | Gulabchand Suhane         | 4,000                  |

| Date of Allotment | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment | Benefits Accrued to our Company | Allottees           | No. of Shares Allotted |
|-------------------|-------------------------|------------------|-------------------|-----------------------|---------------------------------|---------------------|------------------------|
|                   |                         |                  |                   |                       |                                 | Asha Devi Gupta     | 42,580                 |
|                   |                         |                  |                   |                       |                                 | Gita Devi Suhane    | 6,000                  |
|                   |                         |                  |                   |                       |                                 | Kiran Gupta         | 47,800                 |
|                   |                         |                  |                   |                       |                                 | Preeti Gupta        | 35,400                 |
|                   |                         |                  |                   |                       |                                 | Sangeeta Gupta      | 29,920                 |
|                   |                         |                  |                   |                       |                                 | Vishnu Kant Gupta   | 49,160                 |
|                   |                         |                  |                   |                       |                                 | Babulal Rajpoot     | 4,056                  |
|                   |                         |                  |                   |                       |                                 | Ramgopal Rajpoot    | 3,080                  |
|                   |                         |                  |                   |                       |                                 | Ramkishan Nahar     | 2,160                  |
|                   |                         |                  |                   |                       |                                 | Phool Singh Rajpoot | 3,200                  |
|                   |                         |                  |                   |                       |                                 | Shantidevi Rajpoot  | 8,720                  |
|                   |                         |                  |                   |                       |                                 | Kamni Rajpoot       | 2,400                  |
|                   |                         |                  |                   |                       |                                 | Ramkali Suhane      | 25,504                 |
|                   |                         |                  |                   |                       |                                 | Ravikant Gupta      | 1,600                  |
|                   |                         |                  |                   |                       |                                 | Anil Kumar Gupta    | 2,000                  |
|                   |                         |                  |                   |                       |                                 | Arvind Sharma       | 2,400                  |
|                   |                         |                  |                   |                       |                                 | Kiran Gupta         | 6,000                  |
|                   |                         |                  |                   |                       |                                 | Rajkumar Tiwari     | 2,000                  |
|                   |                         |                  |                   |                       |                                 | Ramji Goyal         | 2,400                  |
|                   |                         |                  |                   |                       |                                 | Uttamchand Goyal    | 2,000                  |
|                   |                         |                  |                   |                       |                                 | Vinod Kumar Parihar | 24,000                 |

| Date of Allotment | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment | Benefits Accrued to our Company | Allottees  | No. of Shares Allotted |
|-------------------|-------------------------|------------------|-------------------|-----------------------|---------------------------------|--|------------------------|
|                   |                         |                  |                   |                       |                                 | Amit Gupta   | 6,400                  |
|                   |                         |                  |                   |                       |                                 | Kamini Rajpoot   | 6,000                  |
|                   |                         |                  |                   |                       |                                 | Nitin Gupta  | 17,200                 |
|                   |                         |                  |                   |                       |                                 | Ram Gopal Rajpoot  | 2,800                  |
|                   |                         |                  |                   |                       |                                 | Vikas Gupta  | 14,000                 |
|                   |                         |                  |                   |                       |                                 | Ashok Gupta  | 8,000                  |
|                   |                         |                  |                   |                       |                                 | Kamlesh Gupta  | 1,600                  |
|                   |                         |                  |                   |                       |                                 | Shobha Gupta   | 33,840                 |
|                   |                         |                  |                   |                       |                                 | Neetu Gupta  | 38,920                 |
|                   |                         |                  |                   |                       |                                 | Anuradha Gupta   | 20,400                 |
|                   |                         |                  |                   |                       |                                 | S.K.Tiwari   | 3,200                  |
|                   |                         |                  |                   |                       |                                 | Uma Gupta  | 45,440                 |
|                   |                         |                  |                   |                       |                                 | Mahendra Makwan  | 12,600                 |
|                   |                         |                  |                   |                       |                                 | Saurabh Nikhara  | 12,240                 |
|                   |                         |                  |                   |                       |                                 | Tejas Pandey   | 6,400                  |
|                   |                         |                  |                   |                       |                                 | Aarti Sokal  | 4,000                  |
|                   |                         |                  |                   |                       |                                 | Vidit Garg   | 10,332                 |
|                   |                         |                  |                   |                       |                                 | Raj Kumar Gupta joint with Vishnu Kant Gupta joint with Nitin Suhane | 20,000                 |
|                   |                         |                  |                   |                       |                                 | Sourav Gupta   | 6,664                  |

| Date of Allotment | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment | Benefits Accrued to our Company | Allottees               | No. of Shares Allotted |
|-------------------|-------------------------|------------------|-------------------|-----------------------|---------------------------------|-------------------------|------------------------|
|                   |                         |                  |                   |                       |                                 | Shiv Shankar Jha        | 4,000                  |
|                   |                         |                  |                   |                       |                                 | Shodh Chourey           | 4,000                  |
|                   |                         |                  |                   |                       |                                 | Pawan Gupta             | 4,000                  |
|                   |                         |                  |                   |                       |                                 | Purushottam Pandey      | 2,000                  |
|                   |                         |                  |                   |                       |                                 | Jayant Singhal          | 13,000                 |
|                   |                         |                  |                   |                       |                                 | Usha Singhal            | 9,332                  |
|                   |                         |                  |                   |                       |                                 | Chirag Singhal          | 8,664                  |
|                   |                         |                  |                   |                       |                                 | Satveer Singh           | 6,664                  |
|                   |                         |                  |                   |                       |                                 | Ravishankar Pal         | 8,664                  |
|                   |                         |                  |                   |                       |                                 | Bhuvnesh Pandey         | 4,000                  |
|                   |                         |                  |                   |                       |                                 | Vishnu Kant Gupta, HUF  | 9,332                  |
|                   |                         |                  |                   |                       |                                 | Sandhya Makwan          | 2,664                  |
|                   |                         |                  |                   |                       |                                 | Shanbhu Singh Shekhawat | 2,664                  |
|                   |                         |                  |                   |                       |                                 | Mahendra Shekhawat      | 2,664                  |
|                   |                         |                  |                   |                       |                                 | Vinit Dubey             | 2,000                  |
|                   |                         |                  |                   |                       |                                 | Pankaj Tripathi         | 2,000                  |
|                   |                         |                  |                   |                       |                                 | Jagdish Khandelwal      | 2,664                  |
|                   |                         |                  |                   |                       |                                 | Vandana Khandelwal      | 2,664                  |
|                   |                         |                  |                   |                       |                                 | Hari Khandelwal         | 2,664                  |
|                   |                         |                  |                   |                       |                                 | Megha Khandelwal        | 2,664                  |
|                   |                         |                  |                   |                       |                                 | Dheeraj Gupta           | 2,664                  |

| Date of Allotment  | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment   | Benefits Accrued to our Company | Allottees  | No. of Shares Allotted |
|--------------------|-------------------------|------------------|-------------------|---|---------------------------------|--|------------------------|
| September 02, 2016 | 1,15,15,292             | 10               | Nil               | Bonus Issue in the ratio of 4 equity shares for every 1 equity share held | Nil                             | Rajesh Kumar Suhane                                      | 64,800                 |
|                    |                         |                  |                   |   |                                 | Rajesh Kumar Suhane HUF                                  | 6,520                  |
|                    |                         |                  |                   |   |                                 | Ramesh Chand Suhane                                      | 14,36,040              |
|                    |                         |                  |                   |   |                                 | Ramesh Chand Suhane HUF                                  | 1,94,100               |
|                    |                         |                  |                   |   |                                 | Raj Kumar Gupta  | 32,60,348              |
|                    |                         |                  |                   |   |                                 | Raj Kumar Gupta HUF                                      | 3,26,768               |
|                    |                         |                  |                   |   |                                 | Mamta Gupta  | 1,15,200               |
|                    |                         |                  |                   |   |                                 | Vijay Gupta  | 79,200                 |
|                    |                         |                  |                   |   |                                 | Rakesh Kumar Suhane                                      | 70,800                 |
|                    |                         |                  |                   |   |                                 | Vinod Kumar Suhane                                       | 1,00,000               |
|                    |                         |                  |                   |   |                                 | Vinod Kumar Suhane HUF                                   | 1,26,400               |
|                    |                         |                  |                   |   |                                 | Asha Devi Gupta  | 4,41,540               |
|                    |                         |                  |                   |   |                                 | Preeti Gupta   | 1,77,000               |
|                    |                         |                  |                   |   |                                 | Sangeeta Gupta   | 42,000                 |
|                    |                         |                  |                   |   |                                 | Vishnu Kant Gupta  | 12,76,860              |
|                    |                         |                  |                   |   |                                 | Kiran Gupta  | 54,000                 |
|                    |                         |                  |                   |   |                                 | Nitin Gupta  | 1,84,800               |
|                    |                         |                  |                   |   |                                 | Vikas Gupta  | 1,26,000               |
|                    |                         |                  |                   |   |                                 | Uma Gupta  | 5,08,960               |
|                    |                         |                  |                   |   |                                 | Mahendra Makwan  | 50,400                 |
|                    |                         |                  |                   |   |                                 | Vidit Garg   | 41,328                 |
|                    |                         |                  |                   |   |                                 | Raj Kumar Gupta with Vishnu Kant Gupta with Nitin Suhane | 1,80,000               |
|                    |                         |                  |                   |   |                                 | Sourav Gupta   | 26,656                 |
|                    |                         |                  |                   |   |                                 | Shiv Shankar Jha   | 75,600                 |
|                    |                         |                  |                   |   |                                 | Pawan Gupta  | 1,99,328               |
|                    |                         |                  |                   |   |                                 | Purushottam Pandey                                       | 72,000                 |
|                    |                         |                  |                   |   |                                 | Vishnu Kant Gupta HUF                                    | 1,51,988               |

| Date of Allotment | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment | Benefits Accrued to our Company | Allottees              | No. of Shares Allotted |
|-------------------|-------------------------|------------------|-------------------|-----------------------|---------------------------------|------------------------|------------------------|
|                   |                         |                  |                   |                       |                                 | Vinit Dubey            | 81,000                 |
|                   |                         |                  |                   |                       |                                 | Shraddha Gupta         | 80,000                 |
|                   |                         |                  |                   |                       |                                 | Nitin Suhane HUF       | 66,000                 |
|                   |                         |                  |                   |                       |                                 | Ranjana Gupta          | 2,19,600               |
|                   |                         |                  |                   |                       |                                 | Aarti Gupta            | 1,75,824               |
|                   |                         |                  |                   |                       |                                 | Ravi Chauda            | 2,04,480               |
|                   |                         |                  |                   |                       |                                 | Ramavtar               | 1,51,200               |
|                   |                         |                  |                   |                       |                                 | Ruchi Gupta            | 81,576                 |
|                   |                         |                  |                   |                       |                                 | Lokendra Gupta         | 1,18,336               |
|                   |                         |                  |                   |                       |                                 | Radhelal Sen           | 95,568                 |
|                   |                         |                  |                   |                       |                                 | Abhishek Kalekar       | 1,20,000               |
|                   |                         |                  |                   |                       |                                 | Dulichand Nayak        | 96,000                 |
|                   |                         |                  |                   |                       |                                 | Saurabh Nikhara        | 86,400                 |
|                   |                         |                  |                   |                       |                                 | Dhananjay Kulkarni     | 54,000                 |
|                   |                         |                  |                   |                       |                                 | Kishan Singh Shekhawat | 64,656                 |
|                   |                         |                  |                   |                       |                                 | Ghanshyam Ojha         | 40,000                 |
|                   |                         |                  |                   |                       |                                 | Nagulal                | 36,000                 |
|                   |                         |                  |                   |                       |                                 | Vaishali Gupta         | 30,000                 |
|                   |                         |                  |                   |                       |                                 | Abhay Gupta            | 3,26,016               |

- No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956.
- We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- We have not issued any shares at price below Issue Price within last one year from the date of this Prospectus except as given below:

| Date of Allotment  | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment  | Benefits Accrued to our Company | Allottees               | No. of Shares Allotted |
|--------------------|-------------------------|------------------|-------------------|--|---------------------------------|-------------------------|------------------------|
| September 02, 2016 | 1,15,15,292             | 10               | Nil               | Bonus Issue in the ratio of 4 equity shares for every 1 equity share | Nil                             | Rajesh Kumar Suhane     | 64,800                 |
|                    |                         |                  |                   |  |                                 | Rajesh Kumar Suhane HUF | 6,520                  |
|                    |                         |                  |                   |  |                                 | Ramesh Chand Suhane     | 14,36,040              |

| Date of Allotment | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment | Benefits Accrued to our Company | Allottees  | No. of Shares Allotted |
|-------------------|-------------------------|------------------|-------------------|-----------------------|---------------------------------|--|------------------------|
|                   |                         |                  |                   | held                  |                                 | Ramesh Chand Suhane HUF                                  | 1,94,100               |
|                   |                         |                  |                   |                       |                                 | Raj Kumar Gupta  | 32,60,348              |
|                   |                         |                  |                   |                       |                                 | Raj Kumar Gupta HUF                                      | 3,26,768               |
|                   |                         |                  |                   |                       |                                 | Mamta Gupta  | 1,15,200               |
|                   |                         |                  |                   |                       |                                 | Vijay Gupta  | 79,200                 |
|                   |                         |                  |                   |                       |                                 | Rakesh Kumar Suhane                                      | 70,800                 |
|                   |                         |                  |                   |                       |                                 | Vinod Kumar Suhane                                       | 1,00,000               |
|                   |                         |                  |                   |                       |                                 | Vinod Kumar Suhane HUF                                   | 1,26,400               |
|                   |                         |                  |                   |                       |                                 | Asha Devi Gupta  | 4,41,540               |
|                   |                         |                  |                   |                       |                                 | Preeti Gupta   | 1,77,000               |
|                   |                         |                  |                   |                       |                                 | Sangeeta Gupta   | 42,000                 |
|                   |                         |                  |                   |                       |                                 | Vishnu Kant Gupta  | 12,76,860              |
|                   |                         |                  |                   |                       |                                 | Kiran Gupta  | 54,000                 |
|                   |                         |                  |                   |                       |                                 | Nitin Gupta  | 1,84,800               |
|                   |                         |                  |                   |                       |                                 | Vikas Gupta  | 1,26,000               |
|                   |                         |                  |                   |                       |                                 | Uma Gupta  | 5,08,960               |
|                   |                         |                  |                   |                       |                                 | Mahendra Makwan  | 50,400                 |
|                   |                         |                  |                   |                       |                                 | Vidit Garg   | 41,328                 |
|                   |                         |                  |                   |                       |                                 | Raj Kumar Gupta with Vishnu Kant Gupta with Nitin Suhane | 1,80,000               |
|                   |                         |                  |                   |                       |                                 | Sourav Gupta   | 26,656                 |
|                   |                         |                  |                   |                       |                                 | Shiv Shankar Jha   | 75,600                 |
|                   |                         |                  |                   |                       |                                 | Pawan Gupta  | 1,99,328               |
|                   |                         |                  |                   |                       |                                 | Purushottam Pandey                                       | 72,000                 |
|                   |                         |                  |                   |                       |                                 | Vishnu Kant Gupta HUF                                    | 1,51,988               |
|                   |                         |                  |                   |                       |                                 | Vinit Dubey  | 81,000                 |
|                   |                         |                  |                   |                       |                                 | Shraddha Gupta   | 80,000                 |
|                   |                         |                  |                   |                       |                                 | Nitin Suhane HUF   | 66,000                 |
|                   |                         |                  |                   |                       |                                 | Ranjana Gupta  | 2,19,600               |
|                   |                         |                  |                   |                       |                                 | Aarti Gupta  | 1,75,824               |

| Date of Allotment | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment | Benefits Accrued to our Company | Allottees              | No. of Shares Allotted |
|-------------------|-------------------------|------------------|-------------------|-----------------------|---------------------------------|------------------------|------------------------|
|                   |                         |                  |                   |                       |                                 | Ravi Chauda            | 2,04,480               |
|                   |                         |                  |                   |                       |                                 | Ramavtar               | 1,51,200               |
|                   |                         |                  |                   |                       |                                 | Ruchi Gupta            | 81,576                 |
|                   |                         |                  |                   |                       |                                 | Lokendra Gupta         | 1,18,336               |
|                   |                         |                  |                   |                       |                                 | Radhelal Sen           | 95,568                 |
|                   |                         |                  |                   |                       |                                 | Abhishek Kalekar       | 1,20,000               |
|                   |                         |                  |                   |                       |                                 | Dulichand Nayak        | 96,000                 |
|                   |                         |                  |                   |                       |                                 | Saurabh Nikhara        | 86,400                 |
|                   |                         |                  |                   |                       |                                 | Dhananjay Kulkarni     | 54,000                 |
|                   |                         |                  |                   |                       |                                 | Kishan Singh Shekhawat | 64,656                 |
|                   |                         |                  |                   |                       |                                 | Ghanshyam Ojha         | 40,000                 |
|                   |                         |                  |                   |                       |                                 | Nagulal                | 36,000                 |
|                   |                         |                  |                   |                       |                                 | Vaishali Gupta         | 30,000                 |
|                   |                         |                  |                   |                       |                                 | Abhay Gupta            | 3,26,016               |

## 7. Build-up of Promoters' shareholding, Promoters' contribution and lock-in

### i. Build Up of Promoters shareholdings

As on the date of this Prospectus, our Promoters Raj Kumar Gupta and Vishnu Kant Gupta holds 56,71,510 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

**a. Raj Kumar Gupta**

| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.)* | Nature of Transactions | Pre-issue share holding % | Post- issue shareholding % | Lock-in Period | Source of funds   | Pledge |
|--|----------------------|----------------------------|---|------------------------|---------------------------|----------------------------|----------------|---|--------|
| September 24, 2002                                 | 29,000               | 10                         | 12  | Transfer               | 0.20                      | 0.14                       | 1 year         | Borrowings from :   | No     |
|  |                      |                            |   |                        |                           |                            |                | <b>Name</b> Ms Jaya Paliwal   |        |
|  |                      |                            |   |                        |                           |                            |                | <b>Address</b> 52, Mansarovar Nagar, Behind NICT Rung Road, Indore            |        |
|  |                      |                            |   |                        |                           |                            |                | <b>Amount</b> Rs 3,48,000   |        |
| March 31, 2006                                     | 16,000               | 10                         | 10  | Further Allotment      | 0.11                      | 0.08                       | 1 year         | Borrowings from:  | No     |
|  |                      |                            |   |                        |                           |                            |                | <b>Name</b> Mr Laxmi Chand Gupta  |        |
|  |                      |                            |   |                        |                           |                            |                | <b>Address</b> Main Road Bamor Kala District, Shivpuri, Madhya Pradesh        |        |
|  |                      |                            |   |                        |                           |                            |                | <b>Amount</b> Rs 1,60,000   |        |
| October 26, 2009                                   | 43,500               | 10                         | 30  | Further Allotment      | 0.30                      | 0.21                       | 1 year         | 1. Self Saving- Proceeds from Sale of personal property; amount- Rs 12,00,000 | No     |
|  |                      |                            |   |                        |                           |                            |                | 2. Borrowings from:   |        |
|  |                      |                            |   |                        |                           |                            |                | <b>Name</b> Ms Anjana Bhachwat  |        |
|  |                      |                            |   |                        |                           |                            |                | <b>Address</b> WA-12, Scheme No 94, Ring Road, Indore                         |        |
|  |                      |                            |   |                        |                           |                            |                | <b>Amount</b> Rs 1,05,000   |        |

| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.)* | Nature of Transactions | Pre-issue share holding % | Post- issue shareholding % | Lock-in Period | Source of funds  | Pledge |   |             |
|--|----------------------|----------------------------|---|------------------------|---------------------------|----------------------------|----------------|--|--------|---|-------------|
| March 31, 2012                                     | 27,800               | 10                         | 100                                       | Further Allotment      | 0.19                      | 0.14                       |                | 1. Self Saving- <ul style="list-style-type: none"><li>Income from Partnership Firm- Shri Nath Ji Logistics- Amount- Rs 3,80,000</li><li>Out of recovery of loan given to M/s Sun Agrozinc Private Limited, Amount- Rs 3,50,000</li><li>Proceeds from sale of shares of M/s Sun Agrozinc Private Limited, Amount- Rs 5,00,000</li></ul> |        |   |             |
|  |                      |                            |   |                        |                           |                            |                | 2. Borrowing from-   |        |   |             |
|  |                      |                            |   |                        |                           |                            |                | Name   |        | Address                                 | Amount      |
|  |                      |                            |   |                        |                           |                            |                | Ms Uma Gupta   |        | A7, Magal Murti Nagar, Navlakha, Indore | Rs 5,00,000 |
|  |                      |                            |   |                        |                           |                            |                | Mr Mahesh Garg   |        | 17/2, Murai Mohalla, Chawani, Indore    | Rs 7,00,000 |
|  |                      |                            |   |                        |                           |                            |                | Ms Renu Agarwal  |        | 24, Yashwant Colony, Indore             | Rs 2,00,000 |
|  |                      |                            |   |                        |                           |                            |                | Kamlesh Agarwal HUF  |        | 24, Yashwant Colony, Indore             | Rs 1,50,000 |
| No   |                      |                            |   |                        |                           |                            |                |  |        |   |             |



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| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.)* | Nature of Transactions | Pre-issue share holding % | Post- issue shareholding % | Lock-in Period | Source of funds  | Pledge |   |             |
|--|----------------------|----------------------------|---|------------------------|---------------------------|----------------------------|----------------|--|--------|---|-------------|
| June 27, 2014                                      | 93,040               | 10                         | Nil                                       | Bonus Issue            | 0.65                      | 0.46                       | 3 year         | NA   | No     |   |             |
| September 29, 2014                                 | 45,000               | 10                         | 40  | Further Allotment      | 0.28                      | 0.22                       |                | 1. Self Saving- Income from Salary, Rent & Agriculture during the year, Amount- Rs 10,00,000 | No     |   |             |
|  |                      |                            |   |                        |                           |                            |                | 2. Borrowing from-   |        |   |             |
|  |                      |                            |   |                        |                           |                            |                | Name   |        | Address   | Amount      |
|  |                      |                            |   |                        |                           |                            |                | Mr Vidit Garg  |        | 160, Nemawar Road, Jagannath Colony, Navlakha, Indore | Rs 2,00,000 |
|  |                      |                            |   |                        |                           |                            |                | Mr Ravishankar Pal   |        | 150/3, BHagat Singh Nagar, Indore                     | Rs 2,00,000 |
|  |                      |                            |   |                        |                           |                            |                | Mr Mahendra Singh Shekhawat  |        | 16, Shree Mangal Nagar, Biccholi Hapsi Road, Indore   | Rs 2,20,000 |
| August 16, 2015                                    | 11,700               | 10                         | Nil                                       | Gift                   | 0.08                      | 0.06                       | 1 year         | NA   | No     |   |             |
| August 16, 2015                                    | 17,928               | 10                         | Nil                                       | Gift                   | 0.12                      | 0.09                       | 1 year         | NA   | No     |   |             |

| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.)* | Nature of Transactions | Pre-issue share holding % | Post- issue shareholding % | Lock-in Period | Source of funds        |                |               | Pledge |
|--|----------------------|----------------------------|---|------------------------|---------------------------|----------------------------|----------------|------------------------|----------------|---------------|--------|
| August 16, 2015                                    | 37,540               | 10                         | Nil                                       | Gift                   | 0.26                      | 0.19                       | 1 year         | NA                     |                |               | No     |
| August 16, 2015                                    | 88,650               | 10                         | Nil                                       | Gift                   | 0.62                      | 0.44                       | 1 year         | NA                     |                |               | No     |
| August 16, 2015                                    | 18,000               | 10                         | Nil                                       | Gift                   | 0.13                      | 0.09                       | 1 year         | NA                     |                |               | No     |
| August 16, 2015                                    | 4,860                | 10                         | Nil                                       | Gift                   | 0.03                      | 0.02                       | 1 year         | NA                     |                |               | No     |
| August 16, 2015                                    | 21,960               | 10                         | Nil                                       | Gift                   | 0.15                      | 0.11                       | 1 year         | NA                     |                |               | No     |
| August 16, 2015                                    | 18,900               | 10                         | Nil                                       | Gift                   | 0.13                      | 0.09                       | 1 year         | NA                     |                |               | No     |
| August 16, 2015                                    | 20,260               | 10                         | Nil                                       | Gift                   | 0.14                      | 0.10                       | 1 year         | NA                     |                |               | No     |
| August 16, 2015                                    | 95,070               | 10                         | Nil                                       | Gift                   | 0.66                      | 0.47                       | 1 year         | NA                     |                |               | No     |
| August 16, 2015                                    | 86,400               | 10                         | Nil                                       | Gift                   | 0.60                      | 0.43                       | 1 year         | NA                     |                |               | No     |
| August 16, 2015                                    | 8,774                | 10                         | Nil                                       | Gift                   | 0.06                      | 0.04                       | 1 year         | NA                     |                |               | No     |
| August 16, 2015                                    | 56,820               | 10                         | Nil                                       | Gift                   | 0.39                      | 0.28                       | 1 year         | NA                     |                |               | No     |
| August 16, 2015                                    | 4,500                | 10                         | Nil                                       | Gift                   | 0.03                      | 0.02                       | 1 year         | NA                     |                |               | No     |
| August 16, 2016                                    | 8,000                | 10                         | 71  | Transfer               | 0.06                      | 0.04                       | 1 year         | <b>Borrowing from-</b> |                |               | No     |
| August 16, 2016                                    | 7,500                | 10                         | 71  | Transfer               | 0.05                      | 0.04                       | 1 year         | <i>Name</i>            | <i>Address</i> | <i>Amount</i> | No     |



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| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.)* | Nature of Transactions | Pre-issue share holding % | Post- issue shareholding % | Lock-in Period | Source of funds               |   |              | Pledge |
|--|----------------------|----------------------------|---|------------------------|---------------------------|----------------------------|----------------|-------------------------------|---|--------------|--------|
| August 16, 2016                                    | 6,250                | 10                         | 71  | Transfer               | 0.04                      | 0.03                       | 1 year         | Mr .Kusum Pansari             | 21,White Church Colony Indore   | Rs 10,00,000 | No     |
|  |                      |                            |   |                        |                           |                            |                | Mr Naresh Mittal              | 112, Janki Nagar, Indore  | Rs 8,50,000  |        |
| August 16, 2016                                    | 11,250               | 10                         | 71  | Transfer               | 0.08                      | 0.06                       | 1 year         | Ms Ritu Mittal                | 112, Janki Nagar, Indore  | Rs 1,50,000  | No     |
|  |                      |                            |   |                        |                           |                            |                | M/s Pardarshi Traders Pvt Ltd | New Lucky Super Market, Shop No 11 Chandi Devi Mandir Road, Maihar, Satna, Madhya Pradesh | Rs 15,00,000 |        |
|  |                      |                            |   |                        |                           |                            |                | August 16, 2016               | 4,165   | 10           |        |
| August 16, 2016                                    | 3,330                | 10                         | 71  | Transfer               | 0.02                      | 0.02                       | 1 year         |                               |   |              |        |
| August 16, 2016                                    | 3,330                | 10                         | 71  | Transfer               | 0.02                      | 0.02                       | 1 year         |                               |   |              |        |
| August 16, 2016                                    | 3,330                | 10                         | 71  | Transfer               | 0.02                      | 0.02                       | 1 year         |                               |   |              |        |
| August 16, 2016                                    | 3,330                | 10                         | 71  | Transfer               | 0.02                      | 0.02                       | 1 year         |                               |   |              |        |
| August 16, 2016                                    | 18,900               | 10                         | 71  | Transfer               | 0.13                      | 0.09                       | 1 year         |                               |   |              | No     |

| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.)* | Nature of Transactions | Pre-issue share holding % | Post- issue shareholding % | Lock-in Period | Source of funds | Pledge |
|--|----------------------|----------------------------|---|------------------------|---------------------------|----------------------------|----------------|-----------------|--------|
| September 02, 2016                                 | 29,82,808            | 10                         | Nil                                       | Bonus Issue            | 20.72                     | 14.71                      | 3 years        | NA              | No     |
|  | 2,77,540             |                            |   |                        | 1.93                      | 1.37                       | 1 year         |                 |        |
| <b>Total</b>                                       | <b>40,75,435</b>     |                            |   |                        | <b>28.31</b>              | <b>20.10</b>               |                |                 |        |

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment

**b. Vishnu Kant Gupta**

| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.)* | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | Lock-in Period | Source of funds   | Pledge |
|--|----------------------|----------------------------|---|------------------------|--------------------------|----------------------------|----------------|---|--------|
| March 29, 2004                                     | 6,500                | 10                         | 10  | Further Allotment      | 0.05                     | 0.03                       | 1 year         | Self Savings out of Salary Income   | No     |
| August 28, 2005                                    | 25,000               | 10                         | 10  | Further Allotment      | 0.17                     | 0.12                       | 1 year         | Borrowing from  | No     |
|  |                      |                            |   |                        |                          |                            |                | Name  |        |
|  |                      |                            |   |                        |                          |                            |                | Address   |        |
|  |                      |                            |   |                        |                          |                            |                | Amount  |        |
|  |                      |                            |   |                        |                          |                            |                | Ms. Vasundhara Choubey<br>BhataGaon Chock,<br>Vasundhara Nagar, Ring<br>Road No. 2 , Raipur<br>(CG)<br>Rs. 2,50,000/- |        |



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| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.)* | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | Lock-in Period | Source of funds  | Pledge |
|--|----------------------|----------------------------|---|------------------------|--------------------------|----------------------------|----------------|--|--------|
| March 31, 2006                                     | 4,000                | 10                         | 10  | Further Allotment      | 0.03                     | 0.02                       | 1 year         | Self Savings out of Salary Income  | No     |
| September 15, 2007                                 | 9,200                | 10                         | 1   | Transfer               | 0.06                     | 0.05                       | 1 year         | Self Savings out of Salary Income  | No     |
| March 31, 2012                                     | 11,750               | 10                         | 100                                       | Further Allotment      | 0.08                     | 0.06                       | 1 year         | Borrowing from   | No     |
|  |                      |                            |   |                        |                          |                            |                | Name Address Amount  |        |
|  |                      |                            |   |                        |                          |                            |                | Ms. Asha Gupta RH-18 Sch No. 54 Vijaynagar , Indore Rs. 2,40,000                             |        |
|  |                      |                            |   |                        |                          |                            |                | M/s Vishnukant Gupta HUF RH-18 Sch No. 54 Vijaynagar , Indore Rs. 3,00,000                   |        |
| March 31, 2013                                     | 5,000                | 10                         | 40  | Further Allotment      | 0.03                     | 0.02                       | 1 year         | M/s Ramesh Chand Suhane HUF RH-18 Sch No. 54 Vijaynagar , Indore Rs. 6,35,000                | No     |
|  |                      |                            |   |                        |                          |                            |                | Self Saving – Income from Salary, & House Property during the year – Amount – Rs. 2,00,000/- |        |
| June 27, 2014                                      | 49,160               | 10                         | Nil                                       | Bonus Issue            | 0.34                     | 0.25                       | 1 year         | NA   | No     |

| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.)* | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | Lock-in Period | Source of funds  | Pledge |   |              |
|--|----------------------|----------------------------|---|------------------------|--------------------------|----------------------------|----------------|--|--------|---|--------------|
| September 29, 2014                                 | 36,250               | 10                         | 40  | Further Issue          | 0.25                     | 0.18                       | 1 year         | Self Saving – Income from Salary & House Property during the year<br>Amount – Rs. 6,50,000/- | No     |   |              |
|  |                      |                            |   |                        |                          |                            |                | Borrowings From  |        |   |              |
|  |                      |                            |   |                        |                          |                            |                | Name   |        | Address   | Amount       |
|  |                      |                            |   |                        |                          |                            |                | Mr. Sourav Gupta   |        | Balaji Sweets, Taraganj Chouraha , Laskar Gwalior | Rs. 2,00,000 |
|  |                      |                            |   |                        |                          |                            |                | Mr. Shivshankar Jha  |        | 118, CS-2, Aranya Nagar, Scheme No.78, Indore     | Rs. 2,00,000 |



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| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.)* | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | Lock-in Period | Source of funds         |  |                | Pledge |
|--|----------------------|----------------------------|---|------------------------|--------------------------|----------------------------|----------------|-------------------------|--|----------------|--------|
|  |                      |                            |   |                        |                          |                            |                | Mr. Gaurikant Tyagi     | 1004, A-1, Eldeco Elegance, Vibhuti Khand, Gomati Nagar, Lucknow, UP | Rs. 2,00,000/- |        |
|  |                      |                            |   |                        |                          |                            |                | Mr. Purshottam Pandey   | 72 B, Shubham Palace, Chhota Bagarda Road, Indore                    | Rs. 2,00,000/- |        |
| August 16, 2015                                    | 45,900               | 10                         | Nil                                       | Gift                   | 0.32                     | 0.23                       | 1 year         | NA                      |  |                | No     |
| August 16, 2015                                    | 76,140               | 10                         | Nil                                       | Gift                   | 0.53                     | 0.38                       | 1 year         | NA                      |  |                | No     |
| August 16, 2016                                    | 6,665                | 10                         | 71  | Transfer               | 0.05                     | 0.03                       | 1 year         | Borrowings from         |  |                | No     |
|  |                      |                            |   |                        |                          |                            |                | Name                    | Address  | Amount         |        |
| August 16, 2016                                    | 3,330                | 10                         | 71  | Transfer               | 0.02                     | 0.02                       | 1 year         | 1. Mr. Chhitarmal Bafna | 1. 11, Krishna Street, Amlion ki                                     | 1. 7,50,000/-  | No     |
| August 16, 2016                                    | 3,330                | 10                         | 71  | Transfer               | 0.02                     | 0.02                       | 1 year         |                         |  | 2. 5,00,000/-  | No     |

| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.)* | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | Lock-in Period | Source of funds                     |  |                | Pledge |
|--|----------------------|----------------------------|---|------------------------|--------------------------|----------------------------|----------------|-------------------------------------|--|----------------|--------|
| August 16, 2016                                    | 3,330                | 10                         | 71  | Transfer               | 0.02                     | 0.02                       | 1 year         | 2. Mr. Gheesu Lal Bafna             | Bari, Bhilwara (Rajasthan)   | 3. 5,00,000/-  | No     |
| August 16, 2016                                    | 3,330                | 10                         | 71  | Transfer               | 0.02                     | 0.02                       | 1 year         |                                     |  | 4. 10,00,000/- | No     |
| August 16, 2016                                    | 3,330                | 10                         | 71  | Transfer               | 0.02                     | 0.02                       | 1 year         | 3. Mr. Prem Lata Gandhi             | 2. 308, Classic Crown, 5/2, old Palasia, Indore                        | 5. 10,00,000/- | No     |
| August 16, 2016                                    | 5,000                | 10                         | 71  | Transfer               | 0.03                     | 0.03                       | 1 year         |                                     |  |                | No     |
| August 16, 2016                                    | 17,000               | 10                         | 71  | Transfer               | 0.12                     | 0.08                       | 1 year         | 4. M/s Pardarshi Trade rs Pvt. Ltd. | 3. 303, Rajgharan a, 5/1 Diamond Colony, Indore                        |                | No     |
| August 16, 2016                                    | 5,000                | 10                         | 71  | Transfer               | 0.03                     | 0.02                       | 1 year         | 5. M/ s Purvi Finve st Ltd.         | 4. New Lucky Super Market, Shop No.11 Chandi Devi Mandir Road, Maihar, |                | No     |



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| Date of Allotment and made fully paid up/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.)* | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | Lock-in Period | Source of funds  |  | Pledge |
|--|----------------------|----------------------------|---|------------------------|--------------------------|----------------------------|----------------|--|--|--------|
|  |                      |                            |   |                        |                          |                            |                | Satna ( M.P)<br>5. Kamalahari Villa<br>Besides,<br>Apollo Pharmacy,<br>Main Road,<br>Vidhyanagar,<br>Bilaspur, ( C.G.) |  |        |
| September 02, 2016                                 | 10,75,600            | 10                         | Nil                                       | Bonus Issue            | 7.47                     | 5.31                       | 3 year         | NA   |  | No     |
|  | 2,01,260             |                            |   |                        | 1.40                     | 0.99                       | 1 year         |  |  |        |
| <b>Total</b>                                       | <b>15,96,075</b>     |                            |   |                        | <b>11.09</b>             | <b>7.87</b>                |                |  |  |        |

\*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment

**ii. Details of Promoter Contribution locked in for three years:**

Pursuant to Regulation 32 and 36 of SEBI ICDR Regulations, an aggregate of 20% of the post-Issue capital held by our Promoters shall be considered as Promoter Contribution (“Promoters Contribution”) and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoter 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.

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters’ Contribution constituting 20.00% of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter Contribution, for a period of three years from the date of allotment in the Issue.

| Name              | Date of Allotment and made fully paid up | No. of Shares Allotted/ Transferred | Face Value | Issue Price | Nature of Allotment | % of Post Issue shareholding | Lock in Period |
|-------------------|--|-------------------------------------|------------|-------------|---------------------|------------------------------|----------------|
| Raj Kumar Gupta   | September 02, 2016                       | 29,82,808                           | 10         | Nil         | Bonus Issue         | 14.71                        | 3 Years        |
|                   | June 27, 2014                            | 93,040                              | 10         | Nil         | Bonus Issue         | 0.46                         | 3 years        |
| Vishnu Kant Gupta | September 02, 2016                       | 10,75,600                           | 10         | Nil         | Bonus Issue         | 5.31                         | 3 Years        |
| <b>Total</b>      |  | <b>41,51,448</b>                    |            |             |                     | <b>20.48</b>                 |                |

The minimum Promoters’ contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as ‘promoter’ under the SEBI ICDR Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoters’ contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In Connection, we confirm the following:

- The Equity Shares offered for minimum 20% Promoters’ contribution have not been acquired in the three years preceding the date of this Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters’ contribution;
- The minimum Promoters’ contribution does not include Equity Shares acquired during one year preceding the date of this Prospectus at a price lower than the Issue Price ;
- No equity shares have been issued to our promoters upon conversion of a partnership firm during the preceding one year at a price less than the issue price.;
- The Equity Shares held by the Promoter and offered for minimum Promoters’ contribution are not subject to any pledge;
- All the Equity Shares of our Company held by the Promoters are in the process of being dematerialized ; and
- The Equity Shares offered for Promoters’ contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoters’ contribution subject to lock-in.

**iii. Details of Equity Shares locked-in for one year**

Other than the above Equity Shares that are locked in for three years, the entire pre-Issue Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public Issue.

iv. Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' Contribution for 3 years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the Takeover Code, as applicable

We further confirm that our Promoter's Contribution of 20.00% of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

Except as mentioned below, there were no shares purchased/sold by the Promoter and Promoter Group, directors and their immediate relatives during last 6 months.

| Date of Transfer/Allotment | Name of the Allottee | No. of Shares Transferred/ Allotted | Face Value | Issue/ Transfer Price | Nature of Allotment / Transfer |
|----------------------------|----------------------|-------------------------------------|------------|-----------------------|--------------------------------|
| August 16, 2016            | Raj Kumar Gupta      | 8,000                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Raj Kumar Gupta      | 6,250                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Raj Kumar Gupta      | 11,250                              | 10         | 71                    | Transfer                       |
| August 16, 2016            | Raj Kumar Gupta      | 4,165                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Raj Kumar Gupta      | 3,330                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Raj Kumar Gupta      | 3,330                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Raj Kumar Gupta      | 3,330                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Raj Kumar Gupta      | 18,900                              | 10         | 71                    | Transfer                       |
| August 16, 2016            | Raj Kumar Gupta      | 7,500                               | 10         | 71                    | Transfer                       |
| September 02, 2016         | Raj Kumar Gupta      | 32,60,348                           | 10         | Nil                   | Bonus Issue                    |
| August 16, 2016            | Vishnu Kant Gupta    | 5,000                               | 10         | 71                    | Transfer                       |

| Date of Transfer/Allotment | Name of the Allottee  | No. of Shares Transferred/ Allotted | Face Value | Issue/ Transfer Price | Nature of Allotment / Transfer |
|----------------------------|-----------------------|-------------------------------------|------------|-----------------------|--------------------------------|
| August 16, 2016            | Vishnu Kant Gupta     | 6,665                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Vishnu Kant Gupta     | 3,330                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Vishnu Kant Gupta     | 3,330                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Vishnu Kant Gupta     | 3,330                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Vishnu Kant Gupta     | 3,330                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Vishnu Kant Gupta     | 3,330                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Vishnu Kant Gupta     | 5,000                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Vishnu Kant Gupta     | 17,000                              | 10         | 71                    | Transfer                       |
| August 16, 2016            | Ramesh Chand Suhane   | 17,460                              | 10         | Nil                   | Gift                           |
| August 16, 2016            | Ramesh Chand Suhane   | 35,400                              | 10         | Nil                   | Gift                           |
| August 16, 2016            | Ramesh Chand Suhane   | 87,570                              | 10         | Nil                   | Gift                           |
| August 16, 2016            | Ramesh Chand Suhane   | 16,200                              | 10         | Nil                   | Gift                           |
| August 16, 2016            | Ramesh Chand Suhane   | 15,120                              | 10         | Nil                   | Gift                           |
| August 16, 2016            | Ramesh Chand Suhane   | 21,780                              | 10         | Nil                   | Gift                           |
| August 16, 2016            | Ramesh Chand Suhane   | 20,000                              | 10         | Nil                   | Gift                           |
| August 16, 2016            | Ramesh Chand Suhane   | 21,280                              | 10         | Nil                   | Gift                           |
| August 16, 2016            | Ramesh Chand Suhane   | 14,400                              | 10         | Nil                   | Gift                           |
| August 16, 2016            | Nitin Gupta HUF       | 4,000                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Uma Gupta             | 10,000                              | 10         | 71                    | Transfer                       |
| August 16, 2016            | Shraddha Gupta        | 7,500                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Nitin Gupta HUF       | 5,000                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Vishnu Kant Gupta HUF | 9,500                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Ramesh Chand HUF      | 7,500                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Asha Devi Gupta       | 8,330                               | 10         | 71                    | Transfer                       |

| Date of Transfer/Allotment | Name of the Allottee                                     | No. of Shares Transferred/ Allotted | Face Value | Issue/ Transfer Price | Nature of Allotment / Transfer |
|----------------------------|--|-------------------------------------|------------|-----------------------|--------------------------------|
| August 16, 2016            | Raj Kumar Gupta HUF                                      | 8,330                               | 10         | 71                    | Transfer                       |
| August 16, 2016            | Abhay Gupta  | 81,504                              | 10         | Nil                   | Transmission                   |
| September 02, 2016         | Vishnu Kant Gupta  | 12,76,860                           | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Rajesh Kumar Suhane                                      | 81,000                              | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Rajesh Kumar Suhane HUF                                  | 8,150                               | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Ramesh Chand Suhane                                      | 17,95,050                           | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Ramesh Chand Suhane HUF                                  | 2,42,625                            | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Raj Kumar Suhane HUF                                     | 4,08,460                            | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Rakesh Kumar Suhane                                      | 88,500                              | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Vinod Kumar Suhane                                       | 1,25,000                            | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Vinod Kumar Suhane HUF                                   | 1,58,000                            | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Asha Devi Gupta  | 5,51,925                            | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Nitin Gupta  | 2,31,000                            | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Uma Gupta  | 6,36,200                            | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Rajkumar Suhane with Vishnu Kant Gupta with Nitin Suhane | 2,25,000                            | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Vishnu Kant Gupta HUF                                    | 1,89,985                            | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Shraddha Gupta   | 1,00,000                            | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Nitin Suhane HUF   | 82,500                              | 10         | Nil                   | Bonus Issue                    |
| September 02, 2016         | Abhay Gupta  | 4,07,520                            | 10         | Nil                   | Bonus Issue                    |

## 8. Our Shareholding Pattern

The table below presents the shareholding pattern of our Company as per Regulation 31, of the SEBI Listing Regulations, 2015

Summary of Shareholding Pattern as on date of this Prospectus

| Category | Category of Shareholder     | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|----------|-----------------------------|----------------------|---|--|--|------------------------|---|---|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|          |                             |                      |   |  |  |                        |   | No. of Voting Rights                                      | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
| I        | II                          | III                  | IV                                      | V  | VI   | VII = IV + V + VI      | VIII  | IX  |                         | X  | XI = VII + X   | XII                        |                                 | XIII   |                                 | XIV   |
| A        | Promoter and Promoter Group | 18                   | 1,10,02,425                             | -  | -  | 1,10,02,425            | 76.44   | 1,10,02,425   | 76.44                   | -  | 76.44  | -                          | -                               | -  | -                               | 1,10,02,425   |
| B        | Public                      | 28                   | 33,91,690                               | -  | -  | 33,91,690              | 23.56   | 33,91,690   | 23.56                   | -  | 23.56  | -                          | -                               | -  | -                               | 16,30,600   |
| C        | Non Promoter-Non Public     |                      |   |  |  |                        |   |   |                         |  |  |                            |                                 |  |                                 |   |
| 1        | Shares underlying DRs       | -                    | -                                       | -  | -  | -                      | -   | -   | -                       | -  | -  | -                          | -                               | -  | -                               | -   |

| Category | Category of Shareholder        | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|----------|--------------------------------|----------------------|---|--|--|------------------------|---|---|-------------------------|--|--|-------------------------|---------------------------------|--|---------------------------------|---|
|          |                                |                      |   |  |  |                        |   | No. of Voting Rights                                      | Total as a % of (A+B+C) |  |  | No. (a)                 | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
| 2        | Shares held by Employee Trusts | -                    | -                                       | -  | -  | -                      | -   | -   | -                       | -  | -  | -                       | -                               | -  | -                               | -   |
|          | <b>Total</b>                   | <b>46</b>            | <b>1,43,94,115</b>                      |  | <b>-</b>                                     | <b>1,43,94,115</b>     | <b>100.00</b>   | <b>1,43,94,115</b>  | <b>100.00</b>           | <b>-</b>   | <b>100.00</b>  | <b>-</b>                | <b>-</b>                        | <b>-</b>   | <b>-</b>                        | <b>1,26,33,025</b>                                  |

\*As on the date of this Prospectus 1 Equity Shares holds 1 vote.

\*\* All Pre IPO Equity shares of our Company will be locked in as mentioned above prior to listing of shares on NSEEMERGE.

Shareholding Pattern of Promoters and Promoter Group

|     | Category of Shareholder            | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-----|------------------------------------|-----|----------------------|---|--|--|------------------------|---|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|     |                                    |     |                      |   |  |  |                        |   | No. of Voting Rights                                     | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|     | I                                  | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI         | VIII  | IX   |                         | X  | XI<br>VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
| 1   | Indian                             |     |                      |   |  |  |                        |   |  |                         |  |  |                            |                                 |  |                                 |   |
| (a) | Individuals/Hindu undivided Family |     | 18                   | 1,10,02,425                             |  | 1,10,02,425                                  | 1,10,02,425            | 76.44   | 1,10,02,425  | 76.44                   |  | 76.44  |                            |                                 |  |                                 | 1,10,02,425   |
|     | Rajesh                             |     | 1                    | 81,000                                  | -  | -  | 81,000                 | 0.56  | 81,000   | 0.56                    | -  | 0.56   | -                          | -                               | -  | -                               | 81,000  |

|  | Category of Shareholder | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|--|-------------------------|-----|----------------------|---|--|--|------------------------|---|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|  |                         |     |                      |   |  |  |                        |   | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|  | I                       | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII  | IX   |                         | X  | XI = VII + X   | XII                        |                                 | XIII   |                                 | XIV   |
|  | Kumar Suhane            |     |                      |   |  |  |                        |   |  |                         |  |  |                            |                                 |  |                                 |   |
|  | Rajesh Kumar Suhane HUF |     | 1                    | 8,150                                   | -  | -  | 8,150                  | 0.06  | 8,150  | 0.06                    | -  | 0.06   | -                          | -                               | -  | -                               | 8,150   |
|  | Ramesh                  |     | 1                    | 17,95,050                               |  |  | 17,95,050              | 12.47   | 17,95,050  | 12.47                   |  | 12.47  |                            |                                 |  |                                 | 17,95,050   |

|  | Category of Shareholder | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|--|-------------------------|-----|----------------------|---|--|--|------------------------|--|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|  |                         |     |                      |   |  |  |                        |  | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|  | I                       | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII   | IX   |                         | X  | XI<br>VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
|  | Chand Suhane            |     |                      |   |  |  |                        |  |  |                         |  |  |                            |                                 |  |                                 |   |
|  | Ramesh Chand Suhane HUF |     | 1                    | 2,42,625                                |  |  | 2,42,625               | 1.69   | 2,42,625   | 1.69                    |  | 1.69   |                            |                                 |  |                                 | 2,42,625  |

|  | Category of Shareholder | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|--|-------------------------|-----|----------------------|---|--|--|------------------------|---|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|  |                         |     |                      |   |  |  |                        |   | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|  | I                       | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII  | IX   |                         | X  | XI =<br>VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
|  | Raj Kumar Gupta         |     | 1                    | 40,75,435                               |  |  | 40,75,435              | 28.31   | 40,75,435  | 28.31                   |  | 28.31  |                            |                                 |  |                                 | 40,75,435   |
|  | Raj Kumar Gupta HUF     |     | 1                    | 4,08,460                                |  |  | 4,08,460               | 2.84  | 4,08,460   | 2.84                    |  | 2.84   |                            |                                 |  |                                 | 4,08,460  |
|  | Rakesh                  |     | 1                    | 88,500                                  |  |  | 88,500                 | 0.61  | 88,500   | 0.61                    |  | 0.61   |                            |                                 |  |                                 | 88,500  |

|  | Category of Shareholder | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|--|-------------------------|-----|----------------------|---|--|--|------------------------|--|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|  |                         |     |                      |   |  |  |                        |  | No. of Voting Rights                                     | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|  | I                       | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII   | IX   |                         | X  | XI<br>VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
|  | Kumar Suhane            |     |                      |   |  |  |                        |  |  |                         |  |  |                            |                                 |  |                                 |   |
|  | Vinod Kumar Suhane      |     | 1                    | 1,25,000                                |  |  | 1,25,000               | 0.87   | 1,25,000   | 0.87                    |  | 0.87   |                            |                                 |  |                                 | 1,25,000  |
|  | Vinod Kumar             |     | 1                    | 1,58,000                                |  |  | 1,58,000               | 1.10   | 1,58,000   | 1.10                    |  | 1.10   |                            |                                 |  |                                 | 1,58,000  |

|  | Category of Shareholder | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|--|-------------------------|-----|----------------------|---|--|--|------------------------|---|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|  |                         |     |                      |   |  |  |                        |   | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|  | I                       | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII  | IX   |                         | X  | XI =<br>VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
|  | Suhane HUF              |     |                      |   |  |  |                        |   |  |                         |  |  |                            |                                 |  |                                 |   |
|  | Asha Devi Gupta         |     | 1                    | 5,51,925                                |  |  | 5,51,925               | 3.83  | 5,51,925   | 3.83                    |  | 3.83   |                            |                                 |  |                                 | 5,51,925  |
|  | Vishnu Kant Gupta       |     | 1                    | 15,96,075                               |  |  | 15,96,075              | 11.09   | 15,96,075  | 11.09                   |  | 11.09  |                            |                                 |  |                                 | 15,96,075   |

|  | Category of Shareholder | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|--|-------------------------|-----|----------------------|---|--|--|------------------------|--|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|  |                         |     |                      |   |  |  |                        |  | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|  | I                       | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII   | IX   |                         | X  | XI<br>VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
|  | Nitin Gupta             |     | 1                    | 2,31,000                                |  |  | 2,31,000               | 1.60   | 2,31,000   | 1.60                    |  | 1.60   |                            |                                 |  |                                 | 2,31,000  |
|  | Uma Gupta               |     | 1                    | 6,36,200                                |  |  | 6,36,200               | 4.42   | 6,36,200   | 4.42                    |  | 4.42   |                            |                                 |  |                                 | 6,36,200  |
|  | Raj Kumar Gupta         |     | 1                    | 2,25,000                                |  |  | 2,25,000               | 1.56   | 2,25,000   | 1.56                    |  | 1.56   |                            |                                 |  |                                 | 2,25,000  |

|  | Category of Shareholder                  | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|--|--|-----|----------------------|---|--|--|------------------------|---|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|  |  |     |                      |   |  |  |                        |   | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|  | I  | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII  | IX   |                         | X  | XI =<br>VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
|  | with Vishnu Kant Gupta with Nitin Suhane |     |                      |   |  |  |                        |   |  |                         |  |  |                            |                                 |  |                                 |   |
|  | Vishnu                                   |     | 1                    | 1,89,985                                |  |  | 1,89,985               | 1.32  |  | 1.32                    |  | 1.32   |                            |                                 |  |                                 | 1,89,985  |

|  | Category of Shareholder | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|--|-------------------------|-----|----------------------|---|--|--|------------------------|--|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|  |                         |     |                      |   |  |  |                        |  | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|  | I                       | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII   | IX   |                         | X  | XI<br>VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
|  | Kant Gupta HUF          |     |                      |   |  |  |                        |  |  |                         |  |  |                            |                                 |  |                                 |   |
|  | Shraddha Gupta          |     | 1                    | 1,00,000                                |  |  | 1,00,000               | 0.69   |  | 0.69                    |  | 0.69   |                            |                                 |  |                                 | 1,00,000  |
|  | Nitin                   |     | 1                    | 82,500                                  |  |  | 82,500                 | 0.57   |  | 0.57                    |  | 0.57   |                            |                                 |  |                                 | 82,500  |

|     | Category of Shareholder                 | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-----|---|-----|----------------------|---|--|--|------------------------|---|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|     |   |     |                      |   |  |  |                        |   | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|     | I                                       | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII  | IX   |                         | X  | XI = VII + X   | XII                        |                                 | XIII   |                                 | XIV   |
|     | Suhane HUF                              |     |                      |   |  |  |                        |   |  |                         |  |  |                            |                                 |  |                                 |   |
|     | Abhay Gupta                             |     | 1                    | 4,07,520                                |  |  | 4,07,520               | 2.83  |  | 2.83                    |  | 2.83   |                            |                                 |  |                                 | 4,07,520  |
| (b) | Central Government/ State Government(s) | -   | -                    | -                                       | -  | -  | -                      | -   | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |

|     | Category of Shareholder         | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-----|---------------------------------|-----|----------------------|---|--|--|------------------------|--|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|     |                                 |     |                      |   |  |  |                        |  | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|     | I                               | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII   | IX   |                         | X  | XI<br>VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
| (c) | Financial Institutions/Banks    | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (d) | Any Other (Body corporate/firm) | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |

|     | Category of Shareholder                        | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-----|--|-----|----------------------|---|--|--|------------------------|--|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|     |  |     |                      |   |  |  |                        |  | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|     | I  | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII   | IX   |                         | X  | XI =<br>VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
|     | <b>Sub-total (A) (1)</b>                       |     | <b>1,10,02,425</b>   | <b>1,10,02,425</b>                      | -  | -  | <b>1,10,02,425</b>     | <b>76.44</b>   | <b>1,10,02,425</b>                                       | <b>76.44</b>            | -  | <b>76.44</b>   | -                          |                                 |  |                                 | <b>1,10,02,425</b>                                  |
| (2) | Foreign  | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (a) | Individuals (Non-Resident Individuals/ Foreign | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |

|     | Category of Shareholder    | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-----|----------------------------|-----|----------------------|---|--|--|------------------------|--|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|     |                            |     |                      |   |  |  |                        |  | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|     | I                          | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII   | IX   |                         | X  | XI<br>VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
|     | Individuals)               |     |                      |   |  |  |                        |  |  |                         |  |  |                            |                                 |  |                                 |   |
| (b) | Government                 | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (c) | Institutions               | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (d) | Foreign Portfolio Investor | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |

|     | Category of Shareholder       | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-----|-------------------------------|-----|----------------------|---|--|--|------------------------|---|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|     |                               |     |                      |   |  |  |                        |   | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|     | I                             | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII  | IX   |                         | X  | XI =<br>VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
| (f) | Any Other (Specify)           | -   | -                    | -                                       | -  | -  | -                      | -   | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
|     | Sub-total (A) (2)             | -   | -                    | -                                       | -  | -  | -                      | -   | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
|     | Total Shareholding of Promote |     | 1,10,02,425          | 1,10,02,425                             | -  | -  | 1,10,02,425            | 76.44   | 1,10,02,425  | 76.44                   | -  | 76.44  | -                          |                                 |  |                                 | 1,10,02,425   |

|  | Category of Shareholder                                  | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|--|--|-----|----------------------|---|--|--|------------------------|--|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|  |  |     |                      |   |  |  |                        |  | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|  | I  | II  | III                  | IV                                      | V  | VI   | VII<br>IV+V+VI =       | VIII   | IX   |                         | X  | XI<br>VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
|  | For Promoter and Promoter Group<br>(A)=<br>(A)(1)+(A)(2) |     |                      |   |  |  |                        |  |  |                         |  |  |                            |                                 |  |                                 |   |



# Shareholding pattern of the Public shareholder

|     | Category of Shareholder           | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-----|-----------------------------------|-----|----------------------|---|--|--|------------------------|--|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|     |                                   |     |                      |   |  |  |                        |  | No. of Voting Rights                                     | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|     | I                                 | II  | III                  | IV                                      | V  | VI   | VII = IV+V+VI          | VIII   | IX   |                         | X  | XI = VII + X   | XII                        |                                 | XIII   |                                 | XIV   |
| (I) | Institutions                      | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (a) | Mutual Funds                      | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (b) | Venture Capital Funds             | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (c) | Alternate Investment Funds        | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (d) | Foreign Venture Capital Investors | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (e) | Foreign Portfolio Investors       | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (f) | Financial                         | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |

|     | Category of Shareholder                                     | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                            | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-----|---|-----|----------------------|---|--|--|------------------------|--|--|----------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|     |   |     |                      |   |  |  |                        |  | No Voting Rights   | of Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|     | I   | II  | III                  | IV                                      | V  | VI   | VII = IV+V+VI          | VIII   | IX   |                            | X  | XI = VII + X   | XII                        |                                 | XIII   |                                 | XIV   |
|     | Institutions / Banks  |     |                      |   |  |  |                        |  |  |                            |  |  |                            |                                 |  |                                 |   |
| (g) | Insurance Companies   | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                          | -  | -  | -                          | -                               | -  | -                               | -   |
| (h) | Provident Funds/ Pension Funds                              | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                          | -  | -  | -                          | -                               | -  | -                               | -   |
| (i) | Any Other (Specify)   | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                          | -  | -  | -                          | -                               | -  | -                               | -   |
|     | <b>Sub-total (B) (1)</b>                                    | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                          | -  | -  | -                          | -                               | -  | -                               | -   |
| (2) | Central Government/ State Government(s)/ President of India | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                          | -  | -  | -                          | -                               | -  | -                               | -   |
|     | <b>Sub-Total</b>  | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                          | -  | -  | -                          | -                               | -  | -                               | -   |

|     | Category of Shareholder  | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-----|--|-----|----------------------|---|--|--|------------------------|--|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|     |  |     |                      |   |  |  |                        |  | No. of Voting Rights                                     | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|     | I  | II  | III                  | IV                                      | V  | VI   | VII = IV+V+VI          | VIII   | IX   |                         | X  | XI = VII + X   | XII                        |                                 | XIII   |                                 | XIV   |
|     | (B) (2)  |     |                      |   |  |  |                        |  |  |                         |  |  |                            |                                 |  |                                 |   |
| (3) | <b>Non-Institutions</b>  | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (a) | Individuals  | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
|     | i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs         | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
|     | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs |     | 28                   | 33,91,690                               | -  | -  | 33,91,690              | 23.56  | 33,91,690  | 23.56                   | -  | 23.56  | -                          | -                               | -  | -                               |   |

| Category of Shareholder | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-------------------------|-----|----------------------|---|--|--|------------------------|--|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|                         |     |                      |   |  |  |                        |  | No Voting Rights   | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
| I                       | II  | III                  | IV                                      | V  | VI   | VII = IV+V+VI          | VIII   | IX   |                         | X  | XI = VII + X   | XII                        |                                 | XIII   |                                 | XIV   |
| Mamta Gupta             |     | 1                    | 1,44,000                                | -  | -  | 1,44,000               | 1.00   | 1,44,000   | 1.00                    |  | 1.00   | -                          | -                               | -  | -                               | 0   |
| Kiran Gupta             |     | 1                    | 67,500                                  |  |  | 67,500                 | 0.47   | 67,500   | 0.47                    |  | 0.47   |                            |                                 |  |                                 | 0   |
| Vijay Gupta             |     | 1                    | 99,000                                  |  | -  | 99,000                 | 0.69   | 99,000   | 0.69                    | -  | 0.69   | -                          | -                               | -  | -                               | 0   |
| Preeti Gupta            |     | 1                    | 2,21,250                                | -  | -  | 2,21,250               | 1.54   | 2,21,250   | 1.54                    | -  | 1.54   | -                          | -                               | -  | -                               | 0   |
| Sangeeta Gupta          |     | 1                    | 52,500                                  | -  | -  | 52,500                 | 0.36   | 52,500   | 0.36                    | -  | 0.36   | -                          | -                               | -  | -                               | 52,500  |
| Vikas Gupta             |     | 1                    | 1,57,500                                | -  | -  | 1,57,500               | 1.09   | 1,57,500   | 1.09                    | -  | 1.09   | -                          | -                               | -  | -                               | 1,57,500  |
| Mahendra Makwan         |     | 1                    | 63,000                                  | -  | -  | 63,000                 | 0.44   | 63,000   | 0.44                    | -  | 0.44   | -                          | -                               | -  | -                               | 0   |
| Vidit Garg              |     | 1                    | 51,660                                  | -  | -  | 51,660                 | 0.36   | 51,660   | 0.36                    | -  | 0.36   | -                          | -                               | -  | -                               | 51,660  |
| Sourav Gupta            |     | 1                    | 33,320                                  | -  | -  | 33,200                 | 0.23   | 33,200   | 0.23                    | -  | 0.23   | -                          | -                               | -  | -                               | 0   |

|  | Category of Shareholder | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|--|-------------------------|-----|----------------------|---|--|--|------------------------|--|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|  |                         |     |                      |   |  |  |                        |  | No. of Voting Rights                                     | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|  | I                       | II  | III                  | IV                                      | V  | VI   | VII = IV+V+VI          | VIII   | IX   |                         | X  | XI = VII + X   | XII                        |                                 | XIII   |                                 | XIV   |
|  | Shiv Shankar Jha        |     | 1                    | 94,500                                  | -  | -  | 94,500                 | 0.66   | 94,500   | 0.66                    | -  | 0.66   | -                          | -                               | -  | -                               | 0   |
|  | Pawan Gupta             |     | 1                    | 2,49,160                                | -  | -  | 2,49,160               | 1.73   | 2,49,160   | 1.73                    | -  | 1.73   | -                          | -                               | -  | -                               | 2,49,160  |
|  | Purushottam Pandey      |     | 1                    | 90,000                                  | -  | -  | 90,000                 | 0.63   | 90,000   | 0.63                    | -  | 0.63   | -                          | -                               | -  | -                               | 90,000  |
|  | Vinit Dubey             |     | 1                    | 1,01,250                                | -  | -  | 1,01,250               | 0.70   | 1,01,250   | 0.70                    | -  | 0.70   | -                          | -                               | -  | -                               | 1,01,250  |
|  | Ranjana Gupta           |     | 1                    | 2,74,500                                | -  | -  | 2,74,500               | 1.91   | 2,74,500   | 1.91                    | -  | 1.91   | -                          | -                               | -  | -                               | 2,74,500  |
|  | Aarti Gupta             |     | 1                    | 2,19,780                                | -  | -  | 2,19,780               | 1.53   | 2,19,780   | 1.53                    | -  | 1.53   | -                          | -                               | -  | -                               | 2,19,780  |
|  | Ravi Chauda             |     | 1                    | 2,55,600                                | -  | -  | 2,55,600               | 1.78   | 2,55,600   | 1.78                    | -  | 1.78   | -                          | -                               | -  | -                               | 0   |
|  | Ramavtar                |     | 1                    | 1,89,000                                | -  | -  | 1,89,000               | 1.31   | 1,89,000   | 1.31                    | -  | 1.31   | -                          | -                               | -  | -                               | 0   |
|  | Ruchi Gupta             |     | 1                    | 1,01,970                                | -  | -  | 1,01,970               | 0.71   | 1,01,970   | 0.71                    | -  | 0.71   | -                          | --                              | -  | -                               | 0   |

| Category of Shareholder | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-------------------------|-----|----------------------|---|--|--|------------------------|---|--|-------------------------|--|---|----------------------------|---------------------------------|--|---------------------------------|---|
|                         |     |                      |   |  |  |                        |   | No Voting Rights   | Total as a % of (A+B+C) |  |   | No (a)                     | As a % of total Shares held (b) | No (a)   | As a % of total Shares held (b) |   |
| I                       | II  | III                  | IV                                      | V  | VI   | VII = IV+V+VI          | VIII  | IX   |                         | X  | XI = VII + X  | XII                        |                                 | XIII   |                                 | XIV   |
| Lokendra Gupta          |     | 1                    | 1,47,920                                | -  | -  | 1,47,920               | 1.03  | 1,47,920   | 1.03                    | -  | 1.03  | -                          | -                               | -  | -                               | 0   |
| Radhelal Sen            |     | 1                    | 1,19,460                                | -  | -  | 1,19,460               | 0.83  | 1,19,460   | 0.83                    | -  | 0.83  | -                          | -                               | -  | -                               | 0   |
| Abhishek Kalekar        |     | 1                    | 1,50,000                                | -  | -  | 1,50,000               | 1.04  | 1,50,000   | 1.04                    | -  | 1.04  | -                          | -                               | -  | -                               | 0   |
| Dhulichand Nayak        |     | 1                    | 1,20,000                                | -  | -  | 1,20,000               | 0.83  | 1,20,000   | 0.83                    | -  | 0.83  | -                          | -                               | -  | -                               | 0   |
| Saurabh Nikhara         |     | 1                    | 1,08,000                                | -  | -  | 1,08,000               | 0.75  | 1,08,000   | 0.75                    | -  | 0.75  | -                          | -                               | -  | -                               | 1,08,000  |
| Dhananjay Kulkarni      |     | 1                    | 67,500                                  | -  | -  | 67,500                 | 0.47  | 67,500   | 0.47                    | -  | 0.47  | -                          | -                               | -  | -                               | 67,500  |
| Kishan Singh Shekawat   |     | 1                    | 80,820                                  | -  | -  | 80,820                 | 0.56  | 80,820   | 0.56                    | -  | 0.56  | -                          | -                               | -  | -                               | 0   |
| Ghanshyam Ojha          |     | 1                    | 50,000                                  | -  | -  | 50,000                 | 0.35  | 50,000   | 0.35                    | -  | 0.35  | -                          | -                               | -  | -                               | 0   |

|     | Category of Shareholder                                | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-----|--|-----|----------------------|---|--|--|------------------------|--|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|     |  |     |                      |   |  |  |                        |  | No. of Voting Rights                                     | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|     | I  | II  | III                  | IV                                      | V  | VI   | VII = IV+V+VI          | VIII   | IX   |                         | X  | XI = VII + X   | XII                        |                                 | XIII   |                                 | XIV   |
|     | Nagulal  |     | 1                    | 45,000                                  | -  | -  | 45,000                 | 0.31   | 45,000   | 0.31                    | -  | 0.31   | -                          | -                               | -  | -                               | 0   |
|     | Vaishali Gupta   |     | 1                    | 37,500                                  | -  | -  | 37,500                 | 0.26   | 37,500   | 0.26                    | -  | 0.26   | -                          | -                               | -  | -                               | 37,500  |
| (b) | NBFCs registered with RBI                              | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (c) | Employee Trusts  | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (e) | Any Other (Specify)                                    | -   | -                    | -                                       | -  | -  | -                      | -  | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
|     | <b>Sub Total (B)(3)</b>                                | -   | <b>28</b>            | <b>33,91,690</b>                        | -  | -  | <b>33,91,690</b>       | <b>23.56</b>   | <b>33,91,690</b>   | <b>23.56</b>            | -  | <b>23.56</b>   | -                          | -                               | -  | -                               | <b>16,30,600</b>                                    |

|  | Category of Shareholder   | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|--|---|-----|----------------------|---|--|--|------------------------|---|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|  |   |     |                      |   |  |  |                        |   | No. of Voting Rights                                     | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |   |
|  | I   | II  | III                  | IV                                      | V  | VI   | VII = IV+V+VI          | VIII  | IX   |                         | X  | XI = VII + X   | XII                        |                                 | XIII   |                                 | XIV   |
|  | <b>Total Shareholding of Public (B)= (B)(1)+(B)(2) + (B)(3)</b> |     |                      |   |  |  |                        |   |  |                         |  |  |                            |                                 |  |                                 |   |
|  |   | -   | 28                   | 33,91,690                               | -  | -  | 33,91,690              | 23.56   | 33,91,690  | 23.56                   | -  | 23.56  | -                          | -                               | -  | -                               | 16,30,600   |



Shareholding pattern of the Non Promoter- Non Public shareholder

| Sr No | Category of Shareholder                                  | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-------|--|-----|----------------------|---|--|--|------------------------|---|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|       |  |     |                      |   |  |  |                        |   | No of Voting Rights                                      | Total as a % of (A+B+C) |  |  | No (a)                     | As a % of total Shares held (b) | No (a)   | As a % of total Shares held (b) |   |
|       | I  | II  | III                  | IV                                      | V  | VI   | VII = IV+V+VI          | VIII  | IX   |                         | X  | XI = VII + X   | XII                        |                                 | XIII   |                                 | XIV   |
| (1)   | Custodian / DR Holder                                    | -   | -                    | -                                       | -  | -  | -                      | -   | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (a)   | Name of DR Holder (if applicable)                        | -   | -                    | -                                       | -  | -  | -                      | -   | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
|       | <b>Sub total (C)(1)</b>                                  | -   | -                    | -                                       | -  | -  | -                      | -   | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
| (2)   | Employee Benefit Trust (under SEBI (Share based Employee | -   | -                    | -                                       | -  | -  | -                      | -   | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |

| Sr No | Category of Shareholder   | PAN | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br><br>As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br><br>As a % of (A+B+C2) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialized form |
|-------|---|-----|----------------------|---|--|--|------------------------|---|--|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|       |   |     |                      |   |  |  |                        |   | No of Voting Rights                                      | Total as a % of (A+B+C) |  |  | No (a)                     | As a % of total Shares held (b) | No (a)   | As a % of total Shares held (b) |   |
|       | I   | II  | III                  | IV                                      | V  | VI   | VII = IV+V+VI          | VIII  | IX   |                         | X  | XI = VII + X   | XII                        |                                 | XIII   |                                 | XIV   |
|       | ee Benefit) Regulations, 2014)  |     |                      |   |  |  |                        |   |  |                         |  |  |                            |                                 |  |                                 |   |
|       | <b>Sub total (C)(2)</b>   | -   | -                    | -                                       | -  | -  | -                      | -   | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |
|       | <b>Total Non-Promoter Non-Public Shareholding (C) = (C)(1)+(C)(2)</b> | -   | -                    | -                                       | -  | -  | -                      | -   | -  | -                       | -  | -  | -                          | -                               | -  | -                               | -   |

*Note: PAN of shareholders will be provided to the Stock Exchange by our Company prior to listing of its Equity Shares on the Stock Exchange*



Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares.

9. Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group”:

| Sr. No. | Name of the Shareholder                                  | Pre – Issue          |                        | Post – Issue         |                         |
|---------|--|----------------------|------------------------|----------------------|-------------------------|
|         |  | No. of Equity Shares | % of Pre-Issue Capital | No. of Equity Shares | % of Post-Issue Capital |
| (I)     | (II)   | (III)                | (IV)                   | (V)                  | (VI)                    |
|         | <b>Promoter</b>  |                      |                        |                      |                         |
| 1       | Raj Kumar Gupta  | 40,75,435            | 28.31                  | 40,75,435            | 20.10                   |
| 2       | Vishnu Kant Gupta  | 15,96,075            | 11.09                  | 15,96,075            | 7.87                    |
|         | <b>Sub Total(1)</b>                                      | <b>56,71,510</b>     | <b>39.40</b>           | <b>56,71,510</b>     | <b>27.97</b>            |
|         | <b>Promoter Group</b>                                    |                      |                        |                      |                         |
| 1       | Rajesh Kumar Suhane                                      | 81,000               | 0.56                   | 81,000               | 0.40                    |
| 2       | Rajesh Kumar Suhane HUF                                  | 8,150                | 0.06                   | 8,150                | 0.04                    |
| 3       | Ramesh Chand Suhane                                      | 17,95,050            | 12.47                  | 17,95,050            | 8.85                    |
| 4       | Ramesh Chand Suhane HUF                                  | 2,42,625             | 1.69                   | 2,42,625             | 1.20                    |
| 5       | Raj Kumar Gupta HUF                                      | 4,08,460             | 2.84                   | 4,08,460             | 2.01                    |
| 6       | Rakesh Kumar Suhane                                      | 88,500               | 0.61                   | 88,500               | 0.44                    |
| 7       | Vinod Kumar Suhane                                       | 1,25,000             | 0.87                   | 1,25,000             | 0.62                    |
| 8       | Vinod Kumar Suhane HUF                                   | 1,58,000             | 1.10                   | 1,58,000             | 0.78                    |
| 9       | Asha Devi Gupta  | 5,51,925             | 3.83                   | 5,51,925             | 2.72                    |
| 10      | Nitin Gupta  | 2,31,000             | 1.60                   | 2,31,000             | 1.14                    |
| 11      | Uma Gupta  | 6,36,200             | 4.42                   | 6,36,200             | 3.14                    |
| 12      | Raj Kumar Gupta with Vishnu Kant Gupta with Nitin Suhane | 2,25,000             | 1.56                   | 2,25,000             | 1.11                    |
| 13      | Vishnu Kant Gupta HUF                                    | 1,89,985             | 1.32                   | 1,89,985             | 0.94                    |
| 14      | Shraddha Gupta   | 1,00,000             | 0.69                   | 1,00,000             | 0.49                    |
| 15      | Nitin Suhane HUF   | 82,500               | 0.57                   | 82,500               | 0.41                    |
| 16      | Abhay Gupta  | 4,07,520             | 2.83                   | 4,07,520             | 2.01                    |
|         | <b>Sub Total(B)</b>                                      | <b>53,30,915</b>     | <b>37.04</b>           | <b>53,30,915</b>     | <b>26.29</b>            |
|         | <b>Total</b>   | <b>1,10,02,425</b>   | <b>76.44</b>           | <b>1,10,02,425</b>   | <b>54.27</b>            |

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

| Name of the Promoter | No. of Shares held | Average cost of Acquisition (in Rs.) |
|----------------------|--------------------|--------------------------------------|
| Raj Kumar Gupta      | 40,75,435          | 2.78                                 |
| Vishnu Kant Gupta    | 15,96,075          | 4.23                                 |

11. Except as mentioned below, no persons belonging to the category “Public” holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.

| Sr. No. | Name of the Shareholder | Pre – Issue          |                        | Post – Issue         |                         |
|---------|-------------------------|----------------------|------------------------|----------------------|-------------------------|
|         |                         | No. of Equity Shares | % of Pre-Issue Capital | No. of Equity Shares | % of Post-Issue Capital |
| (I)     | (II)                    | (III)                | (IV)                   | (V)                  | (VI)                    |
| 1       | Mamta Gupta             | 1,44,000             | 1.00                   | 1,44,000             | 0.71                    |
| 2       | Preeti Gupta            | 2,21,250             | 1.54                   | 2,21,250             | 1.09                    |
| 3       | Vikas Gupta             | 1,57,500             | 1.09                   | 1,57,500             | 0.78                    |
| 4       | Pawan Gupta             | 2,49,160             | 1.73                   | 2,49,160             | 1.23                    |
| 5       | Ranjana Gupta           | 2,74,500             | 1.91                   | 2,74,500             | 1.35                    |
| 6       | Aarti Gupta             | 2,19,780             | 1.53                   | 2,19,780             | 1.08                    |
| 7       | Ravi Chauda             | 2,55,600             | 1.78                   | 2,55,600             | 1.26                    |
| 8       | Ramavtar                | 1,89,000             | 1.31                   | 1,89,000             | 0.93                    |
| 9       | Lokendra Gupta          | 1,47,920             | 1.03                   | 1,47,920             | 0.73                    |
| 10      | Abhishek Kalekar        | 1,50,000             | 1.04                   | 1,50,000             | 0.74                    |
|         | <b>Total</b>            | <b>20,08,710</b>     | <b>13.96</b>           | <b>20,08,710</b>     | <b>9.91</b>             |

12. The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Prospectus are set forth below:

- a. Particulars of the top ten shareholders as on the date of filing this Prospectus:

| Sr. No | Particulars          | Number of Equity Shares | % of Total Paid-Up Capital |
|--------|----------------------|-------------------------|----------------------------|
| 1.     | Raj Kumar Suhane     | 40,75,435               | 28.31%                     |
| 2.     | Ramesh Chand Suhane  | 17,95,050               | 12.47%                     |
| 3.     | Vishnu Kant Gupta    | 15,96,075               | 11.09%                     |
| 4.     | Uma Gupta            | 6,36,200                | 4.42%                      |
| 5.     | Asha Devi Gupta      | 5,51,925                | 3.83%                      |
| 6.     | Raj Kumar Suhane HUF | 4,08,460                | 2.84%                      |
| 7.     | Abhay Gupta          | 4,07,520                | 2.83%                      |
| 8.     | Ranjana Gupta        | 2,74,500                | 1.91%                      |
| 9.     | Ravi Chauda          | 2,55,600                | 1.78%                      |
| 10.    | Pawan Gupta          | 2,49,160                | 1.73%                      |
|        | <b>Total</b>         | <b>1,02,49,925</b>      | <b>71.21%</b>              |

- b. Particulars of top ten shareholders ten days prior to the date of filing this Prospectus:

| Sr. No. | Name of Shareholders | Number of Equity Shares | % of Total Paid-Up Capital |
|---------|----------------------|-------------------------|----------------------------|
| 1.      | Raj Kumar Suhane     | 40,75,435               | 28.31%                     |
| 2.      | Ramesh Chand Suhane  | 17,95,050               | 12.47%                     |

| Sr. No. | Name of Shareholders | Number of Equity Shares | % of Total Paid-Up Capital |
|---------|----------------------|-------------------------|----------------------------|
| 3.      | Vishnu Kant Gupta    | 15,96,075               | 11.09%                     |
| 4.      | Uma Gupta            | 6,36,200                | 4.42%                      |
| 5.      | Asha Devi Gupta      | 5,51,925                | 3.83%                      |
| 6.      | Raj Kumar Suhane HUF | 4,08,460                | 2.84%                      |
| 7.      | Abhay Gupta          | 4,07,520                | 2.83%                      |
| 8.      | Ranjana Gupta        | 2,74,500                | 1.91%                      |
| 9.      | Ravi Chauda          | 2,55,600                | 1.78%                      |
| 10.     | Pawan Gupta          | 2,49,160                | 1.73%                      |
|         | <b>Total</b>         | <b>1,02,49,925</b>      | <b>71.21%</b>              |

c. Particulars of the top ten shareholders two years prior to the date of filing of this Prospectus:

| Sr. No. | Name of Shareholders | Number of Equity Shares | % of then existing total Paid-Up Capital |
|---------|----------------------|-------------------------|--|
| 1.      | Raj Kumar Suhane     | 254340                  | 8.83%                                    |
| 2.      | Vishnu Kant Gupta    | 146860                  | 5.10%                                    |
| 3.      | Uma Gupta            | 117240                  | 4.07%                                    |
| 4.      | Rakesh Kumar Suhane  | 112770                  | 3.92%                                    |
| 5.      | Ramesh Chand Suhane  | 109800                  | 3.81%                                    |
| 6.      | Kiran Gupta          | 107550                  | 3.74%                                    |
| 7.      | Rajesh Kumar Suhane  | 102600                  | 3.56%                                    |
| 8.      | Asha Devi Gupta      | 102055                  | 3.55%                                    |
| 9.      | Neetu Gupta          | 87570                   | 3.04%                                    |
| 10.     | Preeti Gupta         | 79650                   | 2.77%                                    |
|         | <b>Total</b>         | <b>1220435</b>          | <b>42.39%</b>                            |

13. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
14. Neither the Book Running Lead Managers viz. Pantomath Capital Advisors Private Limited and Indian Overseas Bank, nor their associates hold any Equity Shares of our Company as on the date of the Prospectus.
15. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Managers and the NSEEMERGE.
16. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
17. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
18. There are no Equity Shares against which depository receipts have been issued.
19. Other than the Equity Shares, there are no other class of securities issued by our Company.

20. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares. However our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company
21. None of the persons/entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing of this Prospectus.
22. Our Company, our Promoters, our Directors and the Book Running Lead Managers have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
23. There are no safety net arrangements for this public issue.
24. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalising the Basis of Allotment. 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 our Promoters and subject to lock- in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.
25. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
26. As on date of this Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
27. All the Equity Shares of our Company are fully paid up as on the date of the Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.
28. As per RBI regulations, OCBs are not allowed to participate in this Issue.
29. Our Company has not raised any bridge loans against the proceeds of the Issue.
30. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
31. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
32. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

33. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
34. We have 46 shareholders as on the date of filing of the Prospectus.
35. Our Promoters and the members of our Promoter Group will not participate in this Issue.
36. Our Company has not made any public issue since its incorporation.
37. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
38. For the details of transactions by our Company with our Promoter Group, Group Companies for the financial years ended March 31, 2012, 2013, 2014, 2015, 2016 and for the period ended April 30, 2016, please refer to paragraph titled “Details of Related Parties Transactions as Restated” in the chapter titled *Financial Statements as restated* on page 261 of the Prospectus.

None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “*Our Management*” beginning on page 227 of the Prospectus.



## OBJECT OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects and achieve the benefits of listing the equity shares on the Emerge platform of National Stock Exchange. We believe that the listing of Equity shares will enhance our brand name and provide liquidity to the existing shareholders. Listing will also provide a public market for the Equity Shares in India.

### The objects to the Issue are:

1. Repayment/ Prepayment of certain borrowings availed by our Company;
2. Working Capital requirements;
3. General Corporate Purposes
4. Issue Expenses

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

## FUND REQUIREMENTS

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

### Means of Finance

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue and Internal Accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

### Utilization of Net Proceeds

The details of the Issue Proceeds are summarised below:

| Particulars                   | Amount (Rs. in lakhs) |
|-------------------------------|-----------------------|
| Issue Proceeds                | 1293.60               |
| Less: Issue related expenses* | 100.00                |
| <b>Net Proceeds</b>           | <b>1193.60</b>        |

We intend to utilise the Net Proceeds from the Issue, in the manner set below:

| Sr. No | Particulars  | Amount (Rs in Lakhs) | Percentage of Net Proceeds | Percentage of Gross Proceeds |
|--------|--|----------------------|----------------------------|------------------------------|
| 1.     | Repayment/ Prepayment of certain borrowings availed by our Company | 400.00               | 33.51                      | 30.92                        |
| 2.     | Working Capital requirements                                       | 578.60               | 48.48                      | 44.73                        |
| 3.     | General Corporate Purposes   | 215.00               | 18.01                      | 16.62                        |

While we intend to utilise the Issue Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In the event of any shortfall in the Net Proceeds, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders.

#### **Schedule of implementation/ Utilization of Issue Proceeds**

Our Company proposes to deploy the Net Proceeds in the aforesaid objects in the financial year 2016-17.

#### **• Repayment/ Prepayment of certain borrowings availed by our Company;**

Our business is fixed capital intensive as well as working capital intensive and we avail majority of our fund requirements in the ordinary course of business from various banks, financial institutions, inter-corporate loans and unsecured loans from related parties. For further details of the loans availed by our Company, see chapter titled “Financial Indebtedness” on page 313 of this Prospectus.

As on August 31, 2016, with respect to the loan proposed to be repaid from Net Proceeds of the Issue, our Company had outstanding indebtedness (including interest applied upto 30.06.2016) from concerned corporation amounting to Rs. 528.93 lakhs as confirmed by the Statutory Auditor M/s Rajendra Goyal & Co Chartered Accountants vide Certificate dated September 8, 2016. We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness and improve our debt-equity ratio. We believe that reducing our indebtedness will result in enhanced equity base, reduce our financial costs, improve our profitability and improve our leverage capacity.

The details of the repayment of loans are provided below:

| Nature of Facility                       | Term Loan  |
|--|--|
| Amount outstanding as on August 31, 2016 | Rs. 528.93 lakhs   |
| Rate of Interest                         | 15.25% per annum and shall be payable quarterly, with rebate of 1% for timely payment of interest.   |
| Purpose                                  | Setting up manufacturing unit of Single Super Phosphate and Granulated Single Super Phosphate at MPAKVN (Madhya Pradesh Audyogik Kendra Vikas Nigam) Industrial Area, Meghnagar, District Jhabua, Madhya Pradesh |
| Security                                 | <ul style="list-style-type: none"> <li>• By way of English/equitable mortgage of land (leasehold), factory, building, plant and machinery, furniture and fixtures (existing &amp;</li> </ul>                     |



| Nature of Facility | Term Loan   |
|--------------------|---|
|                    | <p>future) of the company. Land (leasehold) admeasuring 10,171 Sq. mtrs. situated at Plot No 135-A, 136-A, 137-A and 138-A, Industrial Area, Meghnagar, District- Jhabua</p> <ul style="list-style-type: none"> <li>• Additional security worth Rs 100.00 lakhs in the form of fixed assets/ FDRs</li> <li>• Submission of post dated Cheques for repayment of entire principal amount as per repayment schedule and interest for at least two years</li> </ul> |
| Repayment          | <p>The term loan shall be repaid in 8 years in 24 quarterly installments with two years off period</p> <ul style="list-style-type: none"> <li>• First 8 quarterly installment of Rs 12.50 lakhs each</li> <li>• Next 4 quarterly installment of Rs 25.00 lakhs each</li> <li>• Balance 12 quarterly installment of Rs 37.50 lakhs each</li> </ul>   |

*\*For details regarding security against bank loan, please refer chapter titled “Financial Indebtedness” beginning on page313 of this Prospectus.*

We may repay the above loan, before we obtain proceeds from the Issue, through other means and source of financing, including bridge loan or other financial arrangements, which then will be repaid from the proceeds of the Issue.

#### • Working Capital Requirement

Our business is working capital intensive as well. We finance our working capital requirements from bank funding, internal accruals and other sources.

As on March 31, 2015 and March 31, 2016 our Company’s net working capital consisted of Rs. 1,830.79 lakhs and Rs. 2,454.53 lakhs respectively, based on the restated financial statements.

The total working capital requirement for the financial year 2016-17 is estimated to be Rs. 3495.66 lakhs. The incremental working capital requirement for the year ending March 31, 2017 will be Rs. 1041.13 lakhs, which will be met through net proceeds of the issue and internal accruals.

#### Basis of estimation of working capital requirement

The details of our Company’s working capital requirement and funding of the same based on the restated financial statements as at March 31, 2015 and March 31, 2016 are as set out in the table below:

*Amount (Rs. In Lakhs)*

| Particulars           | As on March 31 |        |
|-----------------------|----------------|--------|
|                       | 2015           | 2016   |
| <b>Current Assets</b> |                |        |
| Inventories           |                |        |
| Raw material          | 325.63         | 428.45 |

| Particulars  | As on March 31  |                 |
|--|-----------------|-----------------|
|  | 2015            | 2016            |
| Work-in-progress                                   | 55.14           | 3.15            |
| Finished goods                                     | 106.34          | 96.51           |
| Stores and spares                                  | 13.12           | 17.84           |
| Stock in trade                                     | 385.52          | 773.33          |
| Trade Receivables                                  | 807.23          | 1546.27         |
| Cash and Bank Balance                              | 139.65          | 108.84          |
| Short term loans & advances & other current assets | 1200.14         | 1918.08         |
| <b>Total (A)</b>                                   | <b>3,032.78</b> | <b>4,892.48</b> |
| <b>Current Liabilities</b>                         |                 |                 |
| Trade Payables                                     | 1014.63         | 2106.21         |
| Other Current Liabilities & short term provisions  | 187.36          | 331.63          |
| <b>Total (B)</b>                                   | <b>1,201.99</b> | <b>2,437.84</b> |
| <b>Net Working Capital (A)-(B)</b>                 | <b>1,830.79</b> | <b>2,454.64</b> |
| Incremental Working Capital                        | 313.55          | 623.85          |
| <b>Sources of Working Capital</b>                  |                 |                 |
| Incremental borrowings                             | 313.55          | 391.88          |
| Internal accruals                                  | -               | 231.86          |
| <b>Total Source</b>                                | <b>313.55</b>   | <b>623.74</b>   |

The details of our Company's expected working capital requirement as at March 31, 2017 is set out in the table below:

*Amount (Rs. In Lakhs)*

| Particulars  | 2016-17 (Estimated) |
|--|---------------------|
| <b>Current Assets</b>                                |                     |
| Inventories  |                     |
| Raw material   | 639.00              |
| Work-in-progress                                     | 73.80               |
| Finished goods                                       | 873.62              |
| Trade Receivables                                    | 1789.77             |
| Cash and Bank Balance                                | 304.27              |
| Short term loans & advances and other current assets | 2586.29             |
| <b>Total (A)</b>                                     | <b>6266.75</b>      |
| <b>Current Liabilities</b>                           |                     |
| Trade Payables                                       | 2408.95             |
| Other Current Liabilities & Provisions & Advances    | 361.87              |
| <b>Total (B)</b>                                     | <b>2,770.52</b>     |
| <b>Net Working Capital (A)-(B)</b>                   | <b>3,495.38</b>     |
| <b>Incremental Working Capital*</b>                  | <b>1,041.90</b>     |
| <b>Sources Of Working Capital</b>                    |                     |
| Issue Proceeds                                       | 578.60              |
| Internal Accruals                                    | 463.30              |
| <b>Total Source</b>                                  | <b>1041.90</b>      |



*\*Incremental Working capital is calculated by subtracting the Current year net working capital from previous year net working capital.*

### **Assumption for working capital requirements**

Assumptions for Holding Levels\*

(In months)

| Particulars                | Holding Level as of March 31, 2015 | Holding Level as of March 31, 2016 | Holding Level as of March 31, 2017 (Estimated) |
|----------------------------|------------------------------------|------------------------------------|--|
| <b>Current Assets</b>      |                                    |                                    |  |
| Inventories                |                                    |                                    |  |
| Raw material               | 1.12                               | 1.26                               | 1.37   |
| Work in process            | 0.14                               | 0.01                               | 0.13   |
| Finished Goods             | 1.14                               | 1.77                               | 1.40   |
| Trade Receivables          | 1.90                               | 3.74                               | 3.50   |
| <b>Current Liabilities</b> |                                    |                                    |  |
| Trade Payables*            | 3.06                               | 5.82                               | 5.00   |

Our Company proposes to utilize Rs. 578.60 lakhs of Net Proceeds towards working capital requirements for meeting our business requirements.

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in Financial Year 2016-17 considering the growth in activities of our Company. Our Company has assumed raw material inventory of 1.37 months, work in process inventory of 0.13 month and finished goods inventory of 1.40 months for the Financial Year 2016-2017.

Our Debtors cycle was of about 1.90 and 3.74 months in Financial Year 2014-15 and 2015-2016. We have assumed that our debtor's cycle will be 3.50 months for Financial Year 2016-17. Similarly we have estimated current assets, trade payables, current liabilities and short term provisions in line with working capital employed in past years and expected to be employed in Financial Year 2016-17.

### **Justification for "Holding Period" levels**

The justifications for the holding levels mentioned in the table above are provided below

|  |  |
|--|--|
| <b>Assets- Current Assets</b>            |  |
| <b>Inventories</b>                       | In FY 2016-17 we have assumed raw material inventory of around 1.37 months which we believe is required considering our increase in operations as well as distribution network |
| <b>Trade receivables</b>                 | In FY 2016-17 the trade receivable holding period is expected to be 3.50 months which is slightly less than 3.74 months of FY 2015-16.   |
| <b>Liabilities – Current Liabilities</b> |  |
| <b>Trade Payables</b>                    | In FY 2016-17, the credit period is expected to be 5.00 months which is similar on lines of 5.82 months of FY 2015-16.   |

### • General Corporate Purposes

The proceeds of the Issue will be first utilized towards the aforesaid defined items and the balance is proposed to be utilized for general corporate purposes including but not restricted to, marketing expenses, meeting operating expenses, strengthening of our business development and marketing capabilities, meeting exigencies which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time, and consequently, our funding requirement and deployment of funds may also change. In accordance with the policies of our Board, our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

### ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 100.00 Lakhs.

| Expenses  | Expenses<br>(Rs. in<br>Lakhs)* | Expenses<br>(% of total<br>Issue<br>expenses) | Expenses<br>(% of<br>Gross Issue<br>Proceeds) |
|---|--------------------------------|---|---|
| Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc. | 75.00                          | 75.00   | 5.80  |
| Regulatory fees   | 5.00                           | 5.00  | 0.39  |
| Marketing and Other Expenses  | 20.00                          | 20.00   | 1.55  |
| <b>Total estimated Issue expenses</b>   | <b>100.00</b>                  | <b>100.00%</b>                                | <b>7.73</b>                                   |

*\*\*SCSBs will be entitled to a processing fee of Rs. 10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them.*

*Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.01 % on the Allotment Amount# or Rs 100/- whichever is less on the Applications wherein shares are allotted.*

*The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.*

*#Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

### DEPLOYMENT OF FUNDS

As estimated by our management, the proceeds from the Issue shall be utilized as follows:

| Particulars  | Total Funds<br>required | Amount<br>incurred till date | Deployment<br>during FY 2016-17 |
|--|-------------------------|------------------------------|---------------------------------|
| Repayment/ Prepayment of certain borrowings availed by our Company | 400.00                  | -                            | 400.00                          |
| Working Capital requirement  | 578.60                  | -                            | 578.60                          |



| Particulars                | Total Funds required | Amount incurred till date | Deployment during FY 2016-17 |
|----------------------------|----------------------|---------------------------|------------------------------|
| Issue Expenses             | 100.00               | 14.03                     | 85.97                        |
| General Corporate Purposes | 215.00               | -                         | 215.00                       |
| <b>Total</b>               | <b>1293.60</b>       | <b>14.03</b>              | <b>1279.57</b>               |

Our Statutory Auditors, M/s. Rajendra Goyal & Co, Chartered Accountants vide their certificate dated October 27, 2016 have confirmed that as on October 25, 2016 the following funds have been deployed towards issue expenses.

| Source from expenses have been incurred | Amount (Rs. in Lakhs) |
|---|-----------------------|
| Internal Accruals                       | 14.03                 |
| <b>Total</b>                            | <b>14.03</b>          |

Our management, in accordance with the policies set up by the Board, will have flexibility in deploying the Net Proceeds of the Issue.

### BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may borrow such amounts, as may be required, from other lenders until the completion of the Issue. Further, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue. Any amount that is borrowed from lenders or drawn down from the overdraft arrangement / cash credit facility during this period to finance additional working capital needs will be repaid from the Net Proceeds of the Issue.

### 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.

### INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

### MONITORING UTILIZATION OF FUNDS

As the size of the Issue does not exceed Rs. 50,000 lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the

Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Prospectus.

#### **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

#### **OTHER CONFIRMATIONS**

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable.

## BASIS FOR ISSUE PRICE

The Issue Price of Rs. 22 per Equity Share has been determined by the Company in consultation with the BRLMs on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is Rs.10 each and the Issue Price is 2.2 times of the face value.

Investors should also refer to the sections “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” on pages 191, 20 and 261, respectively of this Prospectus, to have an informed view before making an investment decision.

### QUALITATIVE FACTORS

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

- Quality assurance
- Leveraging the experience of promoters
- Strategic location of manufacturing units
- Distribution network
- Proficient management team

For further details, refer chapter titled “*Our Business*” beginning on page 191 of this Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2014, 2015, 2016 and for the period ended April 30, 2016 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### I. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20

| Year ended                             | EPS (Rs.) | Weight      |
|--|-----------|-------------|
| March 31, 2014                         | 0.90      | 1           |
| March 31, 2015                         | 7.03      | 2           |
| March 31, 2016                         | 2.45      | 3           |
| <b>Weighted average</b>                |           | <b>3.72</b> |
| <b>One month ended April 30, 2016*</b> |           | <b>0.05</b> |

\*Not annualized

Note:-

- Restated earnings per share have been computed as per AS 20. The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the period / year. The face value of each Equity Share is Rs. 10/-.
- For the purpose of calculating the EPS above, the number of Equity Shares has been adjusted for the following changes:

| Date of Allotment  | Particulars  |
|--------------------|--|
| September 02, 2016 | Bonus Issue of 115,15,292 Equity Shares of face value Rs 10/- each on September 02, 2016, in the ratio of 4 Equity Shares for every 1 Equity Share held. |

**2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 22 per Equity Share of Rs. 10 each fully paid up.**

| Particulars                                 | PE Ratio on Issue Price |
|---|-------------------------|
| P/E ratio based on Basic EPS for FY 2015-16 | 8.98                    |
| P/E ratio based on Weighted Average EPS     | 5.92                    |
| <b>*Industry P/E</b>                        |                         |
| Lowest                                      | 11.79                   |
| Highest                                     | 83.59                   |
| Average                                     | 30.57                   |

\*\*Industry Composite comprises of Madhya Bharat Agro Products Limited, Rama Phosphates Limited, Khaitan Chemicals and Fertilisers Limited, Shree Pushkar Chemicals & Fertilisers Limited, Basant Agro Tech (India) Limited.

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

Return on Net Worth ("RoNW") as per restated financial statements

| Year ended                             | RoNW (%) | Weight       |
|--|----------|--------------|
| March 31, 2014                         | 13.43    | 1            |
| March 31, 2015                         | 49.16    | 2            |
| March 31, 2016                         | 14.59    | 3            |
| <b>Weighted Average</b>                |          | <b>25.92</b> |
| <b>One month ended April 30, 2016*</b> |          | <b>0.31</b>  |

*\*Not annualized*

**Note:** The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year excluding miscellaneous expenditure to the extent not written off.

**4. Minimum Return on Total Net Worth post issue needed to maintain Pre Issue EPS for the year ended March 31, 2016 is 13.38.**

**5. Net Asset Value (NAV)**

| Particulars   | Amount (in Rs.) |
|---|-----------------|
| Net Asset Value per Equity Share as of March 31, 2016 | 16.80           |
| Net Asset Value per Equity Share as of April 30, 2016 | 16.85           |
| Net Asset Value per Equity Share after the Issue      | 18.34           |
| Issue Price per equity share                          | 22              |

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the period.

Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

**6. Comparison with other listed companies**

| Companies                                     | CMP    | Basic EPS | Diluted EPS | PE Ratio | RONW % | NAV (Per Share) | Face Value | Total Income (Rs. In Crore) |
|---|--------|-----------|-------------|----------|--------|-----------------|------------|-----------------------------|
| Agro Phos India Limited                       | 22     | 2.45      | 2.45        | 8.98     | 14.59  | 16.80           | 10         | 72.77                       |
| <b>Peer Group*</b>                            |        |           |             |          |        |                 |            |                             |
| Madhya Bharat Agro Products Limited           | 36.05  | 4.80      | 4.80        | 7.52     | 14.25  | 33.65           | 10         | 64.78                       |
| Rama Phosphates Limited                       | 68.10  | 4.56      | 4.56        | 14.94    | 6.61   | 68.96           | 10         | 390.24                      |
| Khaitan Chemicals and Fertilisers Limited     | 15.40  | 0.17      | 0.17        | 90.16    | 1.30   | 13.12           | 1          | 394.05                      |
| Shree Pushkar Chemicals & Fertilisers Limited | 163.40 | 8.51      | 8.51        | 19.20    | 13.67  | 53.98           | 10         | 251.24                      |
| Basant Agro Tech (India) Limited              | 7.97   | 0.62      | 0.62        | 12.95    | 5.60   | 10.99           | 1          | 316.65                      |

**Notes:**

1. The figures for Agro Phos India Limited are based on the restated results for the year ended March 31, 2016.
2. The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2016.
3. Current Market Price (CMP) is the closing prices of respective scripts as on October 14, 2016.
4. P/E Ratio has been computed as the closing market prices of the Companies sourced from the BSE/NSE website as on October 14, 2016 as divided by the respective Basic EPS provided under Note 6.



5. The Issue Price of Agro Phos India Limited is Rs. 22 per Equity Share. Agro Phos India Limited is a Book Built issue and price band for the same shall be published 5 working days before opening of the Issue in English and Hindi national newspapers and one regional newspaper with wide circulation.

For further details refer to the section titled “*Risk Factors*” beginning on page 20 and the financials of the Company including profitability and return ratios, as set out in the section titled “*Financial Statements*” beginning on page 261 of this Prospectus for a more informed view.



## STATEMENT OF POSSIBLE TAX BENEFITS

### Statement of possible tax benefits available to the company and its shareholders

To  
The Board of Directors  
**Agro Phos India Limited**  
**M-87, Trade Centre,**  
**18- South Tukoganj,**  
**Indore-(MP)**

We hereby confirm that the enclosed annexure, prepared by Agro Phos India Limited Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income – Tax Act, 1961 ('Act') and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which is based on the business imperatives, the company or its shareholders may or may not choose to fulfill.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.

**For M/s Rajendra Goyal & Co.**  
**Chartered Accountants**  
**Firm Reg no: 001256C**

**Tarun Kumar Mehta**  
**Membership No.: 071787**

Place: Indore  
Date: 30.08.2016

## **ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO AGRO PHOS INDIA LIMITED AND ITS SHAREHOLDERS**

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial **Year 2016-17**.

### **Benefits to the Company under the Act**

#### **1. General tax benefits**

##### **A. Business Income**

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.

##### **B. Exemption from Agriculture Income**

The Income generated from cultivation and marketing of seeds and vegetables, which is in the nature of agriculture activity, is fully exempt from Income Tax u/s 10(1) of the Income Tax Act

##### **C. MAT Credit**

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year. Such MAT credit is available for set-off up to ten years succeeding the assessment year in which the MAT credit arises.

##### **D. Capital Gains**

###### **(i) Computation of capital gains**

- Capital assets are to be categorized into short – term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- Short – term capital gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.

- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.
- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 7% where the taxable income of a domestic company exceeds Rs10,000,000 and 12% where the taxable income of a domestic company exceeds 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- As per provisions of Section 71 read with Section 74 of the Act, short – term capital loss arising during a year is allowed to be set-off against short – term as well as long – term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long – term capital loss arising during a year is allowed to be set-off only against long – term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

(ii) Exemption of capital gains from income – tax

- Under Section 54EC of the Act, capital gain arising from transfer of long – term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by -:
  1. National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
  2. Rural Electrification Corporation Limited (RECL), a company formed and registered under the Companies Act, 1956.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 50,00,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- As per provision of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

#### ***E. Securities Transaction Tax***

As per provisions of Section 36(1) (xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

#### ***F. Dividends***

- As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 12% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend. Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O (1A) of the Act, subject to fulfillment of prescribed conditions.
- As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.

- As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of as specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.
- As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).

### Benefits to the Resident members / shareholders of the Company under the Act

#### A. Dividends exempt under section 10(34) of the Act

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 12% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

#### B. Capital Gains

##### (i) Computation of capital gains

- Capital assets are to be categorized into short – term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- STCG means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.
- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for thirty six months or less.
- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- As per first proviso to Section 48 of the Act, the capital gains arising on transfer of share of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration receiving or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates

prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.

- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee. As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 12% where the taxable income of an assessee (other than company) exceeds Rs. 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- As per provisions of Section 71 read with Section 74 of the Act, short – term capital loss arising during a year is allowed to be set-off against short – term as well as long – term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long – term capital loss arising during a year is allowed to be set-off only against long – term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent 8 assessment years.

(ii) Exemption of capital gains arising from income – tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long – term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long – term asset cannot exceed Rs 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

### ***C. Tax Treaty Benefits***

As per provisions of Section 90 (2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

### ***D. Non-Resident Taxation***

Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively).
- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the

specified assets for that year and subsequent years until such assets are transferred or converted into money.

- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

### **Benefits available to Foreign Institutional Investors ('FIIs') under the Act**

#### **A. Dividends exempt under section 10(34) of the Act**

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 12% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

#### **B. Long Term Capital Gains exempt under section 10(38) of the Act**

- LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act. It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

#### **C. Capital Gains**

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

| <b>Nature of income</b>                            | <b>Rate of tax (%)</b> |
|--|------------------------|
| LTCG on sale of equity shares not subjected to STT | 10                     |
| STCG on sale of equity shares subjected to STT     | 15                     |
| STCG on sale of equity shares not subjected to STT | 30                     |

- For corporate FIIs, the tax rates mentioned above stands increased by surcharge, payable at the rate of 7% where the taxable income exceeds Rs 1,00,00,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.
- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

**D. Securities Transaction Tax**

As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

**E. Tax Treaty benefits**

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors

**Benefits available to Mutual Funds under the Act**

- a) Dividend income  
Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.
- b) As per provisions of 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, is exempt from income-tax, subject to the prescribed conditions.

**Gift Tax Act, 1958**

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

Note: All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

**For M/s Rajendra Goyal & Co.**  
**Chartered Accountants**  
**Firm Reg no: 001256C**

**Tarun Kumar Mehta**  
**Membership No.: 071787**

Place: Indore  
Date: 30.08.2016

## SECTION IV: ABOUT THE COMPANY

### OUR INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 20 and 261 respectively of this Prospectus before deciding to invest in our Equity Shares.*

### INDIAN FERTILIZER INDUSTRY: INTRODUCTION

Fertilizers play an important role in the global agricultural economy. It's a fact that fertilizers are an essential factor in increasing food production globally. Indian fertilizer industry has witnessed a sharp growth since the era of green revolution (1960's). It has emerged gracefully in the last 50 years and at present ranks third in the world. It has succeeded in meeting the demand of nearly all chemical fertilizers over the years and now become an important segment of Indian economy. Presently, there are 30 large size urea manufacturing plants, 21 DAP and complex fertilizers producing units, 5 units producing low analysis straight nitrogenous fertilizers and 2 units manufacturing Ammonium Sulphate as by-product. Besides, there are about 85 medium and small-scale SSP manufacturing units in the country.

#### Importance of Fertilizer:

Fertilizer is defined as any organic or inorganic substance, natural or artificial in nature supplying one or more of the chemical elements/nutrients required for plant growth. Sixteen plant nutrients are necessary for proper plant development. These are classified into three categories viz; primary (macro) nutrients, secondary nutrients, and micronutrients. Application of essential plant nutrients in right proportion, through correct method and time of application is helpful to increase crop production. Primary (macro) nutrients are nitrogen (N), phosphorus (P), and potassium (K). They are the most frequently required in a crop fertilization programme and are needed in the larger quantity by plants as fertilizer. So, major focus of the Indian fertilizer sector policy has been on primary (macro) nutrient

(Sources: *Indian Fertilizer Industry: A Market Overview* by Renuka Kholkute [www.ifaj.org](http://www.ifaj.org))

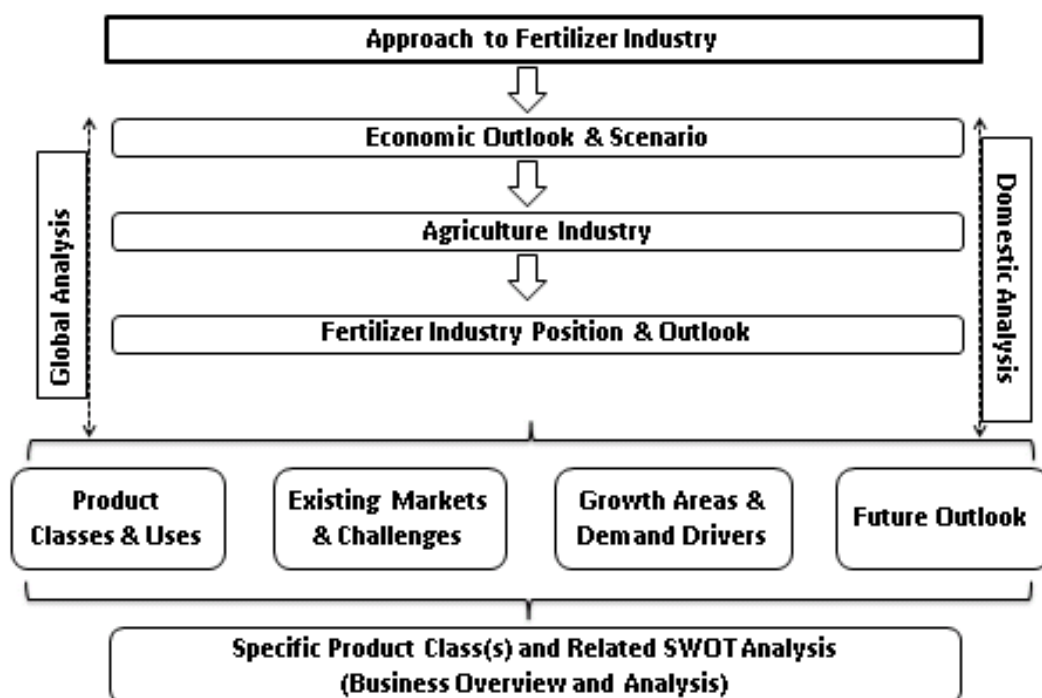
### APPROACH TO FERTILIZER INDUSTRY ANALYSIS

Analysis of Fertilizer Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Fertilizer Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of Manufacturing Sector should be at preface while analysing the Fertilizer Industry.

Manufacturing Sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Manufacturing Sector is 'Fertilizer Industry'.

Thus, Manufacturing of fertilisers segment should be analysed in the light of 'Fertiliser Industry' at large. An appropriate view of Fertiliser Industry, then calls for the analysis of overall economic

outlook and scenario, performance and expectations of manufacturing sector, position and outlook of Fertiliser Industry and micro analysis thereof



*This Approach Note is developed by Pantomath Capital Advisors (P) Ltd ('Pantomath') and any unauthorized reference or use of this Note, whether in the context of Fertilizer Industry and / or any other industry, may entail legal consequences.*

## GLOBAL ECONOMIC ENVIRONMENT

### INTRODUCTION

Since the Economic Survey and Budget were presented a year ago, the Indian economy has continued to consolidate the gains achieved in restoring macro-economic stability. Inflation, the fiscal deficit, and the current account deficit have all declined, rendering India a relative haven of macro stability in these turbulent times. Economic growth appears to be recovering, albeit at varying speeds across sectors.

At the same time, the upcoming Budget and 2016-17 (FY-2017) economic policy more broadly, will have to contend with an unusually challenging and weak external environment. Although the major international institutions are yet again predicting that global growth will increase from its current subdued level, they assess that risks remain tilted to the downside. This uncertain and fragile outlook will complicate the task of economic management for India.

The risks merit serious attention not least because major financial crises seem to be occurring more frequently. The Latin American debt crisis of 1982, the Asian Financial crisis of the late 1990s, and the Eastern European crisis of 2008 suggested that crises might be occurring once a decade. But then

the rapid succession of crises, starting with Global Financial Crisis of 2008 and proceeding to the prolonged European crisis, the mini-crises of 2013, and the China provoked turbulence in 2015 all hinted that the intervals between events are becoming shorter.

This hypothesis could be validated in the immediate future, since identifiable vulnerabilities exist in at least three large emerging economies—China, Brazil, Saudi Arabia—at a time when underlying growth and productivity developments in the advanced economies are soft. More flexible exchange rates, however, could moderate full-blown eruptions into less disruptive but more prolonged volatility.

One tail risk scenario that India must plan for is a major currency re-adjustment in Asia in the wake of a similar adjustment in China; as such an event would spread deflation around the world. Another tail risk scenario could unfold as a consequence of policy actions—say, capital controls taken to respond to curb outflows from large emerging market countries, which would further moderate the growth impulses emanating from them.

In either case, foreign demand is likely to be weak, forcing India—in the short run—to find and activate domestic sources of demand to prevent the growth momentum from weakening. At the very least, a tail risk event would require Indian monetary and fiscal policy not to add to the deflationary impulses from abroad. The consolation would be that weaker oil and commodity prices would help keep inflation and the twin deficits in check.

(Source: *Economic Survey 2015-16-Volume I*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **GLOBAL ECONOMIC OVERVIEW**

The global macroeconomic landscape is currently chartering a rough and uncertain terrain characterized by weak growth of world output. The situation has been exacerbated by; (i) declining prices of a number of commodities, with reduction in crude oil prices being the most visible of them, (ii) turbulent financial markets (more so equity markets), and (iii) volatile exchange rates. These conditions reflect extreme risk-aversion behaviour of global investors, thus putting many, and in particular, commodities exporting economies under considerable stress.

One important positive outcome in 2015 is the modest pickup in the growth of some of the advanced economies. However, growth in emerging market and developing economies declined for the fifth consecutive year. As a result, overall global economic activity remained subdued in 2015. In its latest Update of the World Economic Outlook (WEO), published on 19 January 2016, the IMF projected growth in the global economy to improve from 3.1 per cent in 2015, to 3.4 per cent in 2016 and further to 3.6 per cent in 2017. Growth in advanced economies is projected at 2.1 per cent in 2016 and to continue through 2017 at the same rate.

The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large Emerging Market and Developing economies (EMDE) are likely to continue to weigh on their growth prospects in 2016–17. Assessments indicate that mixed inflation developments in the EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year. The WEO update also indicated that India and the rest of emerging Asia are bright spots, with some other countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. World trade volume growth projections have been placed at 2.6 per cent and 3.4 per cent respectively for 2015 and 2016, which is much lower than what was estimated earlier in WEO in October 2015.

(Source: *Economic Survey 2015-16-Volume II*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## **GLOBAL OUTLOOK FOR GROWTH**

One important positive outcome in 2015 was the modest pick-up in growth in some of the advanced economies. It might be recalled that after falling in 2009 due to the 2008 global financial crisis, growth in emerging and developing economies rebounded in 2010 and 2011. While advanced economies also exhibited a recovery in 2010 thanks to the large stimuli, global growth continued to be tepid relative to the average of the decade ending 2006, largely on account of the slowdown in advanced economies. Spill over effects of the crisis may have been large, prolonged and bi-directional, given that the global integration is far greater than in the prior decade. This has made the task of projecting global economic outlook arduous. This uncertainty has led to the International Monetary Fund (IMF) revising the global growth outlook in its World Economic Outlook (WEO) four times a year since 2009.

In its latest WEO Update, published on 19 January 2016, the IMF has projected growth in the global economy to go up from 3.1 per cent in 2015 to 3.4 per cent in 2016 and further to 3.6 per cent in 2017, slightly lower than the projection published in October 2015. Growth in advanced economies is revised by 0.2 percentage points in 2016 to 2.1 per cent, to continue through 2017. Growth in the US is expected to remain resilient owing to strengthening of the housing and labour markets. Growth in the euro area is expected to increase due to stronger private consumption supported by lower oil prices and easy financial conditions is expected to outweigh the weakening in net exports. Growth in Japan is also expected to consolidate in 2016, on the back of fiscal support, lower oil prices, accommodative financial conditions, and rising incomes.

Overall global economic activity remained subdued in 2015, as growth in emerging market and developing economies (EMDE) declined for the fifth consecutive year and recovery in advanced economies was modest. This is also attributable to the changing composition of the global economy and relative point contributions to global growth. The fall in the contribution of the EMDEs is not being made good by the advanced economies. A recent feature is that the Chinese economy is gradually slowing down and is transitioning from investment demand to consumption demand and from manufacturing to services. The concern over the spill over's of subdued global growth to other economies through trade channels and weaker commodity prices is manifest in diminishing confidence and increasing volatility in financial markets. In addition, a dual monetary policy—a gradual tightening in monetary policy in the US in the backdrop of its resilient recovery and easy monetary policy in several other major advanced economies has led to continued uncertainties and poses challenges for the year ahead. In the case of EMDEs, growth remained subdued at 4 per cent in 2015, but is projected to increase to 4.3 per cent in 2016 and 4.7 per cent in 2017. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. Assessments indicate that mixed inflation developments in EMDEs reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year. The 19 January WEO Update also indicated that India and the rest of emerging Asia are bright spots, albeit with some countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness. The IMF's growth forecast for India is 7.5 per cent in 2016 and 2017 and this surpasses the projection of 6.3 per cent and 6.0 per cent respectively for China. The level of global economic activity has a significant and direct bearing on the growth prospects of the emerging economies through trade channels. As per the Update, world trade volume growth projections have been placed at 3.4 per cent and 4.1 per cent respectively for 2016 and 2017 lower by 0.7 percentage points to 0.5 percentage point respectively from WEO, October 2015. The World Bank's Report on Global Economic Prospects (January 2016) also estimated that India will grow by a robust 7.8 per cent in 2016 and 7.9 per cent in the following two years. Compared to other major developing countries, the report maintained that India is well positioned to withstand near-term headwinds and

volatility in global financial markets due to reduced external vulnerabilities, a strengthening domestic business cycle, and a supportive policy environment.

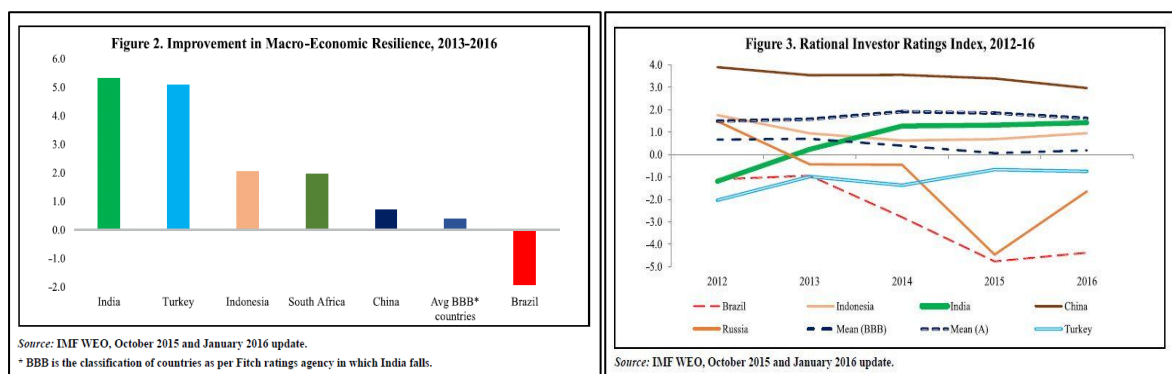
(Source: *Economic Survey 2015-16-Volume II*; [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## THE INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. A sense of this turnaround is illustrated by a cross-country comparison. In last year's Survey, we had constructed an overall index of macroeconomic vulnerability, which adds a country's fiscal deficit, current account deficit, and inflation. This index showed that in 2012 India was the most vulnerable of the major emerging market countries. Subsequently, India has made the most dramatic strides in reducing its macro-vulnerability. Since 2013, its index has improved by 5.3 percentage points compared with 0.7 percentage points for China, 0.4 percentage points for all countries in India's investment grade (BBB), and a deterioration of 1.9 percentage points in the case of Brazil (Figure 2).

If macro-economic stability is one key element of assessing a country's attractiveness to investors, its growth rate is another. In last year's Survey we had constructed a simple Rational Investor Ratings Index (RIRI) which combined two elements, growth serving as a gauge for rewards and the macro-economic vulnerability index proxying for risks. The RIRI is depicted in Figure 3; higher levels indicate better performance. As can be seen, India performs well not only in terms of the change of the index but also in terms of the level, which compares favourably to its peers in the BBB investment grade and even its "betters" in the A grade. As an investment proposition, India stands out internationally.

(Source: *Economic Survey 2015-16-Volume I*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))



(Source: *Economic Survey 2015-16-Volume I*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

In the Advance Estimates of GDP that the Central Statistics Office (CSO) released recently, the growth rate of GDP at constant market prices is projected to increase to 7.6 per cent in 2015-16 from 7.2 per cent in 2014-15, mainly because private final consumption expenditure has accelerated. Similarly, the growth rate of GVA for 2015-16 is estimated at 7.3 per cent vis-à-vis 7.1 per cent in 2014-15. Although agriculture is likely to register low growth for the second year in a row on account of weak monsoons, it has performed better than last year. Industry has shown significant improvement primarily on account of the surprising acceleration in manufacturing (9.5 per cent vis-à-vis 5.5 per cent in 2014-15). Meanwhile, services continue to expand rapidly.

- Even as real growth has been accelerating, nominal growth has been falling, to historically low levels, an unusual trend highlighted in the Mid-Year Economic Analysis (MYEA), 2015-16.
- According to the Advance Estimates, nominal GDP (GVA) is likely to increase by just 8.6 (6.8) percent in 2015-16.
- In nominal terms, construction is expected to stagnate, while even the dynamic sectors of trade and finance are projected to grow by only 7 to 73/4 percent.
- Inflation remains under control The CPI-New Series inflation has fluctuated around 51/2 percent, while measures of underlying trends—core inflation, rural wage growth and minimum support price increases—have similarly remained muted. Meanwhile, the WPI has been in negative territory since November 2014, the result of the large falls in international commodity prices, especially oil. As low inflation has taken hold and confidence in price stability has improved, gold imports have largely stabilized, notwithstanding the end of a period of import controls
- Similarly, the external position appears robust. The current account deficit has declined and is at comfortable levels; foreign exchange reserves have risen to US\$351.5 billion in early February 2016, and are well above standard norms for reserve adequacy; net FDI inflows have grown from US\$21.9 billion in April-December 2014-15 to US\$27.7 billion in the same period of 2015-16; and the nominal value of the rupee, measured against a basket of currencies, has been steady. India was consequently well-positioned to absorb the volatility from the U.S. Federal Reserve actions to normalize monetary policy that occurred in December 2015. Although the rupee has declined against the dollar, it has strengthened against the currencies of its other trading partners.
- The fiscal sector registered three striking successes: on-going fiscal consolidation, improved indirect tax collection efficiency; and an improvement in the quality of spending at all levels of government.
- Government tax revenues are expected to be higher than budgeted levels. Direct taxes grew by 10.7 per cent in the first 9 months (9M) of 2015-16. Indirect taxes were also buoyant. In part, this reflected excise taxes on diesel and petrol and an increase in the Swachh Bharat cess. The central excise duty collection from petroleum products during April to December 2015-16 recorded a growth of 90.5 per cent and stood at Rs.1.3 lakh crore as against Rs. 0.7 lakh crore in the same period last year. Tax performance also reflected an improvement in tax administration because revenues increased even after stripping out the additional revenue measures (ARMs). Indirect tax revenues grew by 10.7 per cent (without ARMs) and 34.2 per cent (with ARMs).
- The main findings are that a welcome shift in the quality of spending has occurred from revenue to investment, and towards social sectors. Aggregate public investment has increased by about 0.6 per cent of GDP in the first 8 months of this fiscal year, with contributions from both the Centre (54 per cent) and states (46 per cent).

(Source: *Economic Survey 2015-16-Volume I*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## DEVELOPMENTS IN THE CAPITAL MARKET

### PRIMARY MARKET

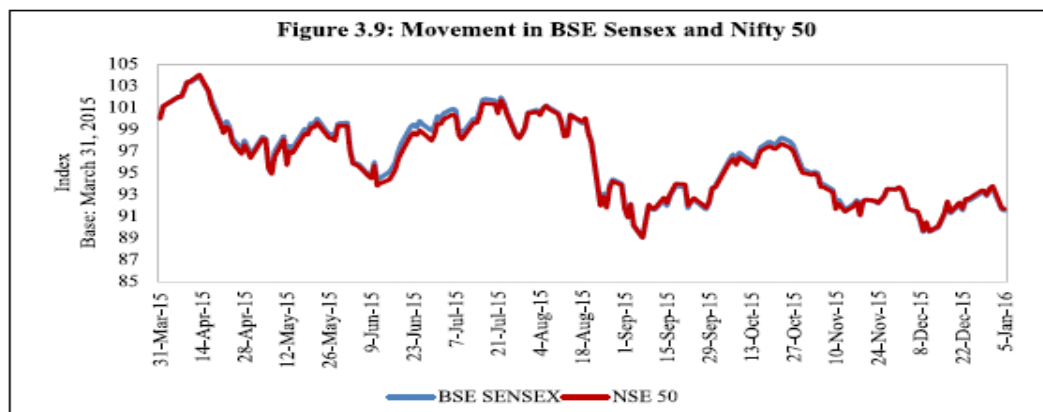
In 2015-16 (April-December), resource mobilization through the public and right issues has surged rapidly as compared to the last financial year. During 2015-16 (April- December), 71 companies have accessed the capital market and raised Rs.51,311 crore, compared to Rs.11,581 crore raised through 61 issues during the corresponding period of 2014-15.

The small and medium enterprises (SME) platform of the stock exchange is intended for small and medium sized companies with high growth potential, whose post issue paid-up capital is less than or equal to Rs. 25 crore. During 2015-16 (April- December), 32 companies were listed on the SME platform, raising a total amount of Rs.278 crore as compared to Rs.229 crore raised through 28 issues in the corresponding period of 2014-15.

Resources mobilized by mutual funds during April-December 2015 also increased substantially to Rs.1,61,696 crore from Rs.87,942 crore mobilized during the same period of the previous year.

### SECONDARY MARKET

During 2015-16 so far, the Indian securities market has remained subdued (Figure 3.9). The Bombay Stock Exchange (BSE) Sensex declined by 8.5 per cent (upto 5 January 2016) over end-March 2015, mainly on account of turmoil in global equity markets in August 2015 following slowdown in China and its currency devaluation and slump in stocks. On 4 January 2016, weak Chinese manufacturing data again led to a global sell-off which caused the BSE Sensex also to decline by 538 points (2.1 per cent). The downward trend in the Indian stock market was also guided by mixed corporate earnings for Q1 and Q2 of 2015- 16, FPIs' concern over minimum alternative tax (MAT), weakening of the rupee against the US dollar, investor concern over delay in passage of the Goods and Services Tax(GST) Bill, uncertainty over interest rate hike by US Fed and selling by FPIs. However, the Indian equity market has been relatively resilient during this period compared to the other major EMEs. The Indian stock market withstood the US Fed increase in interest rates in December 2015.



Source: SEBI

(Source: Economic Survey 2015-16-Volume II, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## INDUSTRIAL PERFORMANCE

The Index of Industrial Production (IIP) which provides quick estimates of the performance of key industrial sectors has started showing upward momentum (Figure 6.1). As per IIP, the industrial sector broadly comprising mining, manufacturing and electricity attained 3.1 per cent growth during April-December 2015-16 as compared to 2.6 per cent during the same period of 2014- 15 due to the

higher growth in mining and manufacturing sectors (Table 6.1). The mining, manufacturing and electricity sectors grew by 2.3 per cent, 3.1 per cent, and 4.5 per cent respectively during April-December 2015-16. The mining sector growth was mainly on account of higher coal production. The manufacturing sector was propelled by the higher production by the industry groups like furniture; wearing apparel, dressing and dyeing of fur; motor vehicles, trailers & semitrailers; chemicals and chemical products; refined petroleum products & nuclear fuel; and wood& products of wood. The growth in electricity is mainly contributed by higher growth in generation of thermal and nuclear sector.

In terms of use based classification, consumer durable goods have witnessed a remarkable growth at 12.4 per cent during April-December 2015-16. Basic goods and capital goods have registered 3.4 per cent and 1.7 per cent growth with intermediate goods by 1.9 per cent (Table 6.1).

The eight core infrastructure supportive industries, coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity that have a total weight of nearly 38 per cent in the IIP, registered a cumulative growth of 1.9 per cent during April-December 2015-16 as compared to 5.7 per cent during April-December 2014-15. Month-wise performance of the eight core sectors shows that the production of coal and fertilizers have increased substantially, while that of crude oil, natural gas and steel have mostly been negative. Refinery products, cement and electricity have attained moderate growth. Clearances for coal projects have facilitated production of coal. Crude oil and natural gas production declined because of a fall in production by Oil and Natural Gas Corporation (ONGC), Oil India Limited (OIL) and also private/joint venture (JV) companies in different months. In electricity generation, while the thermal and nuclear sectors have registered higher growth, the hydro sector has not performed well.

| <b>Table 6.1: IIP-based Growth Rates of Broad Sectors/ Use-based Classification (in per cent)</b> |        |         |         |         |       |       |           |         |      |       |           |
|---|--------|---------|---------|---------|-------|-------|-----------|---------|------|-------|-----------|
|   | Weight | 2013-14 | 2014-15 | 2014-15 |       |       |           | 2015-16 |      |       |           |
|   |        |         |         | Q1      | Q2    | Q3    | Apr.-Dec. | Q1      | Q2   | Q3    | Apr.-Dec. |
| <b>General</b>  | 100.00 | -0.1    | 2.8     | 4.5     | 1.3   | 2.0   | 2.6       | 3.3     | 4.8  | 1.5   | 3.1       |
| <b>Sectoral</b>   |        |         |         |         |       |       |           |         |      |       |           |
| Mining  | 14.16  | -0.6    | 1.5     | 3.0     | 0.5   | 2.1   | 1.8       | 0.4     | 3.1  | 3.3   | 2.3       |
| Manufacturing   | 75.53  | -0.8    | 2.3     | 3.9     | 0.4   | 1.1   | 1.8       | 3.7     | 4.7  | 0.9   | 3.1       |
| Electricity   | 10.32  | 6.1     | 8.4     | 11.3    | 9.4   | 9.4   | 10.0      | 2.3     | 6.8  | 4.4   | 4.5       |
| <b>Use Based</b>  |        |         |         |         |       |       |           |         |      |       |           |
| Basic goods   | 45.68  | 2.1     | 7.0     | 8.7     | 7.0   | 8.3   | 8.0       | 4.7     | 4.4  | 1.3   | 3.4       |
| Capital goods   | 8.83   | -3.6    | 6.4     | 13.6    | -0.5  | 3.2   | 5.1       | 2.0     | 13.4 | -10.0 | 1.7       |
| Intermediate goods  | 15.69  | 3.1     | 1.7     | 3.1     | 1.6   | 0.8   | 1.8       | 1.6     | 2.2  | 1.9   | 1.9       |
| Consumer goods  | 29.81  | -2.8    | -3.4    | -3.2    | -5.4  | -6.4  | -4.9      | 2.5     | 2.7  | 6.8   | 4.0       |
| Consumer durables   | 8.46   | -12.2   | -12.6   | -9.5    | -15.5 | -20.9 | -15.2     | 3.7     | 11.9 | 23.4  | 12.4      |
| Consumer non-durables   | 21.35  | 4.8     | 2.8     | 1.4     | 2.3   | 3.2   | 2.3       | 1.7     | -3.0 | -1.6  | -1.0      |

Source: CSO

Figure 6.1 depicts three months moving average month-on-month (M-o-M) growth of the IIP, manufacturing and eight core industries. The growth in industrial production, manufacturing sector and the eight core sectors started picking up again in December 2015. It is expected that the uptick in growth rate will be maintained due to revival in manufacturing production.

While the overall IIP has shown recovery, there is variation in the performance of some of the major industries during April-December 2015. While some sectors like electricity, coal, fertilizers, cement and passenger cars have shown positive growth, sectors like steel and aluminium have shown negative growth during April-December 2015.

(Source: Economic Survey 2015-16-Volume-II, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## MICRO SMALL AND MEDIUM ENTERPRISES SECTOR

With 3.6 crore units spread across the country, that employ 8.05 crore people, Micro, Small and Medium Enterprises (MSME) have a contribution of 37.5 per cent to the country's GDP. The sector has huge potential for helping address structural problems like unemployment, regional imbalances, unequal distribution of national income and wealth across the country. Due to comparatively low capital costs and their forward-backward linkages with other sectors, MSMEs will play a crucial role in the success of the Make in India initiative.

Realizing the importance of the MSME sector, the government has undertaken a number of schemes/programmes like the Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE), Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Up gradation, Scheme of Fund for Regeneration of Traditional Industries (SFURTI), and Micro and Small Enterprises- Cluster Development Programme (MSECDP) for the establishment of new enterprises and development of existing ones.

Some of the new initiatives undertaken by the government for the promotion and development of MSMEs, are as follows:

- **Udyog Aadhar Memorandum (UAM):** The UAM scheme, which was notified in September 2015 under section 8 of the MSME Development Act 2006, is a path-breaking step to promote ease of doing business for MSMEs. Under the scheme, MSME entrepreneurs just need to file an online entrepreneurs' memorandum to instantly get a unique Udyog Aadhaar Number (UAN). The information sought is on self-certification basis and no supporting documents are required. This marks a significant improvement over the earlier complex and cumbersome procedure.
- **Employment Exchange for Industries:** To facilitate match making between prospective job seekers and employers an employment exchange for industries was launched on June 15, 2015 in line with Digital India. More than 3.42 lakh job seekers have been registered on the portal as on December 30, 2015.
- **Framework for Revival and Rehabilitation of MSMEs:** Under this framework, which was notified in May 2015, banks have to constitute a Committee for Distressed MSME enterprises at zonal or district level to prepare a Corrective Action Plan (CAP) for these units.
- **A scheme for Promoting Innovation and Rural Entrepreneurs (ASPIRE):** ASPIRE was launched on March 16, 2015 with the objective of setting up a network of technology centres and incubation centres to accelerate entrepreneurship and promote start-ups for innovation and entrepreneurship in rural and agriculture based industry.

In addition, the government intends to provide more credit to MSME sectors, especially in the rural areas, focusing on skill development, encouraging entrepreneurial activities with optimistic mindset among rural youth and creating job opportunities among rural women, for high, inclusive and sustained industrial growth.

(Source: Economic Survey 2015-16-Volume II, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## OUTLOOK FOR GROWTH

Real GDP growth for 2015-16 is expected to be in the 7 to 7range, reflecting various and largely offsetting developments on the demand and supply sides of the Indian economy. Before analysing these factors, however, it is important to step back and note one important point. India's long-run potential GDP growth is substantial, about 8-10 percent. But its actual growth in the short run will also depend upon global growth and demand. After all, India's exports of manufactured goods and services now constitute about 18 percent of GDP, up from about 11 percent a decade ago.

Reflecting India's growing globalization, the correlation between India's growth rate and that of the world has risen sharply to reasonably high levels. For the period 1991-2002 this correlation was 0.2. Since then, the correlation has doubled to 0.42. In other words, a 1 percentage point decrease in the world growth rate is now associated with a 0.42 percentage point decrease in Indian growth rates.

Accordingly, if the world economy remains weak, India's growth will face considerable headwinds. For example, if the world continues to grow at close to 3 percent over the next few years rather than returning to the buoyant 4-4½ per cent recorded during 2003-2011, India's medium-term growth trajectory could well remain closer to 7-7½ per cent, notwithstanding the government's reform initiatives, rather than rise to the 8-10 per cent that its long-run potential suggests. In other words, in the current global environment, there needs to be a recalibration of growth expectations and consequently of the standards of assessment.

Turning to the outlook for 2016-17, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

- To measure the demand for India's exports, we calculate a proxy-weighted average GDP growth rate of India's export partners. The weights are the shares of partner countries in India's exports of goods and services. We find that this proxy for export demand growth declined from 3.0 percent in 2014 to 2.7 per cent in 2015, which helps explain the deceleration in India's non-oil exports, although the severity of the slowdown—in fact, a decline in export volume—went beyond adverse external developments. Current projections by the IMF indicate that trading partner growth this demand will improve marginally this year to about 2.8 percent. But the considerable downside risks suggest that it would be prudent not to count on a big contribution to GDP growth from improving export performance.
- On the domestic side, two factors could boost consumption. If and to the extent that the Seventh Pay Commission (7th PC) is implemented, increased spending from higher wages and allowances of government workers will start flowing through the economy. If, in addition, the monsoon returns to normal, agricultural incomes will improve, with attendant gains for rural consumption, which over the past two years of weak rains has remained depressed.
- Against this, the disappearance of much of last year's oil windfall would work to reduce consumption growth. Current prospects suggest that oil prices (Indian crude basket) might average US\$ 35 per barrel next fiscal year compared with US\$ 45 per barrel in 2015-16. The resulting income gain would amount roughly equivalent to 1 percentage point of GDP – an 18 per cent price decline times a share of net oil imports in GDP of 6 percent. But this would be half the size of last year's gain, so consumption growth would slow on this account next year.
- According to analysis done by Credit Suisse, (non-financial) corporate sector profitability has remained weak, falling by 1 percent in the year to December 2015. This decline reflected a sharp deterioration in the financial health of the metals—primarily steel—companies, which

have now joined the ranks of companies under severe financial stress. As a result, the proportion of corporate debt owed by stressed companies, defined as those whose earnings are insufficient to cover their interest obligations, has increased to 41 percent in December 2015, compared to 35 percent in December 2014.<sup>3</sup> In response to this stress, companies have once again been compelled to curb their capital expenditures substantially.

- Finally, the path for fiscal consolidation will determine the demand for domestic output from government. The magnitude of the drag on demand and output will be largely equal to the size of consolidation, assuming a multiplier of about 1.
- There are three significant downside risks. Turmoil in the global economy could worsen the outlook for exports and tighter financial conditions significantly. Second, if contrary to expectations oil prices rise more than anticipated, this would increase the drag from consumption, both directly, and owing to reduced prospects for monetary easing. Finally, the most serious risk is a combination of the above two factors. This could arise if oil markets are dominated by supply-related factors such as agreements to restrict output by the major producers.
- The one significant upside possibility is a good monsoon. This would increase rural consumption and, to the extent that it dampens price pressures, open up further space for monetary easing.
- Putting these factors together, we expect real GDP growth to be in the 7 to 7<sup>3/4</sup> per cent range, with downside risks because of on-going developments in the world economy. The wider range in the forecast this time reflects the range of possibilities for exogenous developments, from a rebound in agriculture to a full-fledged international crisis; it also reflects uncertainty arising from the divergence between growth in nominal and real aggregates of economic activity.

(Source: *Economic Survey 2015-16-Volume I*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## INDIA'S INCREASING IMPORTANCE TO GLOBAL GROWTH

Despite global headwinds and a truant monsoon, India registered robust growth of 7.2 per cent in 2014-15 and 7.6 per cent in 2015-16, thus becoming the fastest growing major economy in the world. As per the estimates of the International Monetary Fund (IMF), global growth averaged 3.1 per cent in 2015, declining from 3.4 per cent registered in 2014. While growth in advanced economies has improved modestly since 2013, the emerging economies have witnessed a consistently declining trend in growth rate since 2010. It is against this background that the recent Indian growth story appears particularly bright.

India has made striking progress in its contribution to the global growth of Gross Domestic Product (GDP) in Purchasing Power Parity (PPP) terms. PPP represents the number of units of a country's currency required to purchase the same amount of goods and services in the domestic market as the US dollar would purchase in the United States, thus adjusting for purchasing power differentials between currencies in relevant markets. India's contribution to global growth in PPP terms increased from an average of 8.3 per cent during the period 2001 to 2007 to 14.4 per cent in 2014. During the 1990s, the US's contribution to the global GDP growth in PPP terms was, on an average, around 16 percentage points higher than India's. The picture changed dramatically in 2013 and 2014 when India's contribution was higher than that of the US by 2.2 and 2.7 percentage points respectively. During 1991-2014, low growth in Japan (0.9 per cent annually) resulted in its low contribution (1.5 per cent) to global growth. India and China constitute 42.5 per cent and 53.2 per cent respectively of

the total PPP measure of the lower-middle income countries and upper-middle income countries; and hence those country groups largely reflect India's and China's patterns.

The global economy in particular the global growth powerhouse, China is rebalancing, leading to an increasing role for India. After the onset of the multiple crises in different parts of the world, India's contribution has become much more valuable to the global economy.

India's share in world GDP has increased from an average of 4.8 per cent during 2001-07 to 6.1 per cent during 2008-13 and further to an average of 7.0 per cent during 2014 to 2015 in current PPP terms (IMF). India's resilience and current levels of reasonably strong growth should, thus, be appreciated in the light of its increasing contribution to global growth.

(Source: *Economic Survey 2015-16-Volume II*, [www.indiabudget.nic.in](http://www.indiabudget.nic.in))

## INDIAN AGRICULTURAL INDUSTRY

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product (GDP).

As per estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 15.35 per cent of the Gross Value Added (GVA) during 2015-16 at 2011-12 prices.

India is the largest producer, consumer and exporter of spices and spice products. India's fruit production has grown faster than vegetables! making it the second largest fruit producer in the world. India's horticulture output, comprising fruits, vegetables and spices, has reached to a record high of 283.5 million tonnes (MT) in 2014-15. It ranks third in farm and agriculture outputs. Agricultural export constitutes 10 per cent of the country's exports and is the fourth-largest exported principal commodity. The agro industry in India is divided into several sub segments such as canned, dairy, processed, frozen food to fisheries, meat, poultry, and food grains.

The Department of Agriculture and Cooperation under the Ministry of Agriculture is responsible for the development of the agriculture sector in India. It manages several other bodies, such as the National Dairy Development Board (NDDB), to develop other allied agricultural sectors.

### Market Size

Over the recent past, multiple factors have worked together to facilitate growth in the agriculture sector in India. These include growth in household income and consumption, expansion in the food processing sector and increase in agricultural exports. Rising private participation in Indian agriculture, growing organic farming and use of information technology are some of the key trends in the agriculture industry.

As per the 3rd Advance Estimates, India's food grain production has increased marginally to 252.23 million tonnes (MT) in the 2015-16 crop year. Production of pulses is estimated at 17.06 million tonnes.

With an annual output of 146.31 MT, India is the largest producer of milk, accounting for 18.5 per cent of the total world production. It also has the largest bovine population. India, the second-largest producer of sugar, accounts for 14 per cent of the global output. It is the sixth-largest exporter of sugar, accounting for 2.76 per cent of the global exports.

Spice exports from India are expected to reach US\$ 3 billion by 2016-17 due to creative marketing strategies, innovative packaging, strength in quality and strong distribution networks. The spices market in India is valued at Rs 40,000 crore (US\$ 5.87 billion) annually, of which the branded

segment accounts for 15 per cent. In fact, the Spices Board of India has decided to set up a spice museum at Willingdon Island in Kochi to attract and educate tourists and seafarers about the history and growth of Indian spices industry.

The procurement target for rice during marketing season (MS) 2015–16 has been finalised as 30 MT.

### **Investments**

Several players have invested in the agricultural sector in India, mainly driven by the government's initiatives and schemes.

According to the Department of Industrial Policy and Promotion (DIPP), the Indian agricultural services and agricultural machinery sectors have cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 2,261 million from April 2000 to December 2015.

Some major investments and developments in agriculture in the recent past are as follows:

- ITC Ltd, one of India's leading fast-moving consumer goods (FMCG) company, plans to make Andhra Pradesh a hub for its agricultural business operations.
- Mahindra and Mahindra Ltd has acquired 35 per cent stake in a Finnish combine harvesters manufacturer, Sampo Roselnew Oy, for US\$ 20.46 million and will jointly focus on the combine harvester business in Asia, Africa and Eurasian Economic Union countries.
- The Small Farmers' Agri-Business Consortium (SFAC) plans to organise camps in Madhya Pradesh and Chhattisgarh to promote its venture capital assistance scheme (VCAS), which seeks to provide capital and project development facility (PDF) to agri-business entrepreneurs.
- Agri-research institute ICRISAT's incubation arm is looking to set up a Rs.100 crore (US\$ 14.67 million) fund in a year, an initiative that could help small entrepreneurs from the agri-business and nutrition space raise money.
- Mahindra & Mahindra (M&M), India's leading tractor and utility vehicle manufacturer, announced its entry into pulses retailing under the brand 'NuPro'. Going forward, the company plans to foray into e-retailing and sale of dairy products.
- Fertiliser cooperative IFFCO launched a joint venture with Japanese firm Mitsubishi Corp for manufacturing agrochemicals in India.
- Acumen, a not-for-profit global venture fund, has invested Rs 11 crore (US\$ 1.7 million) in Sahayog Dairy, an integrated entity in the segment, based at Harda district in Madhya Pradesh.
- Rabo Equity Advisors, the private equity arm of Netherlands-based Rabo Group, raised US\$ 100 million for the first close of its second fund – India Agri Business Fund II. The fund plans to invest US\$ 15–17 million in 10–12 companies.
- Oman India Joint Investment Fund (OIJIF), a joint venture (JV) between the State Bank of India (SBI) and State General Reserve Fund (SGRF), invested Rs 95 crore (US\$ 13.94 million) in GSP Crop Science, a Gujarat-based agrochemicals company.
- The world's seventh-largest agrochemicals firm, Israel-based ADAMA Agrochemicals plans to invest at least US\$ 50 million in India over the next three years.

### **Government Initiatives**

Given the importance of the agriculture sector, the Government of India, in its Budget 2016–17, planned several steps for the sustainable development of agriculture.

Budget 2016-17 proposed a slew of measures to improve agriculture and increase farmers' welfare such as 2.85 million hectares to be brought under irrigation, Rs 287,000 crore (US\$ 42.11 billion) grant in aid to be given to gram panchayats and municipalities and 100 per cent village electrification targeted by May 01, 2018.

The government has already taken steps to address two major factors (soil and water) critical to improve agriculture production. Steps have been taken to improve soil fertility on a sustainable basis through the soil health card scheme and to support the organic farming scheme 'Paramparagat Krishi Vikas Yojana'. Other steps include improved access to irrigation through 'Pradhanmantri Gram Sinchai Yojana'; enhanced water efficiency through 'Per Drop More Crop'; continued support to Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the creation of a unified national agriculture market to boost the incomes of farmers.

The Government of India recognises the importance of micro irrigation, watershed development and 'Pradhan Mantri Krishi Sinchai Yojana'; thus, it allocated a sum of Rs 5,300 crore (US\$ 777.6 million) for it. It urged the states to focus on this key sector. The state governments are compelled to allocate adequate funds to develop the agriculture sector, take measures to achieve the targeted agricultural growth rate and address the problems of farmers.

The Department of Agriculture and Cooperation under the Ministry of Agriculture has inked MOUs/agreements with 52 countries including the US. In addition, the Department of Agriculture Research & Education (DARE) and the Department of Animal Husbandry, Dairying & Fisheries (DAHD&F) under the Ministry of Agriculture have signed MOUs/agreements with other countries, taking the number of partnerships with other countries to 63. These agreements would provide better agricultural facilities in areas such as research and development, capacity building, germ-plasm exchange, post-harvest management, value addition/food processing, plant protection, animal husbandry, dairy and fisheries. The agreements could help enhance bilateral trade as well.

Given the correlation between improvement in agriculture and the development of the country, the Government of India adopted several initiatives and programmes to ensure continuous growth. It allocated Rs 25,000 crore (US\$ 3.67 billion) for the Rural Infrastructure Development Fund (RIFD), Rs 1,500 crore (US\$ 220 million) for the long-term rural credit fund, Rs 45,000 crore (US\$ 6.60 billion) for the short-term cooperative rural credit finance fund and Rs 25,000 crore (US\$ 3.67 billion) for the short-term Regional rural bank (RRB) refinance fund. It also marked an ambitious target of Rs 8.5 lakh crore (US\$ 124.71 billion) of agriculture credit during 2015–16.

Some of the recent major government initiatives in the sector are as follows:

- Prime Minister Mr Narendra Modi has unveiled the operational guidelines for the Pradhan Mantri Fasal Bima Yojana which aims to provide farmers with crop insurance as well as
- The Cabinet Committee on Economic Affairs (CCEA) has approved 'Blue Revolution', an umbrella scheme for integrated development and management of fisheries by Government of India, with total financial outlay of Rs 3,000 crore (US\$ 440.15 million) for a period of five years.
- Mr Piyush Goyal, Minister of Power, Coal, New and Renewable Energy has announced that government's plans to invest Rs 75,000 crore (US\$ 11.08 billion) in an energy-efficient irrigation scheme over the next three to four years.

- The new crop insurance scheme for farmers 'Bhartiya Krishi Bima Yojana' aims to cover 50 per cent of the farmers under the scheme in the next two-three years,
- India and Lithuania have agreed to intensify agricultural cooperation, especially in sectors like food and dairy processing.
- Gujarat Government has planned to connect 26 Agricultural Produce Market Committees (APMCs) via electronic market platform, under the National Agriculture Market (NAM) initiative.
- The State Government of Telangana plans to spend Rs 81,000 crore (US\$ 11.88 billion) over the next three years to complete ongoing irrigation projects and also undertake two new projects for lifting water from the Godavari and Krishna river.
- The National Dairy Development Board (NDDB) announced 42 dairy projects with a financial outlay of Rs 221 crore (US\$ 32.42 million) to boost milk output and increase per animal production of milk.
- Government of India has set up an inter-ministerial committee, which will look into ways to examine the potential of Indian agriculture, identify segments with potential for growth, and work towards doubling farm incomes by 2022.
- The Government of India has allocated Rs 200 crore (US\$ 29.9 million) for electronically linking 585 major wholesale agriculture markets across the country, thereby creating a National Agriculture Market (NAM). in July 2015 for three years

### Road Ahead

The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Factors such as reduced transaction costs and time, improved port gate management and better fiscal incentives would contribute to the sector's growth. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers.

According to the National Institution for Transforming India Aayog (NITI Aayog), India's agriculture sector is expected to grow 6 per cent in FY 2016-17 in case of normal monsoon during the June-September period. The 12th Five-Year Plan estimates the food grains storage capacity to expand to 35 MT. Also, a 4 per cent growth would help restructure the agriculture sector in India in the next few years.

*Source: <http://www.ibef.org/industry/agriculture-india.aspx>*

### FERTILIZER INDUSTRY: GLOBAL SCENARIO

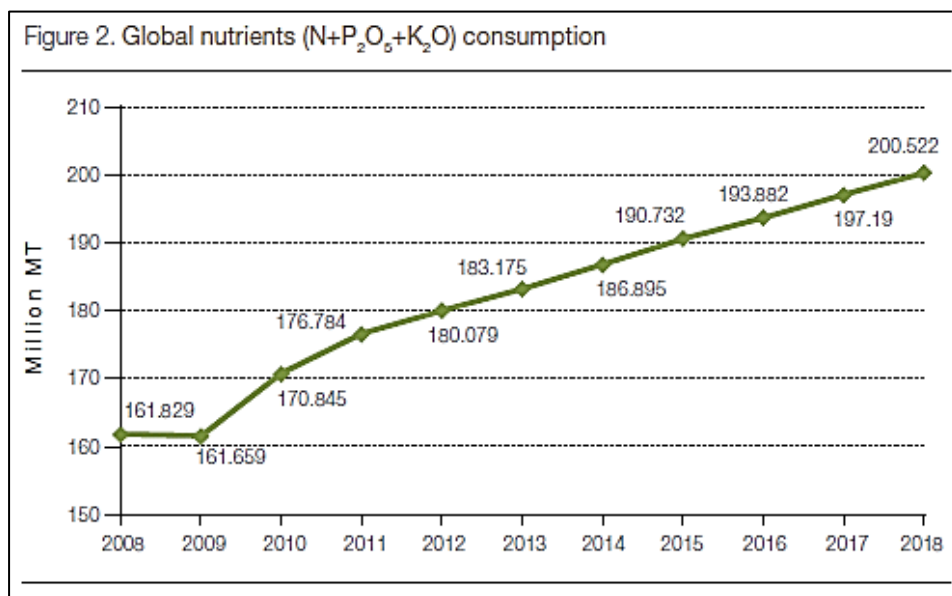
World demand for total fertilizer nutrients is estimated to grow at 1.8 percent per annum from 2014 to 2018. The demand for nitrogen, phosphate, and potash is forecast to grow annually by 1.4, 2.2, and 2.6 percent, respectively, during the period. Over the next five years, the global capacity of fertilizer products, intermediates and raw materials will increase further.

The global potential nitrogen balance (i.e. the difference between N potentially available for fertilizers and N fertilizer demand) as a percentage of N fertilizer demand is expected to steadily rise during the forecast period, from 3.7 percent in 2014, to 5.4 percent in 2015, and then 6.9 percent in 2016, a further 8.8 percent in 2017 and reach 9.5 percent in 2018. The global potential balance of phosphorous is expected to rise from 2,700,000 tonnes in 2014 to 3,700,000 tonnes in 2018 or from 6.4 percent of total demand to 8.5 percent.

The global potential balance of potassium is expected to rise significantly from 8,700,000 tonnes in 2014 to 12,700,000 tonnes in 2018, or from 25 percent of total demand to 33 percent.

### **Demand for fertilizer Nutrients**

The demand for fertilizer nutrients have been projected for the coming five years. Total fertilizer nutrient (N+P<sub>2</sub>O<sub>5</sub>+K<sub>2</sub>O) consumption is estimated at 183 200 000 tonnes in 2013 and is forecast to reach 186 900 000 tonnes in 2014. With a successive growth of 1.8 percent per year, it is expected to reach 200 500 000 tonnes by the end of 2018. Figure 2 indicates the forecasts of world demand for total fertilizer nutrients from 2014 to 2018, against the actual consumption in the preceding six years.



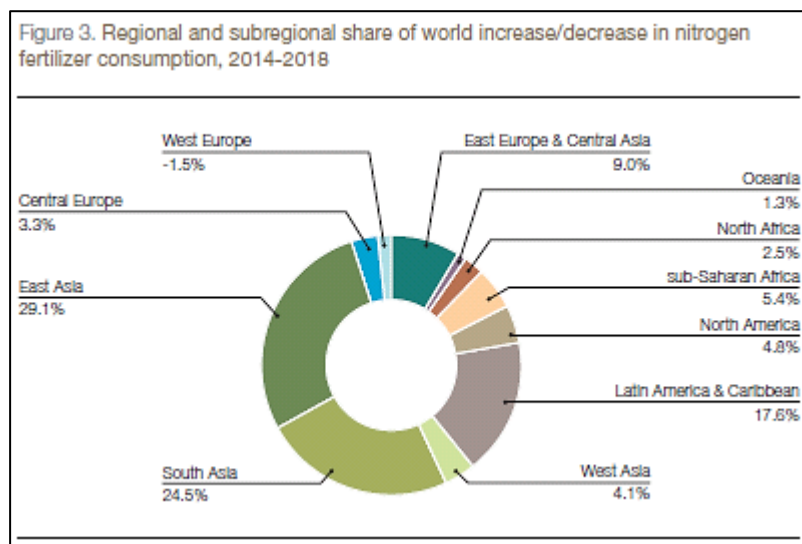
The global demand for fertilizer nutrients are summarized in Table 4

| Table 4. World demand for fertilizer nutrients, 2014-2018 (thousand tonnes) |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
| Year  | 2014           | 2015           | 2016           | 2017           | 2018           |
| Nitrogen (N)  | 113 147        | 115 100        | 116 514        | 117 953        | 119 418        |
| Phosphate (P <sub>2</sub> O <sub>5</sub> )                                  | 42 706         | 43 803         | 44 740         | 45 718         | 46 648         |
| Potash (K <sub>2</sub> O)   | 31 042         | 31 829         | 32 628         | 33 519         | 34 456         |
| <b>Total (N+ P<sub>2</sub>O<sub>5</sub>+K<sub>2</sub>O)</b>                 | <b>186 895</b> | <b>190 732</b> | <b>193 882</b> | <b>197 190</b> | <b>200 522</b> |

### **Nitrogen (N)**

The world nitrogen fertilizer demand increased from 111,400,000 tonnes in 2013 to 113,100,000 tonnes in 2014, at a growth rate of 1.5 percent. It is expected to be around 119,400,000 tonnes in 2018 at the annual growth of 1.4 percent. Of the overall increase in demand for 6,300,000 tonnes of nitrogen between 2014 and 2018, 58 percent would be in Asia, 22 percent in the Americas, 11 percent in Europe, 8 percent in Africa and 1 percent in Oceania. Among the Asian countries, the bulk of the increase of world demand for nitrogen is expected to come from China (18 percent) and India (17 percent), followed by Indonesia (6 percent), Pakistan (4 percent), Bangladesh (2 percent), Vietnam (2 percent) and Malaysia and Thailand (1 percent each). In the Americas, the major share of the increase is expected to be in Latin America (18 percent), and will come mainly from Brazil, Argentina, Colombia and Mexico. In North America, the share of increase is expected to be around 5

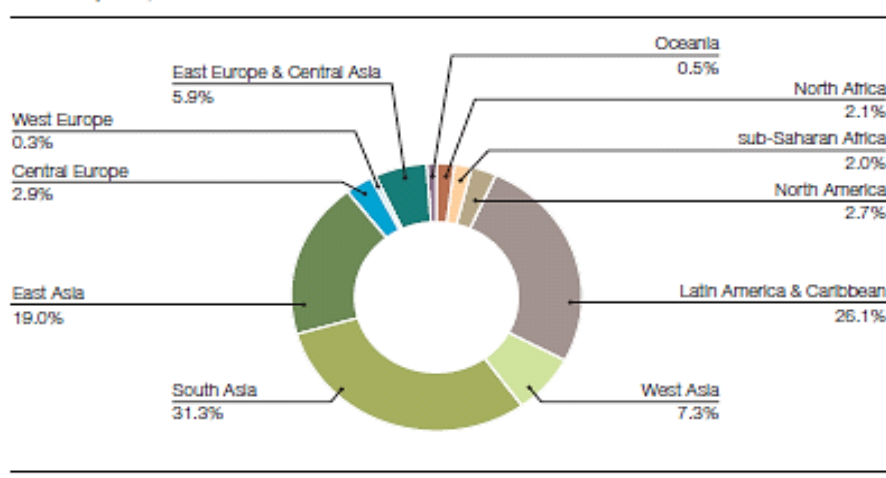
percent, contributed largely by USA and Canada. In Europe, the major share of increase is expected in East Europe and Central Asia (9 percent), in Ukraine (5 percent) and Russia (3 percent). The share of increase in Central Europe is expected to be around 3 percent. In West Europe, there may be a nominal decline in consumption during the period. The share of increase in North Africa is expected to be around 2.5 percent, mainly in Egypt and Morocco. The share of increase in sub-Saharan Africa is expected to be around 5 percent, mainly in Nigeria, and Ethiopia. Figure 3 shows the regional and sub regional share of world increase in nitrogen consumption between 2014 and 2018.



### Phosphate (P<sub>2</sub>O<sub>5</sub>)

Phosphate fertilizer consumption/demand, includes H<sub>3</sub>PO<sub>4</sub> (phosphoric acid) based fertilizer demand + non-H<sub>3</sub>PO<sub>4</sub> fertilizer demand. The non-H<sub>3</sub>PO<sub>4</sub> fertilizer demand includes P<sub>2</sub>O<sub>5</sub> in single super phosphate, direct application phosphate rock (DAPR), nitric acid-based phosphate fertilizers, etc. The world phosphate fertilizer demand increased from 41,700,000 tonnes in 2013 to 42,700,000 tonnes in 2014, at a growth rate of 2.4 percent. It is expected to touch 46,600,000 tonnes in 2018 at a growth rate of 2.2 percent per year. Of the overall increase in demand for 3,900,000 tonnes P<sub>2</sub>O<sub>5</sub> between 2014 and 2018, 58 percent would be in Asia, 29 percent in America, 9 percent in Europe, 4 percent in Africa and 0.5 percent in Oceania. Among the Asian countries, about 27 percent of the growth in world demand of phosphate is expected in India, 10 percent in China, 5 percent in Indonesia, 3 percent in Pakistan and 2 percent in Bangladesh. West Asia accounts for 7 percent of the increase in consumption of which Iran has the majority of the share of the increase. Among the major countries in the Americas, 19 percent of the growth in world demand is projected to be in Brazil, 4 percent in Argentina and 2 percent in the USA. The share of East Europe and Central Asia is expected to be 6 percent, of which Russia accounts for a share of 2 percent and Ukraine approximately 2 percent. West Europe has a flat forecasted consumption level and Central Europe is expected to contribute 3 percent of the world increase in consumption. The share of increase in Oceania is expected to be 0.5 percent. In sub-Saharan Africa, the increase is likely to be 2 percent and in North Africa, it is also expected to be around 2 percent. Figure 4 shows regional and sub regional shares of world increase in phosphate consumption between 2014 and 2018.

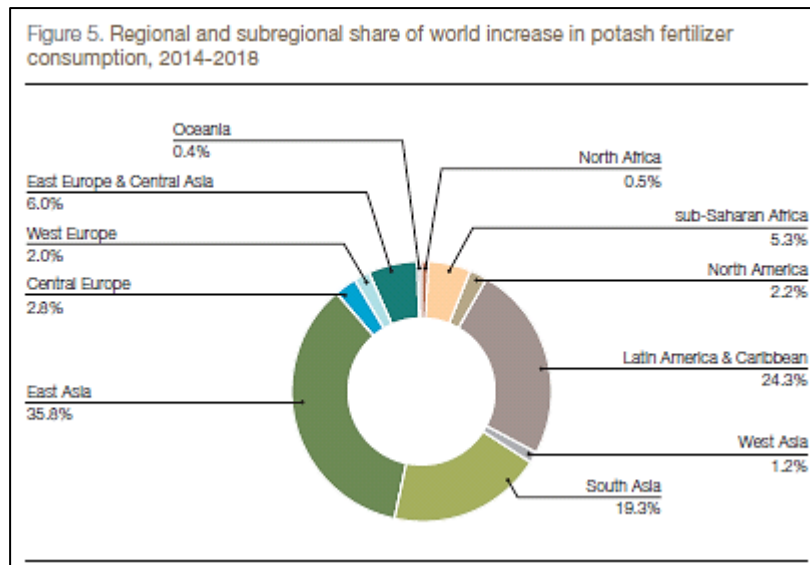
Figure 4. Regional and subregional share of world increase in phosphate fertilizer consumption, 2014-2018



### Potash (K<sub>2</sub>O)

Potassium fertilizer demand is estimated to increase from 30,060,000 tonnes in 2013 to 31,040,000 tonnes in 2014, indicating an increase of 3.3 percent. The world potash fertilizer demand is expected to be 34,500,000 tonnes in 2018 with per annum growth of 2.6 percent over 2014. Of the overall increase in demand for 34,00,000 tonnes of potash between 2014 and 2018, 56 percent would be in Asia, 27 percent in the Americas, 11 percent in Europe, 6 percent in Africa and 0.4 percent in Oceania.

Among the Asian countries, about 23 percent of the growth in world demand for potash is expected in China, 17 percent in India, 7 percent in Indonesia, 2 percent in Malaysia and 1 percent for the remainder from the rest of Asia. In the Americas, the largest share of the growth of about 18 percent is projected to be in Brazil. In Europe, about 6 percent of the growth in world demand for potash is expected in East Europe and Central Asia: of which Russia accounts for 3 percent, and 2 percent in Ukraine. This is followed by 3 percent in Central Europe, with West Europe expected to increase by about 2 percent during the reference period. Figure 5 shows regional and sub regional shares of world increase in potash consumption during 2014 to 2018.



(Source: *World Fertilizer Trends and Outlook to 2018* by Food and Agriculture Organization of the United Nations [www.fao.org](http://www.fao.org))

## INDIAN FERTILIZER & AGRICULTURE INDUSTRY

Fertilizer is defined as any organic or inorganic sub-stance, natural or artificial in nature supplying one or more of the chemical elements/nutrients required for plant growth. Sixteen plant nutrients are necessary for proper plant development. These are classified into three categories viz; primary (macro) nutrients, secondary nutrients, and micronutrients. Application of essential plant nutrients in right proportion, through correct method and time of application is helpful to increase crop production. Primary (macro) nutrients are nitrogen (N), phosphorus (P), and potassium (K). They are the most frequently required in a crop fertilization programme and are needed in the larger quantity by plants as fertilizer. So, major focus of the Indian fertilizer sector policy has been on primary (macro) nutrients.

### Government Initiatives

Government of India (GoI) has declared fertilizers as an essential commodity. GoI issued the Fertilizer Control Order (FCO) under the Essential Commodities Act in 1957, which was then modified in 1985. Main objectives of the fertilizer policy includes supporting domestic fertilizer production capacity so as to insulate the country from unstable international prices, supplying quality fertilizers at inexpensive prices, ensuring sufficient availability of fertilizer in time and unbiased distribution of fertilizers to the Indian farmers. To achieve these objectives, FCO regulates fertilizers price, sale and quality. Apart from this, FCO sets specifications of all the fertilizer products for their nutrient contents and physical parameters. FCO also provides procedures for drawing and analysing the fertilizer samples as a quality control measure

### **Policy support to fertiliser industry**

Government of India is dynamically involved in sup-porting fertilizer industry and amendments in policies have been done time to time to achieve self sufficiency in fertilizer sector. In the year 1977, Government of India introduced the retention pricing scheme (RPS) for fertilizer units. Under RPS, the difference between retention price (cost of production as assessed by the government plus 12% post tax return on net worth) and the statutorily notified sale price was paid as subsidy to each unit.



RPS resulted into extraordinary increase in domestic capacity/production and consumption of fertilizers. Increase in fertilizer use led to significant increase in productivity of cereals and thereby overall food grains production.

In August 1992, phosphatic and potassic fertilizers were decontrolled and the RPS covering these fertilizers was abolished. However, w.e.f. 1.10.1992, these were covered by a scheme of uniform concession. Initially, the ad-hoc Concession Scheme was introduced for subsidy on DAP, MOP, NPK Complex fertilizers. This scheme was also extended to SSP from 1993-94. Under this scheme, concession was disbursed to the manufacturers/importers by the State Governments based on the grants provided by Department of Agriculture & Cooperation (DAC). During 1997-98, DAC also started indicating an all India uniform Maximum Retail Price (MRP) for DAP/NPK/MOP.

The urea segment were continued to be under control and covered by RPS. The Government introduced a new methodology for working out subsidy to complex fertilizers w.e.f. 1.4.2002 based on the recommendations of the Tariff Commission.

In the year 2000, The Expenditure Reforms Commission (ERC) recommended inter-alia, dismantling of existing RPS for urea. Accordingly, RPS for urea units was replaced by New Pricing Scheme (NPS) in the year 2003. It aimed at inducing the urea units to achieve internationally competitive levels of efficiency, greater transparency and simplification in subsidy administration.

For ensuring Nation's food security and balanced application of fertilizers, the Government introduced Nutrient Based Subsidy (NBS) Policy for Phosphatic & Potassic fertilizers w.e.f. 1.4.2010. Di Ammonium Phosphate (DAP, 18-46-0), Muriate of Potash (MOP), Mono Ammonium Phosphate (MAP, 11-52-0), Triple Super Phosphate (TSP, 0-46-0), 12 grades of complex fertilizers and Ammonium Sulphate are covered under NBS policy.

### **Quality Control Policy**

Quality check is an unavoidable step in selling fertilizers in India. As per the FCO norms, manufacturers/importers can sell the fertilizers to the farmers when they meet the standard of quality mentioned in the FCO order. State Governments control the quality of fertilizers supplied by the manufacturers/importers as prescribed under the FCO.

For checking the quality and issuing the certificate, there are about 74 fertilizer testing laboratories in the country. Out of which, four laboratories are working under the Government of India. These are situated at Faridabad, Kalyani, Mumbai and Chennai with an annual analysing capacity of 134 thousand samples. The quality of the fertilizers imported in the country is invariably checked by the fertilizer quality control laboratories of the Government of India.

The State Governments are authorized to draw fertilizer samples anywhere in the country and take appropriate action against the sellers of non-standard fertilizers. Along with the cancellation of authorization certificate, strict provision includes prosecution of offenders and if convicted, sentence up to seven years imprisonment under the Essential Commodities Act.

### **Import Policy**

Now a day, India is showing interest in importing urea. It would not only lead to minimize the demand-supply gap, but cheaper urea imports could also help to reduce subsidy burden on the government (if domestic demand of urea remains constant). India's domestic production of urea is about 220 lakh tonnes. To meet the demand, the country had imported 80.44 lakh tones urea. Recently, India has imported about 11.09 lakh tonnes. Average cost of imported urea was about \$ 340 per tonne.

In case of P&K fertilizers like DAP and SSP, though these fertilizers are being produced in the

country, the country is almost dependent on imports of the raw materials/intermediates or imports of finished phosphatic fertilizers. There are no exploitable re-serves of potash in India and the country is fully de-pendent on its import to meet the demand of potassic fertilizers.

Government has taken initiatives to en-courage indigenous production in P&K fertilizer sector by reducing the custom duty on phosphoric acid. P & K manufacturers in the country now can procure this important input at reason-able price. The Nutrient Based Subsidy (NBS) scheme has been announced on P & K fertilizers w.e.f. 01.04.2010 to ensure subsidy on indigenous P&K fertilizers at par with imported P & K fertilizers

Government is also encouraging private sector and public sector companies to explore the possibilities for joint ventures abroad. It would help in ensuring uninterrupted supply of fertilizer inputs to P & K sector. During last three years, phosphatic and potash fertilizers are imported in India from various countries viz., Australia, Bahrain, Belarus, China, Canada, CIS, Estonia, Germany, Indonesia, Iran, Israel, Jordan, Korea, Kuwait, Latvia, Lithuania, Mexico, Morocco, Philippines, Russia, S. Arabia, S. Africa, Singapore, Spain, Turkey, Tunisia, USA, Ukraine and Vietnam. Import of all fertilizers except urea is free and importers are importing these fertilizers under Open General License (OGL) as per their requirements. Import of urea in the country is restricted and permitted through three State Trading Enterprises i.e. MMTC Limited (Minerals & Metals Trading Corporation), State Trading Corporation of India Limited and Indian Potash Limited.

(Sources: IndianFertilizer Industry; At A Glance By Renuka Kholkute [www.ifaj.org](http://www.ifaj.org))

## INDIAN AGROCHEMICAL INDUSTRY

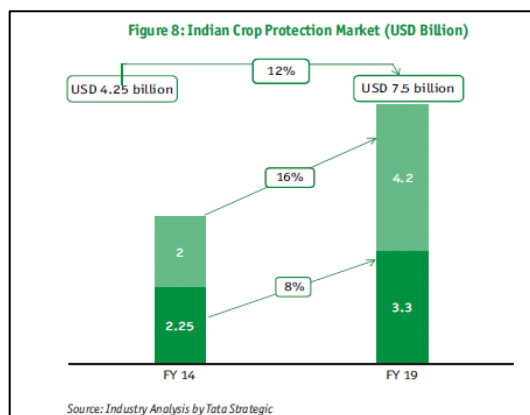
The Indian crop protection industry is estimated to be USD 4.25 billion in FY14 and is expected to grow at a CAGR of 12% to reach USD 7.5 billion by FY19. Exports currently constitute almost 50% of Indian crop protection industry and are expected to grow at a CAGR of 16% to reach USD 4.2 billion by FY19, resulting in 60% share in Indian crop protection industry. Domestic market on the other hand would grow at 8% CAGR, as it is predominantly monsoon dependent, to reach USD 3.3 billion by FY19. Globally, India is fourth largest producer of crop protection chemicals, after United States, Japan and China. The crop protection companies in India can be categorized into three types – Multi-National, Indian including public sector companies and small sector units.

(Sources: Indian Agrochemical Industry Federation of Indian chambers of commerce and Industry [www.ficci.com](http://www.ficci.com) & Industry Analysis by Tata Strategic)

## CHALLENGES FACED BY THE INDIAN AGRO CHEMICAL INDUSTRY

### 1. Non-genuine products:

There is a significant share of non-genuine pesticides which include counterfeit, spurious, adulterated or sub-standard products. According to industry estimates the non-genuine pesticides could account for more than 40% of the pesticides sold in India in FY14. These products are inferior formulations which are unable to kill the pests or kill them efficiently. They also leave by-products which may significantly harm the soil and environment. The damage through such products is multifold. Apart from crop loss and damage to soil fertility, use of non-genuine products leads to loss of revenue to farmers, agrochemical companies and government.





Some of the key reasons for use of non-genuine products are lack of awareness amongst the farmers, difficulty in differentiating between genuine and non-genuine products, supply chain inefficiencies, law enforcement challenges and influencing power of distributors/retailers.

## 2. **Stringent regulations:**

Stringent environmental regulations across the world are increasing the cost of developing new products and simultaneously delaying the introduction of new products in the market. For instance, in the European Union any agrochemical product if found to be mutagenic, carcinogenic or classified as an endocrine disruptor would not achieve registration or re-registration irrespective of the level of exposure generated. It takes almost nine to ten years to bring a new product.

## 3. **Low focus on R&D by domestic manufacturers due to high costs:**

The industry is facing a serious challenge owing to the rising R&D costs. R&D associated with new product development amounts to ~ USD 250 million in costs. This prevents the companies from investing in R&D activities and they tend to focus more on the generic products which require low investments in research and development. In order to sustain in the long run, the industry needs to be committed to making long term investments and withstand longer gestation periods in order to bring to the market more innovative products

## 4. **Lack of education and awareness among farmers:**

It is important to educate the farmers about the appropriate kind of pesticide, its dosage and quantity and application frequency. Only 25-30% of farmers are aware of agrochemicals products and the usage, therefore; large numbers of farmers are unaware of the cost benefit that could be gained by using agrochemicals. However it is not easy to reach the farmers owing to infrastructure issues, regional languages and dialects and a general inertia towards adoption of newer products on account of possible risks of crop failure. The main point of contact between the farmers and the manufacturers are the retailers who don't have adequate technical expertise and are thus unable to impart proper product understanding to the farmers. It is also very difficult for the farmers to convey their needs effectively to the manufacturers.

## 5. **Need for efficient distribution systems:**

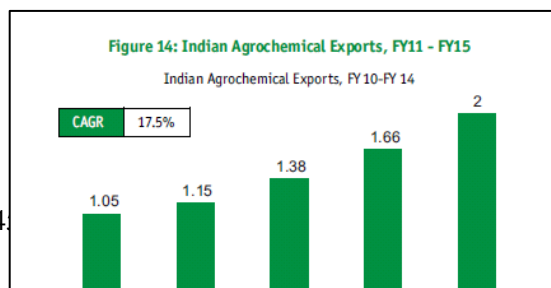
The large number of end users and the predominantly generic nature of the market make a strong and efficient distribution network essential for the crop protection market. However, the industry has been plagued by problems arising out of supply chain inefficiencies and inadequate infrastructure which result in post-harvest losses estimated at INR 45,000 crore every year. The lack of an efficient distribution system also makes it difficult for the agrochemical companies to reach the farmers to promote their products and educate them about their usage and benefits.

(Sources: Indian Agrochemical Industry Federation of Indian chambers of commerce and Industry [www.ficci.com](http://www.ficci.com) & Industry Analysis by Tata Strategic)

## **OPPORTUNITIES AND KEY GROWTH DRIVERS FOR INDIAN CROP PROTECTION MARKET**

### 1. **Export Opportunities:**

The export of pesticides from India has seen a strong growth over the last few years. Globally, India is the thirteenth largest exporter of pesticides. Most of the exports are off-patent products. The major exports from India happen to Brazil, USA, France and Netherlands. The key growth drivers are India's capability in low cost manufacturing, availability of



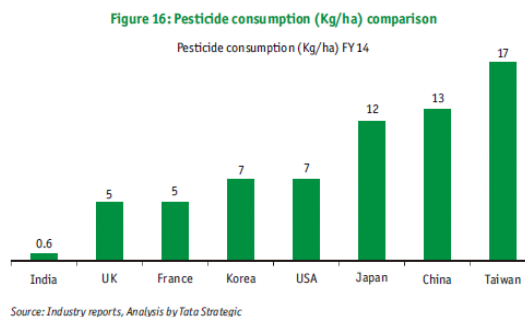
technically trained manpower, seasonal domestic demand, overcapacity, better price realization globally and strong presence in generic pesticide manufacturing (India has process technologies for more than 60 generic molecules).

## 2. Growth in herbicides and fungicides:

Labour shortage, rising labour costs and growth in GM crops has led to growth in the use of herbicides. The herbicide consumption in India stands at 0.35 USD billion in FY14 and is expected to grow at a CAGR of 15% over the next five years to reach ~0.8 USD billion by FY19. On the other hand the fungicide industry in India has grown due to the growth in Indian horticulture industry, which has grown at a CAGR of 7.5% over the last five years.

## 3. Low consumption of pesticides in India:

The per hectare consumption of pesticides in India is amongst the lowest in the world and currently stands at 0.6 kg/ha against 5-7 kg/ha in the UK and at almost 20-30 times ~ 13 kg/ha in China . In order to increase yield and ensure food security for its enormous population agrochemicals penetration in India is bound to go up.



(Sources: Indian Agrochemical Industry Federation of Indian chambers of commerce and Industry [www.ficci.com](http://www.ficci.com) November 2016 & Industry Analysis by Tata Strategic)



## OUR BUSINESS

*The information in this section is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Company” and “Financial Statements” beginning on page 20, 303 and 261 respectively.*

### Overview

Incorporated in 2002, our Company M/s. Agro Phos (India) Limited is an ISO 9001:2008 certified Company engaged in the manufacturing of fertilisers such as Single Super Phosphate (SSP), Nitrogen Phosphate and Potassium (NPK), Zinc Sulphate, Organic manure and Calcium Sulphate commonly known as soil conditioner or gypsum. Our Company also undertakes trading of Diammonium Phosphate (DAP), Urea, Ammonium Sulphate and other fertilizers depending upon the demand of the customers. The Registered Office of our Company is situated at M-87, Trade Centre 18M, South Tukoganj, Indore, Madhya Pradesh.

Our manufacturing facilities are located at Dewas and Meghnagar, Madhya Pradesh and are well equipped with required facilities including machinery, crane, conveyor belt, other handling equipments to facilitate smooth manufacturing process and easy logistics. We endeavor to maintain safety in our premises by adhering to key safety norms. Our manufacturing process is completely integrated from procurement of raw materials and final testing and packing of fertilisers for direct use of our customers.

We have entered into Memorandum of Understanding for our products SSP and NPK with Indian Potash Limited for supply of minimum 40,000 +/- 10% MT per annum of SSP and 25,000 MT per annum of NPK. SSP is marketed by Indian Potash Limited in the states of Madhya Pradesh, Chhattisgarh and Maharashtra while NPK is marketed in the states of Madhya Pradesh and Chattisgarh.

Our Company is well equipped with in-house testing laboratory to test the products as per quality standards and relevant chemical composition. In our quest to maintain high standards of quality for our products, we have imported testing machine to test the product in real time basis. The final product has to pass special quality test to ensure that it is of the requisite quality and contains the requisite chemical composition. We use gazette bags for packing of our products. These bags are very easy to handle and facilitates easy stacking as well. Apart from providing quality products at an affordable cost, our Company also emphasizes on the product reach through its distribution network. We have over 200 dealers and distributors.

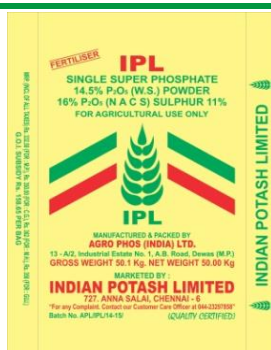
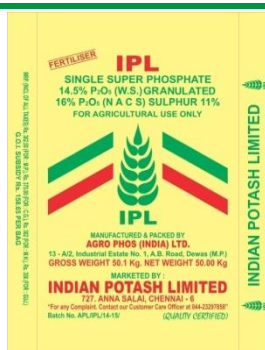
Our Company also takes part in various educational awareness programs for farmers. Farmer suicide has become a major concern since being an agrarian country, a large percentage of population in our Country is dependent on agriculture. Towards this social initiative, our Company will be telecasting programme called “**Himmat Na Haar**” on Doordarshan (Regional telecast at Madhya Pradesh and Chhattisgarh). This programme will aim at educating farmers towards the use of fertilisers, pesticides, improve irrigation, address crop failures and such other agriculture related concerns and creating awareness about government policies.

## OUR PRODUCTS: MANUFACTURING



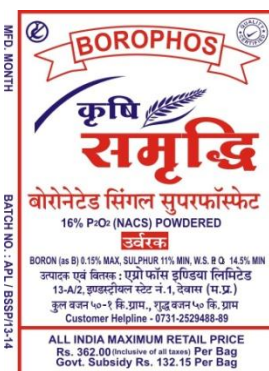
The major products manufactured by us are as under:

### 1. Single Super Phosphate (SSP)



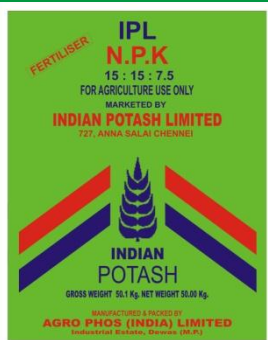
The main raw materials required are rock phosphate and sulphuric acid. SSP is a straight phosphatic multi-nutrient fertilizer which contains 14.5% water soluble P<sub>2</sub>O<sub>5</sub>, 12% sulphur, 21% calcium and some other essential micro nutrients in small proportions. SSP, which is a poor farmer's fertilizer (price-wise), is an option to optimise the use of phosphatic fertilizers. It also helps to treat sulphur deficiency in soils as well for further enhancement of yields at the least cost. The product is sold by our Company under the Brand name; “Smriddhi”.

#### Features



- SSP is one of the cheapest forms of phosphate
- Supplies sulphate sulphur and calcium
- Multi-nutrient fertilizer containing Phosphorus Pentoxide (P<sub>2</sub>O<sub>5</sub>) as primary nutrient and Sulphur and Calcium as secondary nutrients.
- Can be stored easily for long periods without taking up moisture
- Only phosphatic fertilizer which can utilize Indian rock phosphate deposits.

## 2. Nitrogen Phosphorus Potassium (NPK)



NPK fertilizer is primarily composed of three main elements:

Nitrogen (N), Phosphorus (P), and Potassium (K), each of these being essential in plant nutrition.

Among other benefits, Nitrogen helps plants grow quickly, while also increasing the production of seed and fruit, and bettering the quality of leaf and forage crops. Nitrogen is also a component of chlorophyll, the substance that gives plants their green color, and also aids in photosynthesis.

Phosphorus, also a key player in the photosynthesis process. The transformation of



solar energy into chemical energy is also aided by phosphorus, as well as is development of plant, and ability to withstand stress. Additionally, phosphorus encourages the growth of roots and promotes blooming.

Potassium, the third essential nutrient plants demand, assists in photosynthesis, fruit quality, the building of protein, and the reduction of disease.

The product is sold by our Company under the Brand name; “Smriddhi” and “Swaraj”.

Nitrogen (N) is largely responsible for the growth of leaves on the plant.

Phosphorus (P) is largely responsible for root growth and flower and fruit development.

Potassium (K) is a nutrient that helps the overall functions of the plant.

### 3. Zinc Sulphate



Zinc Sulphate is an inorganic compound with zinc oxide, sulphuric acid and water as major components. Zinc sulphate is used to supply zinc in animal feeds, fertilizers, and agricultural sprays. Our Company manufactures zinc sulphate only on demand of customers. The product is sold by our Company under the brand name; “Ratna”.

### 4. Magnesium Sulphate

Magnesium Sulphate is an inorganic compound with magnesium oxide, sulphuric acid and water as major components. Magnesium sulphate is used to correct magnesium or sulphur deficiency in soil. Magnesium is an essential element in chlorophyll molecule and sulphur is another important



micronutrient. The use of Magnesium sulphate as magnesium source for soil does not significantly change the soil pH.

### 5. Copper Sulphate

Copper Sulphate is an inorganic compound with copper oxide, sulphuric acid and water as major components. Copper sulphate is majorly used as herbicide, fungicide and pesticide.

### 6. Ferrous Sulphate

Ferrous Sulphate is an inorganic compound with iron oxide, sulphuric acid and water as major components. Together with iron compounds, ferrous sulphate is used to fortify foods and to treat iron deficiency anemia.

### 7. Organic Manure

Organic Manure is the most commonly used organic fertilizer. Major raw materials used in manufacturing of the same are Neem De oiled cake (DOC), Castor DOC, Karanja DOC, Mahua DOC and Tobacco dust in different compositions.

### 8. Soil Conditioner (Calcium Sulphate)

|  |  |
|--|--|
|  | <p>Soil Conditioner or commonly known as Calcium Sulphate is an inorganic compound with calcium oxide, magnesium oxide and sulphur as raw material. Calcium Sulphate acts as a soil conditioner and is sold by our Company under the brand name; <b>“Ratna”</b>.</p> |
|--|--|

## OUR PRODUCTS: TRADING

Our Company is involved in trading of variety of organic and chemical fertilizers. The product is provided to the customer on demand basis and as and when demand arises, the product is procured from the local market and is made available to the customer. Some frequently traded products include Diammonium Phosphate (DAP), Ammonium Sulphate, Urea, Muriate of Potash (MOP), High Seas Rock Sale, Zinc Ash, Potash, etc.

## OUR MANUFACTURING FACILITY

Our Company has two manufacturing facilities situated at

Unit I: 13 A/2, Industrial Area, A.B. Road, Dewas, Madhya Pradesh

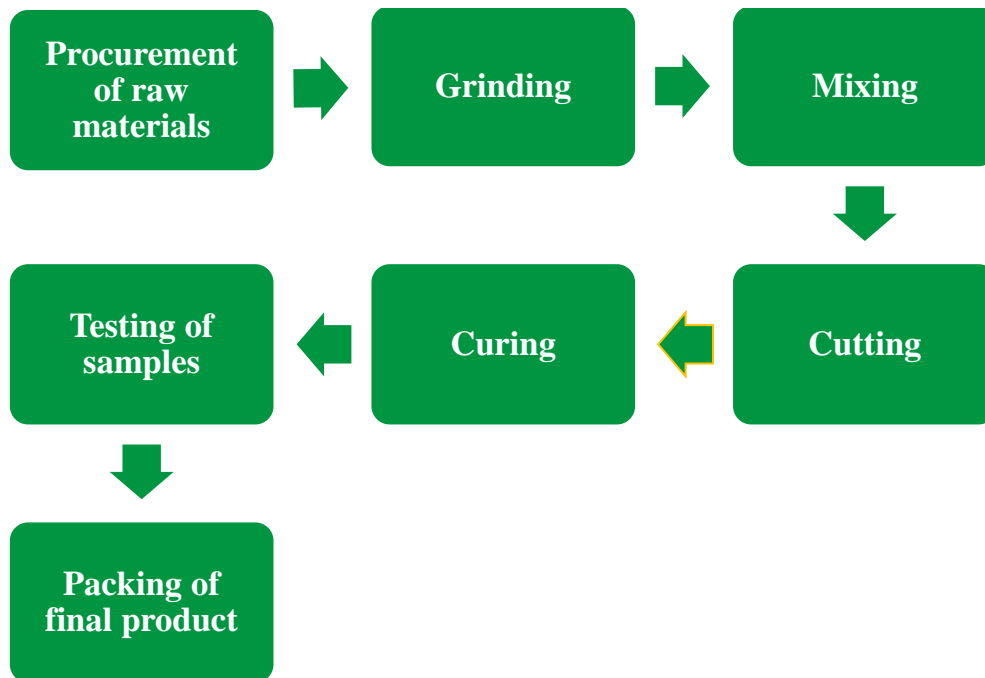
Unit II: 135A-138A, Industrial Area, Meghnagar, Jhabua, Madhya Pradesh.





## OUR MANUFACTURING PROCESS

### I. Single Super Phosphate (SSP)



Our manufacturing process starts with procurement of raw materials.i.e. Rock Phosphate and Sulphuric Acid. The procurement of Rock Phosphate is fulfilled by importing the same from countries like Egypt, Iran, Jordan, Morocco, Syria, Togo, Tunisia, etc. The requirement of Sulphuric acid is met by purchasing the same from local vendors.

After the procurement of raw materials, Rock Phosphate is grinded in the Grinding Mill and then moved to a mixer where Sulphuric Acid and Water is added to the grinded phosphate. The mixture is then mixed properly and moved via the den machine to the cutter to cut the huge chunks of mixture into powder form. After the mixing process, the mixture is then moved for further curing process, wherein the drying and mixing of SSP takes place.

We manufacture both powder and granulated SSP. The manufacturing process of powdered and granulated SSP is same till the curing process after which the mixture is then treated separately.

- **Powdered SSP**

Samples of the final product is sent to the in house laboratory for testing and quality check to ensure that the final product contains the required chemical composition.

Once the samples pass the final quality check the product is then sent to hopper for packing the same into HDPE bags for dispatch.

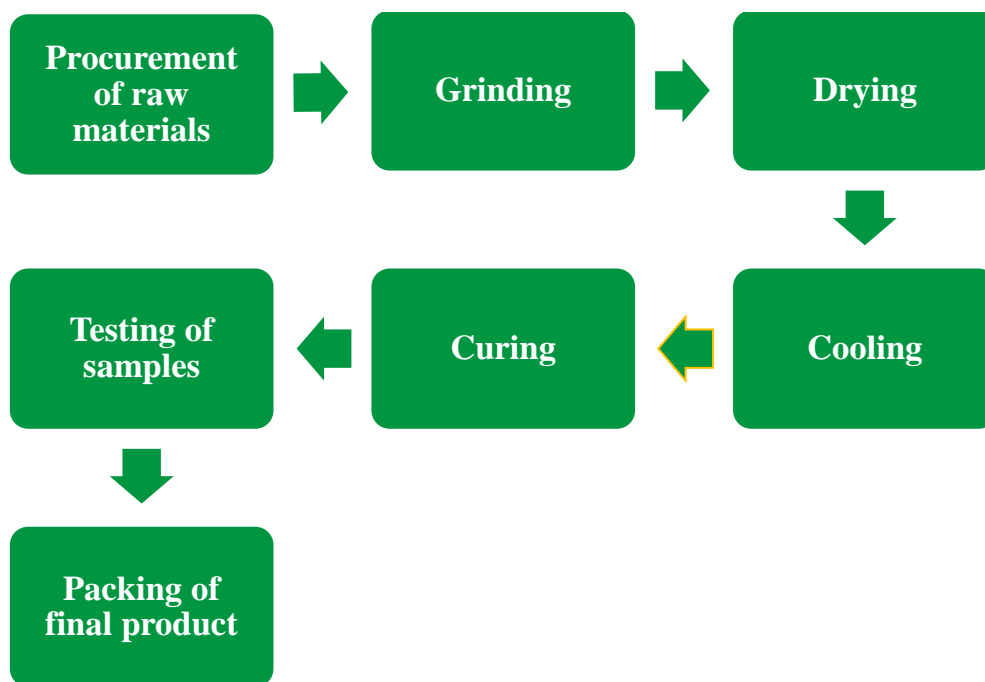
- **Granulated SSP**

After the curing process the mixture is moved via crane to granulation drum where water is added to produce the granulated mixture which is moved via conveyor belt to the dryer drum wherein the mixture is heated upto a temperature of around 1000 degree Celsius. After the heating process, the

mixture is then moved to the cooler drum to extract moisture and then the product is moved to the vibrating screen to ensure that the granules are of adequate size.

The samples of granulated SSP are now moved to the in house laboratory for final testing and quality check, to determine whether the product contains the required chemical composition. After the samples pass the final quality check, the product is then sent to hopper for packing the same into HDPE bags, making them ready for dispatch.

## II. Nitrogen Phosphorus and Potassium (NPK)



The manufacturing process starts with procurement of raw materials. Major raw materials required for manufacturing of NPK is Nitrogen, Phosphate and Potassium.

The second step starts with Granulation where the raw materials are mixed with water to form granules. These granules are then moved to the drying drum via conveyor belt to dry the granules.

The granules are then moved to the coolant drum to extract moisture which is then product passed through the vibrating screen to ensure that the product is available in various sizes.

The final product undergoes a quality check in the in house laboratory to ensure that the final product is of adequate quality and contains the required chemical composition. Our Company manufactures NPK of varied chemical compositions, according to customer requirement

Our in house laboratory checks whether different types of NPK contains the required chemical composition as per the said chemical formulae.

We use gazette bags for packing of our products. These bags are very easy to handle and also facilitates easy stacking ..

## III. Organic Manure

The manufacturing process starts with procurement of raw materials: Neem DOC, Castor DOC, Karanja DOC, Mahua DOC and Tobacco dust. These raw materials are procured from the local market and before the manufacturing process the raw material undergo a quality check to check the final quality and chemical composition.

These raw materials are feeded in the hopper as per the required chemical composition, stated as under:

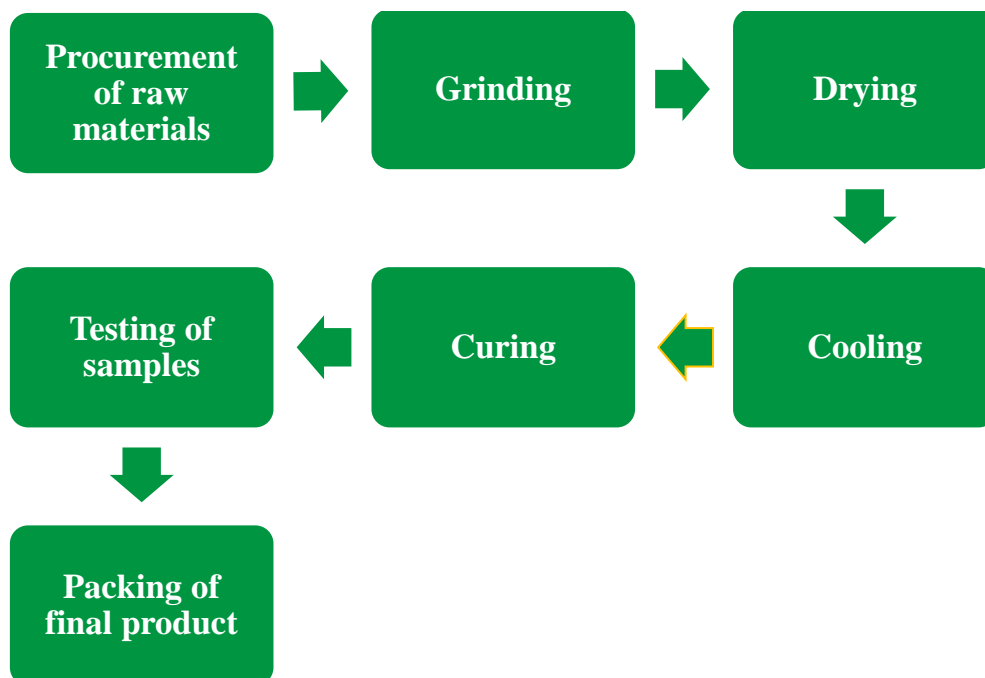
- Neem DOC: 30%
- Castor DOC: 25%
- Karanja DOC: 5%
- Mahua DOC: 5%
- Tobacco dust: 35%

The chemical composition of the required raw materials can be changed depending upon their availability.

After feeding the raw materials in the feeder, the materials are then moved to the blending machine via conveyor belt. The materials are blended properly in the blender and then the mixture moves to the drying machine to extract moisture from the final product.

The next process is the quality check to ensure that the final product is of adequate quality and contains the required chemical composition. If the final product passes the quality check, then the same is packed into HDPE bags for final dispatch. We use gazette bags for packing of our products. These bags are very easy to handle and facilitates easy stacking as well.

#### IV. Soil conditioner (Calcium Sulphate)





Our manufacturing process starts with procurement of raw materials. Major raw materials required for manufacturing of soil conditioner is calcium sulphate, magnesium sulphate and sulphur. All the required raw materials are procured from the local market.

After the procurement of raw materials, the raw materials undergo a quality check to ensure that the raw materials are of required quality. The actual manufacturing process starts with Granulation as the first step. In this step, raw materials are mixed with water to form granules. These granules are then moved to the drying drum via conveyor belt to dry the granules.

After this process, the granules are moved to the coolant drum to extract moisture and then the product passes through the vibrating screen to ensure that the product is available in various sizes.

The final product then passes a quality check in the in house laboratory to ensure that the final product is of adequate quality and contains the required chemical composition.

Our product, soil conditioner is sold under the brand name; “Ratna”.

Our Company manufactures soil conditioner of a notified chemical composition mentioned below:

Soil Conditioner (20, 10, 10): This fertilizer contains 20% Calcium Sulphate, 10% Magnesium Sulphate and 10% Sulphur

## OUR COMPETITIVE STRENGTHS



### 1. Quality assurance

Our Company has a testing division and an in house laboratory which is responsible for the final approval of product manufactured. The final product manufactured has to undergo a quality check before it is finally packed into HDPE bags. Our in house laboratory, equipped with different testing machines checks the requisite chemical composition and ensures that the product passes the ultimate quality check and received quality approval from the testing department before final packaging and dispatch.

## **2. Leveraging the experience of our promoters**

Our promoter, Mr Raj Kumar Gupta and Mr Vishnu Kant Gupta have around 10 years of experience in the fertilizer industry. We believe that the knowledge and experience of our Promoters has helped our Company move up the value chain in the industry in which we operate.

## **3. Strategic Location of Manufacturing Unit**

Our Company has 2 manufacturing units situated at Dewas and Meghnagar, Madhya Pradesh. Strategic location of our manufacturing unit ensures timely and speedy availability of raw material which leads to quick advent of the production process. It also gives us competitive cost advantage in terms of raw material sourcing, manufacturing and labour costs and enables us to address markets efficiently.

## **4. Our distribution network**

We have presence in Central India through our network of around 150 dealers. Major portion of our sales are made to our dealers through our network of distributors. The dealers then sell our product to farmers situated in rural areas.

## **5. Quality of service**

Our Company has been accredited with ISO 9001:2008 certification for manufacturing and supply of Fertilisers and Pesticides chemicals. We adhere to the quality standards as prescribed. We believe this has helped us in getting repetitive orders from customers.

## **6. Proficient Management Team**

Both our Promoters have experience of more than a decade in the fertilizer industry. Our senior management team has experience in sourcing of raw materials, operating manufacturing facilities and ensuring quality check of our products. The vision, prudence and dynamism of our management enables us to discover and capitalize on new opportunities and accordingly gives us a competitive footing in our industry.

## **COLLABORATIONS**

As on date of this Prospectus, our Company has not entered into any collaboration agreements.

## **OUR RAW MATERIALS**

### **Single Super Phosphate (SSP)**

- The basic raw material required for manufacturing of SSP is Rock Phosphate, Sulphuric acid and water. Our Company ensures that the raw materials are of adequate quality and they pass the ultimate quality check as it would affect the quality of our final product.

### **NPK**

- The basic raw material required for manufacturing of NPK is DAP, Urea, Potash, TSP, Complex fertilisers, Gypsum, Damage and Rain affected fertilisers



### **Organic Manure**

- The basic raw material required for manufacturing of Organic Manure is Neem DOC, Castor DOC, Karanja DOC, Mahua DOC and Tobacco dust.

### **Soil Conditioner**

- The basic raw material required for manufacturing of Soil Conditioner is Calcium Sulphate, Magnesium Sulphate and Sulphur.

## **UTILITIES & INFRASTRUCTURE FACILITIES**

### **Infrastructure Facilities**

Our Registered Office situated at M-87, Trade Centre 18M, South Tukoganj, Indore, Madhya Pradesh, is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly. Our manufacturing facilities located at 13 A/2, Industrial Area, A.B. Road, Dewas, Madhya Pradesh and 135A-138A, Industrial Area, Meghnagar, Jhabua, Madhya Pradesh are equipped with requisite utilities and infrastructure facilities including the following:-

#### **Power**

The Registered Offices as well as manufacturing facilities of our Company meets its Power requirements by purchasing electricity from Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited.

#### **Water**

Water is a key and indispensable resource requirement in our manufacturing process. Our Company has made adequate arrangements to meet its water requirements.

## **EXPORT AND EXPORT OBLIGATIONS**

Our Company doesn't have any export obligation as we are not currently exporting any of our products.

## **HUMAN RESOURCE**

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

As on the date of this Prospectus, we have 106 employees on payroll. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled/ semi-skilled/ unskilled resources together with our management team have enabled us to implement our growth plans.

## **BUSINESS STRATEGY**



### 1. Develop and maintain relationship with our clients

We believe in maintaining good relationship with our clients which is one of the most important factors to keep our Company growing. Our dedicated and focused approach has helped us build strong relationships over a number of years with our customers and suppliers. We bag and place repetitive order with our customers as well as with our suppliers, which facilitates efficient and timely delivery of products to our clients. For us, establishing strong, mutually beneficial long-term relationships with strategic supplier relationship management is a critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop. We have also entered into a marketing agreement with Indian Potash Limited for our product SSP and NPK.

### 2. Improving functional efficiency

Our Company intends to improve efficiencies to achieve cost reductions to have a competitive edge over our peers. We believe that this can be achieved through continuous process improvement, customer service and technology development.

### 3. Brand image

We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services by way of providing quality products with required chemical composition.

### 4. Expand our dealership network

We have a network of dealers and distributors and we intent to expand our distribution network by further appointing new distributors in states where we have limited presence or no presence.



## CAPACITY AND CAPACITY UTILISATION

The productwise capacity utilisation of our machineries is as under:

(in metric tonnes)

### Dewas Unit

| Products                           | Installed | Actual 2015-16 | Actual 2014-15 | Actual 2013-14 | Estimated 2016-17 | Estimated 2017-18 | Estimated 2018-19 |
|------------------------------------|-----------|----------------|----------------|----------------|-------------------|-------------------|-------------------|
| SSP                                | 45,000    | 44,347         | 41,310         | 29,031         | 40,000            | 40,000            | 40,000            |
| NPK                                | 15,000    | 6,185          | 9,507          | 5,709          | 9,000             | 9,000             | 9,000             |
| Zinc Sulphate                      | 3,000     | 120            | 0              | 0              | 500               | 1,000             | 1,000             |
| Soil Conditioner(Calcium Sulphate) | 15,000    | 0              | 0              | 174            | 1,000             | 1,000             | 1,000             |

### Meghnagar Unit

| Products                           | Installed | Actual 2013-14 | Actual 2014-15 | Actual 2015-16 | Estimated 2016-17 | Estimated 2017-18 | Estimated 2018-19 |
|------------------------------------|-----------|----------------|----------------|----------------|-------------------|-------------------|-------------------|
| SSP                                | 1,15,500  | 0              | 0              | 37,658         | 50,000            | 60,000            | 75,000            |
| NPK                                | 36,000    | 0              | 0              | 0              | 5,000             | 10,000            | 15,000            |
| Soil Conditioner(Calcium Sulphate) | 36,000    | 0              | 0              | 0              | 2,000             | 3,000             | 4,000             |

## COMPETITION

We operate in a competitive atmosphere. Some of our competitors may have greater resources than those available to us. While product quality, brand value, distribution network, etc are key factors in client decisions among competitors, however, price is the deciding factor in most cases.

Among listed Companies, we face competition from the below mentioned:

Madhya Bharat Agro Products Limited, Rama Phosphate Limited, Shree Pushkar Chemicals & Fertilisers Limited, Khaitan Chemicals and Fertilizers Limited and Basant Agro India Limited.

## END USERS

Our products are mainly sold to dealers and distributors who in turn sell the goods to farmers.

## MARKETING

The efficiency of marketing and sales network is critical to success of our Company. We have been focusing on supplying our products via distribution network. We have also entered into a marketing agreement with Indian Potash Limited for sale of our products, SSP and NPK.

Our marketing team is ready to take up challenges so as to scale new heights. We intend to expand our existing distribution base by reaching out to other geographical areas.


## INSURANCE




We maintain insurance for Standard Fire and Special Perils policy, which provides insurance cover against loss or damage by fire, earthquake of our property situated at our Registered Office and Manufacturing Units which covers building, stock and plant and machinery.

| Sr No | Type of Insurance                       | Properties/Location covered   |
|-------|---|---|
| 1     | Standard Fire and Special Perils Policy | This policy mainly covers stock of fertilizer in Godown at S.No 25/1/2/3/1, Lasudia Mori, Sr Compound, Dewas Naka, Indore and stock of fertilizer situated at S No 209, 125, Lasudia Mori, Sr Compound, Dewas Naka, Indore  |
| 2     | Burglary and House Breaking Policy      | This policy mainly covers stock of fertilizer in Godown at S.No 25/1/2/3/1, Lasudia Mori, Sr Compound, Dewas Naka, Indore and stock of fertilizer situated at S No 209, 125, Lasudia Mori, Sr Compound, Dewas Naka, Indore  |
| 3     | Standard Fire and Special Perils Policy | This policy mainly covers stock of fertilizer, boundary wall, plant and machinery and other transformer and electrical installation situated at 135-A-138-A, Industrial Area, Megh Nagar, Jhabhua-457661, Madhya Pradesh. The policy also has an add on cover of Earthquake, STFI cover and Reinstatement.  |
| 4     | Standard Fire and Special Perils Policy | This policy mainly covers Building with boundary wall, office premises, labour quarter and watchman unit, plant and machinery, transformer fitted inside boundary wall and electrical installation and stock of raw material, semi finished goods and packing material situated at 13 A/2, Industrial Area, A.B. Road, Dewas- 455001, Madhya Pradesh. The policy also has an add on cover of Earthquake and STFI cover. |

## INTELLECTUAL PROPERTY

We have applied for registration of the following Trademarks with Trademarks Registry, Government of India. The details of trademark applications are as under:

| Sr No | Description   | Trademark Type & Mark | Applicant               | Applicant Number | Date of Filing    | Classes | Date of Expiry    | Status     |
|-------|---|-----------------------|-------------------------|------------------|-------------------|---------|-------------------|------------|
| 1     |  | Device-Label          | Agro Phos India Limited | 1657249          | February 22, 2008 | 1       | February 22, 2018 | Registered |

| Sr No | Description  | Trademark Type & Mark | Applicant               | Applicant Number | Date of Filing | Classes | Date of Expiry | Status     |
|-------|--|-----------------------|-------------------------|------------------|----------------|---------|----------------|------------|
| 3     |   | Device-Label          | Agro Phos India Limited | 1358691          | May 20, 2005   | 1       | May 20, 2025   | Registered |
| 4     |   | Device                | Agro Phos India Limited | 2960770          | May 11, 2015   | 1       | NA             | Objected   |
| 5     |  | Device                | Agro Phos India Limited | 2960771          | May 11, 2015   | 35      | NA             | Objected   |

## LAND AND PROPERTY

### I. Land and Properties taken on Lease by the Company.

| Sr No | Location of the Property  | Document Date     | Licensor/Lessor  | Period   | Use                |
|-------|---|-------------------|--|----------|--------------------|
| 1     | 135, 138 A, Industrial Growth Centre, Meghnagar, District, Jhabua, Madhya Pradesh       | July 11, 2011     | MP Audyogik Kendra Vikas Nigam, Indore                                     | 30 years | Manufacturing unit |
| 2     | 136-A-II and 137, Industrial Growth Centre, Meghnagar, District, Jhabua, Madhya Pradesh | April 08, 2011    | MP Audyogik Kendra Vikas Nigam, Indore                                     | 30 years | Manufacturing unit |
| 3     | Plot No 13/A-2, Industrial Area, No 1, A.B Road, Dewas, Madhya Pradesh                  | December 26, 2003 | Governor of Madhya Pradesh acting through G.M. DTIC, Dewas, Madhya Pradesh | 30 years | Manufacturing unit |

### I. Land and Properties owned by the Company.

| Sr No | Address | Date of Purchase | Nature of Title | Use |
|-------|---------|------------------|-----------------|-----|
|-------|---------|------------------|-----------------|-----|

| Sr No | Address  | Date of Purchase | Nature of Title | Use                         |
|-------|--|------------------|-----------------|-----------------------------|
| 1     | M-91, 92, Trade Centre 18M,<br>South Tukoganj, Indore,<br>Madhya Pradesh- 452001,India | January 09, 2007 | Clear           | Office premises             |
| 2     | Plot No 577, UG-2/101, Gold<br>Plaza Building, MG Road,<br>Indore, Madhya Pradesh      | July 04, 2007    | Clear           | Given on rent by<br>Company |

## II. Land and Properties taken on rent by the Company.

| Sr No | Location of the Property   | Document Date   | Licensor/Lessor                  | Period              | Use               |
|-------|--|-----------------|----------------------------------|---------------------|-------------------|
| 1     | M-87 &88, Trade Centre 18, South Tukkoganj, Indore- 452001- Madhya Pradesh | April 01, 2016  | Ms Kiran Gupta                   | Upto March 31, 2019 | Registered Office |
| 2     | M-88 A, Trade Centre, South Tukkoganj, Indore- 452001, Madhya Pradesh      | April 28, 2016  | Ms Shradha Gupta                 | Upto March 31, 2009 | Office Premises   |
| 3     | Plot No 65, Agasthi Apartment, Near Jaimat School, Dighori Chowk, Nagpur   | August 31, 2016 | Ms Deepti Daharwal               | Upto July 31, 2017  | Branch Office     |
| 4     | 24, Manpuri Industrial Area, Raipur, Chattisgarh                           | August 30, 2016 | Madhav Agro Chem Private Limited | Upto July 19, 2017  | Branch Office     |

## KEY INDUSTRY REGULATIONS AND POLICIES

*Except as otherwise specified in this Prospectus, the Companies Act, 1956 / the Companies Act, 2013, We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in the manufacturing and trading of fertilizers industry. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.*

### APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 324 of this Prospectus.

### APPLICABLE LAWS AND REGULATIONS

#### **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

##### **Fertilizer Subsidy Policy for Phosphatic & Potassic (P&K) Fertilizers:**

Since independence, Government of India has been regulating sale, price and quality of fertilizers. For this purpose, Government of India has passed Fertilizer Control Order (FCO) under Essential commodity Act (EC Act) in the year 1957. No subsidy was paid on Fertilizers till 1977 except Potash for which subsidy was paid only for a year in 1977. On the recommendation of the Maratha Committee, the Government had introduced Retention Price Scheme (RPS) for nitrogenous fertilizers in November 1977. Subsequently, RPS was extended to phosphatic and other complex fertilizers from February 1979 and to Single Super Phosphate from May 1982, which continued up to 1991. Later on, subsidy was also extended to imported phosphatic and potassic (P&K) fertilizers. Fearing imbalance fertilization of the soil, un affordability by farmers due to increase in phosphatic and potassic fertilizer prices, Government of India announced ad hoc Concession Scheme for phosphatic and potassic fertilizers from Rabi 1992 to cushion the impact of price hike with a view to encourage balanced fertilizer consumption. Initially, the ad-hoc Concession Scheme was applicable on DAP, MOP, NPK Complex fertilizers. This scheme was also extended to SSP from 1993-94. The basic purpose/objective of the Concession Scheme for P&K fertilizers has been to provide P&K fertilizers to the farmers at affordable prices so as to increase the food productivity in the country through balanced use of fertilizers. The concession scheme was also aimed at ensuring reasonable rate of return on the investments made by the entrepreneurs in the fertilizer sector.

##### **Industrial Promotion Policy 2014**

The Policy was issued by the Government of Madhya Pradesh, Department of Commerce, Industry and Employment. The objective of the policy is to achieve inclusive growth and bring economic prosperity to the people of Madhya Pradesh. The key objectives of Industrial Policy are to Rationalization and simplification of procedures to ensure effective implementation of policy, to

improve investor facilitation and enhance ease of doing business, to create an enabling environment for robust industrial growth, to achieve higher and sustainable economic growth by accelerating the growth of manufacturing and service sectors through private sector participation, to create an able and supportive regulatory and policy environment to facilitate private sector participation, to achieve inclusive industrial infrastructure development in the state, to promote environmentally sustainable industrial growth and balanced regional development, to enhance employment opportunities, to encourage growth in Madhya Pradesh's thrust sectors (Agribusiness and Food processing, Textiles, Automotive and Auto components, Tourism, Pharmaceuticals, Bio-technology, IT/ITeS, Healthcare and Logistics and Warehousing). The State Government intends to focus on MSMEs for achieving a holistic industrial growth which includes incentivising MSME to enhance their competitiveness for achieving higher growth.

### **Foreign Exchange Management Act, 1999**

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 act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **FEMA Regulations**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India

### **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central

Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise , where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise” , where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “ Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

### **Legal Metrology Act, 2009**

An act 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 incidental thereto. The part of metrology in relation to weighing and measuring units as well as methods of weighing and measuring instruments with the object of ensuring public guarantee and from the point of view of security and accuracy of weighing and measurement. Any weight or measure which conforms to the standard of such weight or measure and also conforms to such of the provisions of Sec. 7 as are applicable to it shall be the standard of weight or measure. Any numeral which conforms to the provisions of Sec. 6 shall be the standard numeral. It further provides that no weight, measure or numeral, other than the standard weight, measure or numeral shall be used as a standard weight, measure or numeral.

Every reference standard, secondary standard and working standard shall be verified and stamped in such manner and after payment of such fee as may be prescribed. Every reference standard, secondary standard and working standard which is not verified and stamped in accordance with the provisions shall not be deemed to be a valid standard. The provision relating to Use and Prohibition provides that no person shall, in relation to any goods, things or service quote, or make announcement of, whether by word of mouth or otherwise, any price or charge, or issue or exhibit any price list, invoice, cash memo or other document, or prepare or publish any advertisement, poster or other document, or indicate the net quantity of a pre-packaged commodity, or express in relation to any transaction or protection, any quantity or dimension, otherwise than in accordance with the standard unit of weight, measure or numeration.

No person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a license issued by the Controller. No license to repair shall be required by a manufacturer for repair of his own weight or measure in a State other than the State of manufacture of the same. The Controller shall issue a license in such form and manner, on such conditions, for such period and such area of jurisdiction and on payment of such fee as may be prescribed.

### **Essential Commodities Act, 1955**

The Essential Commodities Act, 1955 gives powers to control production, supply, and distribution etc. of essential commodities for maintaining or increasing supplies and for securing their equitable distribution and availability of the Central Government have issued the powers under the Act, various Ministers / Departments of the Central Government have issued Control Orders for regulating production / distribution / quality aspects / movement etc. pertaining to the commodities which are essential and administered by them. The Essential Commodities Act is being implemented by the State Government/UT Administrations by availing of the delegated powers under the same Act. The

state government/UT Administrators have issued various control orders to regulate various aspects trading in Essential Commodities such as food grains, edible oils, pulses, sugar etc. The Central Government regularly monitors the action taken by the State Government /UT Administrators to implement the provisions of the Essential Commodities Act, 1955.

### **Fertilizers Control Order 1985**

Govt. of India to promote the fertilizer industries in India & to control the quality & prices of fertilizer has issued such order which contains mainly the following provisions:

- **Fixation of prices of fertilizers**

The Central Government may, with a view to regulating equitable distribution of fertilizers and making fertilizers available at fair prices, by notification in the Official Gazette, fix the maximum prices or rates at which any fertilizer may be sold by a dealer, manufacturer, importer or a pool handling agency. The Central Government may having regard to the local conditions of any area, the period of storage of fertilizers and other relevant circumstances, fix different prices or rates for fertilizers having different periods of storage or for different areas or for different classes of consumers. No dealer, manufacturer importer or pool handling agency shall sell or offer for sale any fertilizer at a price exceeding the maximum price or rate fixed under this clause.

- **Display of stock position and price list of fertilizers**

Every dealer, who makes or offers to make a retail sale of any fertilisers, shall prominently display in his place of business:-

- a. **The quantities of opening stock of different fertilizers held by him on each day;**

Explanation -The actual stocks at any point of time during the day may be different from that of the displayed opening stocks to the extent of sale and receipt of such fertilizers upto the time of inspection during that day

- b. **A list of prices or rates of such fertilizers fixed under clause 3 and for the time being in force.**

### **Anti-Trust Laws**

#### **Competition Act, 2002**

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

### **GENERAL CORPORATE COMPLIANCE**

#### **The Companies Act 1956 and The Companies Act, 2013**

The consolidation and amendment in law relating to Companies Act, 1956 made way to enactment of Companies Act, 2013. The Companies act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

## **EMPLOYMENT AND LABOUR LAWS**

### **The Factories Act, 1948**

The Factories Act, 1948 (“Factories Act”) aims at regulating labour employed in factories. A “factory” is defined as “any premises...whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on...”. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

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

The Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”) has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to 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, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

### **Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“the EPF Act”) and the Employees Provident Fund Scheme, 1952**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer’s contribution and also Central Government’s contribution to the insurance fund shall be credited to an account called as “Deposit-Linked Insurance Fund Account.”

### **The Employees Pension Scheme, 1995**

This scheme has repealed Employees Family Pension Scheme 1971. Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

### **Employees' State Insurance Act, 1948 (the "ESI Act")**

It is an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

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

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. Under the said Act an employee in a factory who has worked for at least 30 working days in a year is eligible to be paid bonus. The minimum bonus to be paid to each employee is 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. If the allocable surplus 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 Act by a company will be punishable by proceedings for 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 Payment of Bonus Act. It further requires for the maintenance of certain books and registers and submission of Annual Return in the prescribed form (FORM D) within 30 days of payment of the bonus to the Inspector.

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

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

### **Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 ("MWA") came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

### **Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every

establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **Equal Remuneration Act, 1976**

The Equal Remuneration Act 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

### **Child Labour Prohibition and Regulation Act, 1986**

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour is prohibited in handling of insecticides and pesticides under Part B of the Schedule it is applicable to the Port and the vicinity of the port area.

### **Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

### **The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Industrial Disputes Act, 1947 ("ID Act") and Industrial Dispute (Central) Rules, 1957**

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who

have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

## **TAX RELATED LEGISLATIONS**

### **Madhya Pradesh VAT Act, 2002 ("MP VAT" Act)**

It is an act to levy tax on sale and purchase of goods in the state of Madhya Pradesh. As per Section 5 (1) The incidence of tax is on every dealer whose turnover during a period of twelve months immediately preceding the commencement of the Act exceeds the prescribed limits, which shall not exceed rupees five lacs, shall from such commencement be liable to pay tax under this Act in respect of sales or supplies of goods effected by him in Madhya Pradesh. Different limits may be prescribed for different category of dealers. Every dealer to whom sub-section (1) does not apply shall be liable to pay tax under this Act in respect of sales or supplies of goods effected by him in Madhya Pradesh with effect from the date on which his turnover in a year first exceeds the limit prescribed under the said sub-section but for the purpose of assessment of the tax for that year, only so much of his turnover as is in excess of such limit, shall be taken into consideration. The tax shall be levied on goods specified in Schedule II, a tax at the rate mentioned in the corresponding entry in column (3) thereof and such tax shall be levied on the taxable turnover of a dealer liable to pay tax under this Act. The MP VAT Act applies to the Chemical fertilizers thus: it falls under entry 24, Schedule 2, Part 2 of the MP VAT Act, under section 9 of the act. The tax rate for the same is 5%.

### **Madhya Pradesh Professional Tax Act, 1995**

An act to provide for levy of tax on profession, trades, callings and employments in the state of Madhya Pradesh. It is applicable to all the employees defined under section 2 (c) of the act. "Employees" means a person employed on [salary or wage] and includes

- i) A government servant receiving pays from the revenues of the Central Government or any State Government or the railway fund.
- ii) A person in the service of a body whether incorporated or not, which is owned or controlled by the Central Government or any State Government where the body operates in any part of the state, even though its headquarters may be outside the state.
- iii) A person engaged in any employment of an employer not covered by items (i) and (ii) above.

"Employer" in relation to an employee earning any [salary or wage] on regular basis under him means the person or the officer who is responsible for disbursement of such [salary or wage] and includes the head of the office or an establishment as well as the manager or agent of the employer; "Person" means any person who is engaged in any profession, trade, calling or employment in the State of Madhya Pradesh and includes a Hindu undivided family, firm, company, corporation or other corporate body, any society, club or association so engaged but does not include any person who earns [salary or wage] on casual basis. If the Act is applicable a Certificate of Registration is to be obtained by the Employer under the act.

### **Madhya Pradesh Commercial Tax Act, 1994**

The Act is alternately called as Madhya Pradesh Vanijyik Kar Adhiniyam, 1994. As per Section 5 of the Act the incidence of tax is on 1) every dealer whose turnover during a period of twelve months immediately preceding the commencement of this Act exceeds the limit specified in sub-section (5), shall from such commencement be liable to pay tax under this Act in respect of sales or supplies of goods effected in Madhya Pradesh. (2) Every dealer to whom sub-section (1) does not apply shall be liable to pay tax under this Act in respect of sales or supplies of goods effected in Madhya Pradesh with effect from the date on which his turnover in a year first exceeds the limit specified in sub-section (5) but for the purpose of assessment of the tax only so much of his turnover as is in excess of such limit, shall be taken into consideration. (3) Every dealer who is liable to pay tax under this Act shall continue to be so liable until the expiry of two consecutive years during each of which his turnover has not exceeded the limits specified in sub-section (5) and till such further period thereafter as may be prescribed and on the expiry of this later period his liability to pay tax shall cease. (4) Every dealer whose liability to pay tax under this Act has ceased under subsection (3) shall, if his turnover calculated from the commencement of any year again exceeds the limit specified in sub-section (5), be liable to pay tax under sub-section (2). (5) For the purpose of this Section, the limit shall be –

- a. in relation to a dealer who imports into the State goods other than lottery tickets of the value of not less than Rs.5, 000/- in a year - Fifty Thousand Rupees;
- b. in relation to a dealer who manufactures in a year any goods (other than such goods as may be notified by the State Government in this behalf) of the value not less than Rs.20, 000 - Fifty Thousand Rupees.
- c. in relation to a dealer being a co-operative society registered under any law for the time being in force relating to co-operative societies dealing exclusively in goods produced or manufactured by such society or its members without the aid of hired labour - One Lac Rupees.
- d. in relation to a dealer who enters into a works contract and in the execution thereof supplies goods (whether as goods or in some other form) - One Lac Rupees.
- e. in relation to a dealer not falling in clause (a), (b), (c) or (d) - One Lac Rupees.
- f. in relation to a dealer liable to pay tax under Section 9-A - Fifty Thousand Rupees.

In Madhya Pradesh the Commercial Tax Act, 1994 applies to the Chemical fertilizers thus it falls under entry 21, Schedule 2, Part 5 of the Act. The tax rate for the same is 4%.

### **Service Tax**

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services, as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5<sup>th</sup> / 6<sup>th</sup> of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25<sup>th</sup> of the month immediately following the half year to which the return relates.

### **Central Sales Tax Act (“CST”)**

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for Levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

### **Value Added Tax (“VAT”)**

VAT is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. 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 a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons Liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance. Our Company imports one of the raw material – Rock Phosphate required for manufacturing of SSP.

### **The Central Excise Act, 1944**

The Central Excise Act, 1944 (“Central Excise Act”) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

### **OTHER LAWS**

#### **Shops and establishments laws in various states**

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws 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.

## **ENVIRONMENTAL LEGISLATIONS**

### ***The Environment Protection Act, 1986 (“Environment Protection Act”)***

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

### ***Air (Prevention and Control of Pollution) Act, 1981***

Air (Prevention and Control of Pollution) Act 1981(“the Act”) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

### ***Water (Prevention and Control of Pollution) Act, 1974***

The Water (Prevention and Control of Pollution) Act 1974 (“the Act”) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

### ***Hazardous Waste (Management and Handling) Rules, 1989***

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

### ***The Public Liability Insurance Act, 1991***

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or



handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

### **National Environmental Policy, 2006**

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

### **INTELLECTUAL PROPERTY LEGISLATIONS**

In general the Intellectual Property Rights includes but is not limited to the following enactments:

- Indian Patents Act, 1970
- The Copyrights Act, 1957
- The Trademarks Act, 1999
- The Information Technology Act, 2000

#### **Indian Patents Act, 1970**

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

#### **The Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

#### **Trade Marks Act, 1999**

The Trade Marks Act, 1999 (the “**Trade Marks Act**”) provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and

obtaining relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

### **The Information Technology (“IT”) Act, 2000**

This Act aims to provide the legal infrastructure for e-commerce in India. And the cyber laws have a major impact for e-businesses and the new economy in India. So, it is important to understand what are the various perspectives of the IT Act, 2000 and what it offers. The Information Technology Act, 2000 also aims to provide for the legal framework so that legal sanctity is accorded to all electronic records and other activities carried out by electronic means. The Act states that unless otherwise agreed, an acceptance of contract may be expressed by electronic means of communication and the same shall have legal validity and enforceability.

### **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

### **POLICIES APPLICABLE**

#### **THE FOREIGN DIRECT INVESTMENT**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2016 (“**FDI Policy 2016**”), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. Further, DIPP has issued Press note 5, dated June 24, 2016 which introduces few changes in FDI Policy 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2016 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“**RBI**”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2016, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.



## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

*Certain forms and resolutions filed with Registrar of Companies (prior to 2006) are not traceable by our Company. With respect to this chapter these include forms and resolutions for incorporation and change in constitution of Company, change in registered office of Company, increase in authorised share capital, etc. Hence, this chapter is prepared based on the ROC search reports, data provided by management and to the best of information available.*

### Corporate Profile and Brief History

Our Company was originally formed and registered as a partnership firm under The Indian Partnership Act, 1932 in the name and style of 'Agro Phos (India)', pursuant to a deed of partnership dated February 10, 2001. Rajesh Kumar Gupta and Virendra Kumar Gupta were initial partners of Agro Phos (India). Ramesh Chand Suhane, Preeti Gupta, Neelam Gupta, Suman Gupta and Vikas Gupta were admitted as partners of the partnership firm vide supplementary partnership deed dated April 01, 2002.

Agro Phos (India) was thereafter converted from a partnership firm to a Private Limited Company under Part IX of the Companies Act, 1956 with the name of "Agro Phos (India) Private Limited" and received a Certificate of Incorporation issued by Registrar of Companies, Madhya Pradesh and Chhattisgarh on September 19, 2002 bearing Registration No. 015285. Subsequently our Company was converted into a Public Limited Company dated March 01, 2004 and the name of our Company was changed to "Agro Phos (India) Limited". The Corporate Identification Number of our Company is U24123MP2002PLC015285.

Rajesh Kumar Gupta, Virendra Kumar Gupta, Ramesh Chand Suhane, Preeti Gupta, Neelam Gupta, Suman Gupta and Vikas Gupta, were the initial subscribers to the Memorandum of Association of our Company.

Raj Kumar Gupta and Vishnu Kant Gupta are the promoters of our Company. Vishnu Kant Gupta was allotted shares of our Company on March 29, 2004. The details in this regard have been disclosed in the section "Capital Structure" on page 77 of this Prospectus.

Our Company is engaged in manufacturing of fertilizers such as Single Super Phosphate (SSP), Nitrogen Phosphate and Potassium (NPK), Organic manure and soil conditioner. Our Company is also engaged in trading of Diammonium Phosphate (DAP), Urea, Ammonium Sulphate and other fertilizers depending upon the demand of the customer.

For information on our Company's profile, activities, market, products, etc., market of each segment, capacity built-up, exports and profits due to foreign operations together with country wise analysis, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled 'Our Business', 'Financial Statements as Restated', 'Management's Discussion and Analysis of Financial Condition and Results of Operation', 'Government and Other Statutory Approvals' beginning on page 191, 261, 303 and 324 respectively of the Prospectus.

### CHANGES IN REGISTERED OFFICE OF OUR COMPANY

At the time of incorporation, our Registered Office was situated at 203, Bafana Tower, Opp. Taj Residency, Vijay Nagar, Indore. Subsequently, our Registered Office was shifted to:

| Effective Date    | From   | To  | Reasons                    |
|-------------------|--|---|----------------------------|
| December 24, 2002 | 203, Bafana Tower, Opp. Taj Residency, Vijay Nagar, Indore | M-87, Trade Centre 18, South Tukoganj, Indore | Administrative convenience |

Our Board of Directors approved change in our registered office as the change was within the local limits of city.

### KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

| Financial Year | Events   |
|----------------|--|
| 2002           | Incorporation of our Company                                 |
| 2004           | Conversion of company from Private Limited to Public Limited |
| 2015           | BIS certification  |
| 2015           | ISO 9001:2008 certification                                  |

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

- To carry in India or elsewhere the business to manufacture, process, produce, formulate, mix, disinfect, clean, wash, dilute, concentrate, compound, segregate pack, repack, add, remove, heat, grade, freeze, fermentate, reduce, improve, buy, sell, resell, import, export, barter, transport, store, forward, distribute, dispose, develop, handle, manipulate, market, procure, supply, treat, work and to act as agent, broker, representative, consultant, collaborator, adatia, stockists, liasioner, job worker, or otherwise and to deal in all types of gas based, bio sulphate, zinc, zinc ferrous, micronutrient fertilizers, natural or man made fertilizers and chemicals whether nitrogenous, phosphatic, potash or otherwise such as single super phosphate, triple super phosphate, mixtures of various fertilizers, phosphate rock, sodium silica, fluoride, lime rock phosphate, urea, sulphur, gypsum, silicon fluoride, vanadium pentoxide, coleuim, sulphuric acid, zinc sulphate, silicon dioxide, phosphoric acid, nitric acid, hydrochloric acid, soda ash, caustic soda, chlorine based chemicals, mixed fertilizers other allied chemicals used in ferilisers and chemical, industries and diammonium phosphate, monommonium phosphate, calcium chloride and other organic salts, by products, derivate, compounds, residues, waste, whether straight, complex or mixed and whether granulated.*
- To convert the business of M/s Agro Phos (India) into a Private Limited Company u/s 565 and 566 and 567 of chapter IX of the Companies Act, 1956*

**Since incorporation, the following changes have been made to our Memorandum of Association**

| Date of Shareholder's Approval | Amendment  |
|--------------------------------|--|
| September 30, 2003             | The authorised share capital of Rs. 10,00,000 consisting 1,00,000 Equity |



| Date of Shareholder's Approval | Amendment   |
|--------------------------------|---|
|                                | Shares of Rs. 10/- each was increased to Rs. 30,00,000 consisting of 3,00,000 Equity Shares of Rs. 10/- each.   |
| January 30, 2004               | The authorised share capital of Rs. 30,00,000 consisting 3,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 60,00,000 consisting of 6,00,000 Equity Shares of Rs. 10/- each.              |
| February 28, 2004              | Clause I of Memorandum of Association of Company was changed to reflect name change of the Company as Agro Phos India Limited on conversion of Company into a Public Limited Company                |
| March 29, 2005                 | The authorised share capital of Rs. 60,00,000 consisting 6,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 80,00,000 consisting of 8,00,000 Equity Shares of Rs. 10/- each.              |
| March 18, 2006                 | The authorised share capital of Rs. 80,00,000 consisting 8,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 1,00,00,000 consisting of 10,00,000 Equity Shares of Rs. 10/- each.           |
| March 30, 2009                 | The authorised share capital of Rs. 100,00,000 consisting 10,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 1,25,00,000 consisting of 12,50,000 Equity Shares of Rs. 10/- each.         |
| July 09, 2012                  | The authorised share capital of Rs. 125,00,000 consisting 12,50,000 Equity Shares of Rs. 10/- each was increased to Rs. 5,00,00,000 consisting of 50,00,000 Equity Shares of Rs. 10/- each.         |
| July 18, 2016                  | The authorised share capital of Rs. 5,00,00,000 consisting of 50,00,000 Equity Shares of Rs. 10/- each was increased to Rs 20,00,00,000 consisting of 2,00,00,000 Equity Shares of Rs 10/- each.    |
| October 14, 2016               | The authorised share capital of Rs. 20,00,00,000 consisting of 2,00,00,000 Equity Shares of Rs. 10/- each was increased to Rs 21,00,00,000 consisting of 2,10,00,000 Equity Shares of Rs 10/- each. |

#### **HOLDING COMPANY OF OUR COMPANY**

Our Company has no holding company as on this date of filing of this Prospectus.

#### **SUBSIDIARY COMPANY OF OUR COMPANY**

Our Company has no subsidiaries as on date of filing of this Prospectus.

#### **PROMOTERS OF OUR COMPANY**

The promoters of our Company are Raj Kumar Gupta and Vishnu Kant Gupta. For details, see “*Our Promoter and Promoter Group*” beginning on page 243 of this Prospectus.

#### **CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT**

For details regarding our capital raising activities through equity and debt, refer to the section titled “*Capital Structure*” beginning on page 77 of this Prospectus.

#### **INJUNCTIONS OR RESTRAINING ORDERS**

The Company is not operating under any injunction or restraining order.

#### **MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY**

Our Company has not merged/amalgamated itself nor has acquired any business/undertaking, since incorporation.

## **SHAREHOLDERS AGREEMENTS**

Our Company has not entered into any shareholders agreement as on date of filing of this Prospectus.

## **OTHER AGREEMENTS**

Our Company has not entered into any agreements/arrangement except under normal course of business of the Company, as on the date of filing of this Prospectus.

## **STRATEGIC/ FINANCIAL PARTNERS**

Our Company does not have any strategic/financial partner as on the date of filing of this 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 Prospectus.

## **CONVERSION OF LOANS INTO EQUITY SHARES**

There have been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Prospectus.

## **CHANGE IN ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS**

There has been no change in the activities of our Company since Incorporation.

## **STRIKES AND LOCKOUTS**

There have been no strikes or lockouts in our Company since incorporation.

## **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares including bonus shares by capitalizing any revaluation reserves.

## **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

As on the date of this Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

## **NUMBER OF SHAREHOLDERS**

Our Company has 46 shareholders as on date of this Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our Articles of Association we are required to have not less than 3 directors and not more than 15 directors, subject to the applicable provisions of the Companies Act. We currently have seven directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Prospectus:

| Sr. No. | Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN   | Date of Appointment as Director  | Other Directorship   |
|---------|--|--|--|
| 1.      | <b>Name:</b> Raj Kumar Gupta<br><b>Father's Name:</b> Pooran Chand Gupta<br><b>Age:</b> 41 Years<br><b>Designation:</b> Chairman and Managing Director<br><b>Address:</b> A-7 Mangal Murti Nagar Indore 452001 Madhya Pradesh, India<br><b>Occupation:</b> Business<br><b>Nationality:</b> Indian<br><b>DIN:</b> 00244925<br><b>Term:</b> 5 years i.e. From March 16, 2012 to March 15, 2017 | Initially appointed as Additional director on September 24, 2002<br><br>Regularised as Director on September 30, 2003<br><br>Designated as Managing Director on March 16, 2012 | <b>Public Limited Company</b><br>Nil<br><b>Private Limited Company</b> <ul style="list-style-type: none"> <li>Nafco Commodities Private Limited</li> <li>Techcronies Infotech Private Limited</li> </ul> |
| 2.      | <b>Name:</b> Vishnu Kant Gupta<br><b>Father's Name:</b> Ramesh Chand Suhane<br><b>Age:</b> 36 years<br><b>Designation:</b> Whole Time Director<br><b>Address:</b> RH-18, Scheme No. 54, Indore 452001 Madhya Pradesh, India.<br><b>Occupation:</b> Business<br><b>Nationality:</b> Indian<br><b>DIN:</b> 05233476<br><b>Term:</b> 5 years with effect from April 01, 2014                    | Initially appointed as Additional director on March 16, 2012<br><br>Designated as Whole Time Director on April 01, 2014  | <b>Public Limited Company</b><br>–<br>Nil<br><b>Private Limited Company</b><br>Nil   |
| 3.      | <b>Name:</b> Abhay Gupta<br><b>Father's Name:</b> Raj Kumar Gupta<br><b>Age:</b> 18 years<br><b>Designation:</b> Director<br><b>Address:</b> A-7 Mangal Murti Nagar, Navlakha Indore 452001 Madhya Pradesh, India  | Appointed as Additional Director on August 24, 2016.   | <b>Public Limited Company</b> - Nil<br><b>Private Limited Company</b> – Nil  |

| Sr. No. | Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN   | Date of Appointment as Director                      | Other Directorship   |
|---------|--|--|--|
|         | <b>Occupation:</b> Student<br><b>Nationality:</b> Indian<br><b>DIN:</b> 07595771<br><b>Term:</b> 5 years from August 24, 2016  |  |  |
| 4.      | <b>Name:</b> Mukesh Kumar Jhavar<br><b>Father's Name:</b> Ram Gopal Jhavar<br><b>Age:</b> 47 years<br><b>Designation:</b> Independent Director<br><b>Address:</b> Flat 502, 5th Floor Sector C, Scheme No. 71, Tirumala Classic, Sudama Nagar Indore- 452009 Madhya Pradesh, India<br><b>Occupation:</b> Business<br><b>Nationality:</b> Indian<br><b>DIN:</b> 00527049<br><b>Term:</b> 5 years with effect from August 16, 2016 | Appointed as Director on August 16, 2016             | <b>Public Limited Company</b><br>– <ul style="list-style-type: none"> <li>• Silver Oak (India) Limited</li> <li>• Cheers Breweries Limited</li> <li>• Royal Highland Distilleries Ltd</li> </ul> <b>Private Limited Company</b> <ul style="list-style-type: none"> <li>• Prem Cotgin Private Limited</li> <li>• Sudama Technologies Private Limited</li> </ul> |
| 5.      | <b>Name:</b> Vani Gupta<br><b>Father's Name:</b> Raj Narayan Gupta<br><b>Age:</b> 34 years<br><b>Designation:</b> Independent Director<br><b>Address:</b> 34, Kamla Kayenj Balkeshwar Agra -282004 Uttar Pradesh, India<br><b>Occupation:</b> Business<br><b>Nationality:</b> Indian<br><b>DIN:</b> 07590997<br><b>Term:</b> 5 years with effect from August 16, 2016  | Appointed as Independent director on August 16, 2016 | <b>Public Limited Company</b><br>Nil<br><b>Private Limited Company</b><br>Nil  |
| 6.      | <b>Name:</b> Vijay Singh Bharkatiya<br><b>Father's Name:</b> Chandan Singh Bharkatiya<br><b>Age:</b> 80 years<br><b>Designation:</b> Independent Director<br><b>Address:</b> 414-A Mahalaxmi   | Appointed as Independent director on August 16, 2016 | <b>Public Limited Company</b> <ul style="list-style-type: none"> <li>• Parag Fans And Cooling Systems Limited</li> <li>• Alfavision Overseas (India) Limited</li> <li>• Dollex Industries</li> </ul>   |

| Sr. No. | Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN  | Date of Appointment as Director | Other Directorship  |
|---------|---|---------------------------------|---|
|         | <p>Nagar Indore – 452001, Madhya Pradesh, India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 00017285</p> <p><b>Term:</b> 5 years with effect from August 16, 2016</p> |                                 | <p>Limited</p> <p><b>Private Limited Company</b></p> <ul style="list-style-type: none"> <li>Sai Kripa Sugar Mill Private Limited</li> <li>Khandwa Bio - Tech Private Limited</li> </ul> |

## BRIEF BIOGRAPHIES OF OUR DIRECTORS

### i. **Raj Kumar Gupta**

Raj Kumar Gupta, aged 41 years is the Director of our Company since September 24, 2002. He has been appointed as Managing Director of our Company with effect from March 16, 2012. He has an experience of more than a decade in the fertilizer industry. He is the guiding force behind the strategic decisions of our Company. His scope of work includes business development and management of overall business as well as financial operations of our Company.

### ii. **Vishnu Kant Gupta**

Vishnu Kant Gupta, aged 36 years is the Director of our Company since March 16, 2012. He has been appointed as Whole Time Director of our Company with effect from April 01, 2014. He has completed his Bachelors in Physiotherapy from Barkatullah University. His scope of work includes management of organizational finances.

### iii. **Abhay Gupta**

Abhay Gupta, aged 18 years has been appointed as Additional director of our Company with effect from August 24, 2016.

### iv. **Mukesh Kumar Jhavar**

Mukesh Kumar Jhavar, aged 47 years has been appointed as Independent Director of our Company with effect from August 16, 2016.

### v. **Vani Gupta**

Vani Gupta, aged 34 years has been appointed as Independent Director of our Company with effect from August 16, 2016.

### vi. **Vijay Singh Bhakartiya**

Vijay Singh Bhakartiya, aged 80 years has been appointed as Independent Director of our Company with effect from August 16, 2016.

## CONFIRMATIONS

As on the date of this Prospectus:

1. None of the Directors of the Company are related to each other within the meaning of section 2(77) of the Companies Act, 2013 except as mentioned below:

#### **FAMILY RELATIONSHIP BETWEEN DIRECTORS**

| <b>Name of Director</b> | <b>Name of the other Director</b> | <b>Family Relation</b> |
|-------------------------|-----------------------------------|------------------------|
| Raj Kumar Gupta         | Abhay Gupta                       | Father- Son            |

2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of our Directors are on the RBI List of willful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.
6. 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.

#### **REMUNERATION/COMPENSATION/COMMISSION PAID TO DIRECTORS**

During the last financial year ended on March 31, 2016, the directors have been paid gross remuneration as follows.

| <b>Name of Director</b> | <b>Remuneration paid during FY 2015-16 (Rupees in lakhs)</b> |
|-------------------------|--|
| Raj Kumar Gupta         | 15.00  |
| Vishnu Kant Gupta       | 7.50   |

#### **Compensation of our Managing Director**

The compensation payable to our Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 198, 309, 310, 311 read with provisions contained in Schedule XIII of the Companies Act, 1956.

#### **Terms and conditions of employment of our Chairman and Managing Director Raj Kumar Gupta**

Raj Kumar Gupta was designated as Chairman and Managing Director of the company vide shareholder resolution in Extraordinary General Meeting dated March 16, 2012 at remuneration of Rs 75, 000/- per month for a period of 5 years commencing from March 16, 2012.

The Managing Director shall be eligible for reimbursement of medical expenses incurred for self and family subject to ceiling of Rs 75,000/- per annum or Rs 3,75,000/- over a period of 5 years.

The Managing Director shall also be eligible for Bonus @ 8.33% of salary, if declared.

#### **Terms and conditions of employment of our Whole Time Director Vishnu Kant Gupta**



Vishnu Kant Gupta was designated as Whole Time Director of the company vide shareholder resolution in Extraordinary General Meeting dated March 24, 2014 at remuneration of Rs 60, 000/- per month for a period of 5 years with effect from April 01, 2014.

The Whole Time Director shall be eligible for reimbursement of medical expenses incurred for self and family subject to ceiling of Rs 60,000/- per annum.

The Whole Time Director shall also be eligible for Bonus @ 8.33% of salary, if declared.

## SHAREHOLDING OF OUR DIRECTORS IN THE 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 Prospectus:

| Sr. No. | Name of the Director | No. of Equity Shares | % of Pre Issue Equity Share Capital | % of Post Issue Equity Share Capital |
|---------|----------------------|----------------------|-------------------------------------|--------------------------------------|
| 1.      | Raj Kumar Gupta      | 40,75,435            | 28.00                               | 20.10                                |
| 2.      | Vishnu Kant Gupta    | 15,96,075            | 11.00                               | 7.87                                 |
| 3.      | Abhay Gupta          | 4,07,520             | 2.83                                | 2.01                                 |

## INTERESTS OF DIRECTORS

### Interest in Promotion of the Company

Our Directors, Raj Kumar Gupta and Vishnu Kant Gupta may be deemed to be interested to the extent of being Promoters of our Company. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. For further details, refer to chapters titled “*Our Promoter and Promoter Group*” and “*Related Party Transaction*” beginning on page 243 and 259 of this Prospectus.

### Interest by way of Remuneration from the Company

Our Executive Directors, Raj Kumar Gupta and Vishnu Kant Gupta may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses payable to them. For details, see “*Remuneration/Compensation of Directors*” above. Further, our Independent Directors are entitled to receive sitting fees for attending meetings of our Board within the limits laid down in the Companies Act, 2013 and as decided by our Board subject to Articles of Association. Further, except as disclosed above none of our Directors hold any Equity Shares in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said equity shares, if any. Except as stated in the chapters “*Our Management*” and “*Related Party Transactions*” beginning on pages 227 and 259 respectively of this Prospectus and described herein above, our Directors do not have any other interest in the business of our Company. Our Directors are not interested in the appointment of or acting as Underwriters, Registrar and

Bankers to the Issue or any such intermediaries registered with SEBI. Some of our directors may be interested to the extent of any loans provided to the company and interest payable on the same.

#### **Interest by way of sitting fees.**

The Articles of Association of our Company provides that payment of sitting fees to Directors for attending a meeting of the Board or a Committee thereof and shall be decided by the Board of Directors from time to time.

### **PROPERTY INTEREST**

Except as stated/referred to in the heading titled “*Land and Property*” under the chapter titled “*Our Business*” beginning on page 191 and chapter titled “*Related Party Transaction*” on page 259 of the Prospectus, our Directors have not entered into any contract, agreement or arrangements within a period of two years preceding the date of 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. Further our Directors do not have any interest in any immovable property to be acquired by the Company except other wise disclosed in the heading titled “*Land and Property*” under the chapter titled “*Our Business*” beginning on page 191 of the Prospectus.

### **INTEREST IN THE BUSINESS OF OUR COMPANY**

Save and except as stated otherwise in “*Related Party Transactions*” in the chapter titled “*Financial Statements as Restated*” beginning on page 261 of this Prospectus, our Directors do not have any other interests in our Company as on the date of this Prospectus

### **SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES**

Our Company does not have a subsidiary or Associate Company as on date of filing this Prospectus.

### **CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS**

Following are the changes in directors of our Company in last three years prior to the date of this Prospectus:

| <b>Name</b>            | <b>Date of event</b> | <b>Nature of event</b> | <b>Reason</b>                                  |
|------------------------|----------------------|------------------------|--|
| Nitin Suhane           | June 03, 2013        | Appointment            | Appointed as Additional Director               |
| Nitin Suhane           | July 01, 2013        | Resignation            | Resignation as Director                        |
| Vishnu Kant Gupta      | April 01, 2014       | Change in Designation  | Designated as Whole Time Director              |
| Uma Gupta              | March 05, 2016       | Appointment            | Appointment as Additional Director             |
| Vikas Gupta            | March 05, 2016       | Resignation            | Resignation as Director                        |
| Mukesh Kumar Jhawar    | August 16, 2016      | Appointment            | Appointment as Additional Independent Director |
| Vani Gupta             | August 16, 2016      | Appointment            | Appointment as Additional Independent Director |
| Vijay Singh Bharkatiya | August 16, 2016      | Appointment            | Appointment as Independent Director            |
| Uma Gupta              | August 24, 2016      | Resignation            | Resignation as Additional Director             |
| Abhay Gupta            | August 24, 2016      | Appointment            | Appointment as Additional                      |



| Name | Date of event | Nature of event | Reason   |
|------|---------------|-----------------|----------|
|      |               |                 | Director |

## BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at an Extra- Ordinary General Meeting of our Company held on August 27, 2016 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made thereunder, consent of Members be and is hereby accorded to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the company and free reserve, that is to say, reserves not set apart for any specific purposes, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of Rs. 100.00 crores.

## CORPORATE GOVERNANCE

The provisions of the SEBI Listing Regulations will be applicable to our Company immediately upon the listing of our Equity Shares with NSE. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Chapter IV of the SEBI Listing Regulations as may be applicable.

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 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, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Currently our Board has six directors out of which three are Independent Directors. The constitution of our Board is in compliance with the requirements of Regulation 17 of the SEBI Listing Regulations and as per section 149 of the Companies Act, 2013.

**The following committees have been formed in compliance with the corporate governance norms:**

- A) Audit Committee
- B) Stakeholders Relationship Committee
- C) Nomination and Remuneration Committee
- A) *Audit Committee*

Our Company has constituted an audit committee ("Audit Committee"), as per section 177 of the Companies Act 2013 vide resolution passed in the meeting of the Board of Directors dated August 16, 2016. The constituted Audit Committee comprises following members:

| Name of the Director   | Status   | Nature of Directorship |
|------------------------|----------|------------------------|
| Vijay Singh Bharkatiya | Chairman | Independent Director   |
| Mukesh Kumar Jhavar    | Member   | Independent Director   |
| Vani Gupta             | Member   | Independent Director   |

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers/responsibilities:

- a. To investigate any activity within its terms of reference.
- b. To seek information from any employee.
- c. To obtain outside legal or other professional advice, and
- d. To secure attendance of outsiders with relevant expertise if it considers necessary

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations  
Statement of significant related party transactions (as defined by the audit committee),  
submitted by management;
- b. Statement of significant related party transactions (as defined by the Audit Committee),  
submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory  
auditors;
- d. Internal Audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The role of the Audit Committee not limited to but includes:

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are 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. Approving payment to statutory auditors for any other services rendered by the statutory auditors;
4. Approving initial or any subsequent modification of transactions of the Company with related parties;
5. Scrutinizing inter-corporate loans and investments;
6. Valuation of undertakings or assets of the Company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters;
9. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 314 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices along with reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions; and
  - g) Qualifications in the draft audit report.
10. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
  11. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
  13. 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;
  14. Discussing with the internal auditors any significant findings and follow up there on;
  15. 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;
  16. Discussing with the 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;
  17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
  19. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  20. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
  21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

#### **Meeting of Audit Committee and relevant Quorum**

The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven day's notice in advance.

#### **Tenure:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### **D) Stakeholder's Relationship Committee**

Our Company has constituted a shareholder / investors grievance committee ("*Stakeholders' Relationship Committee*") to redress complaints of the shareholders. The Stakeholders Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on August 16, 2016.

The Stakeholder's Relationship Committee comprises the following Directors:

| <b>Name of the Director</b> | <b>Status</b> | <b>Nature of Directorship</b> |
|-----------------------------|---------------|-------------------------------|
| Vani Gupta                  | Chairman      | Independent Director          |
| Vijay Singh Bharkatiya      | Member        | Independent Director          |
| Mukesh Kumar Jhavar         | Member        | Independent Director          |

The Company Secretary of our Company shall act as a Secretary to the Stakeholder's Relationship Committee.

The scope and function of the Stakeholder's Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholder/ Investor Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder / Investor Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholder/ Investor Relationship Committee shall meet at least at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
  1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized;

2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
3. Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances;
4. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties;
5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Probation of insider Trading) Regulations, 1992 as amended from time to time;
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting;
8. Carrying out any other function contained in the SME equity listing agreement as and when amended from time to time.

#### **E) Nomination and Remuneration Committee**

Our Company has constituted a Nomination and Remuneration Committee in accordance section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on August 16, 2016. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

| <b>Name of Director</b> | <b>Designation in Committee</b> | <b>Nature of Directorship</b> |
|-------------------------|---------------------------------|-------------------------------|
| Mukesh Kumar Jhavar     | Member                          | Independent Director          |
| Vijay Singh Bharkatiya  | Chairman                        | Independent Director          |
| Vani Gupta              | Member                          | Independent Director          |

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

- A. **Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. **Meetings:** The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration/Compensation Committee shall be called by at least seven day's notice in advance.

The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration Committee shall be called by at least seven day's notice in advance.

**C. Terms of Reference:**

- Identify persons who are qualified to become Directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment ad removal and shall carry out evaluations of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for directors, Key Managerial Personnel and other employees;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose;
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc;
- To formulate and administer the Employee Stock Option Scheme.
- Formulate the assessment/evaluation criteria for performance evaluation of the Directors of the Company;
- Devise a policy on the Board diversity;
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;

**F) Corporate Social Responsibility Committee**

Our Company has constituted a Corporate Social Responsibility Committee in accordance section 135 of Companies Act 2013. The constitution of the Corporate Social Responsibility Committee was approved by a Meeting of the Board of Directors held on August 16, 2016. The said committee is comprised as under:

The Corporate Social Responsibility Committee comprises the following Directors:

| Name of Director       | Designation in Committee | Nature of Directorship |
|------------------------|--------------------------|------------------------|
| Raj Kumar Gupta        | Chairman                 | Managing Director      |
| Vishnu Kant Gupta      | Member                   | Whole Time Director    |
| Vijay Singh Bharkatiya | Member                   | Independent Director   |

- A. **Tenure:** The Corporate Social Responsibility Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

- B. **Meetings:** The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Corporate Social Responsibility Committee shall be called by at least seven day's notice in advance.

The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Corporate Social Responsibility Committee shall be called by at least seven day's notice in advance.

C. **Terms of Reference:**

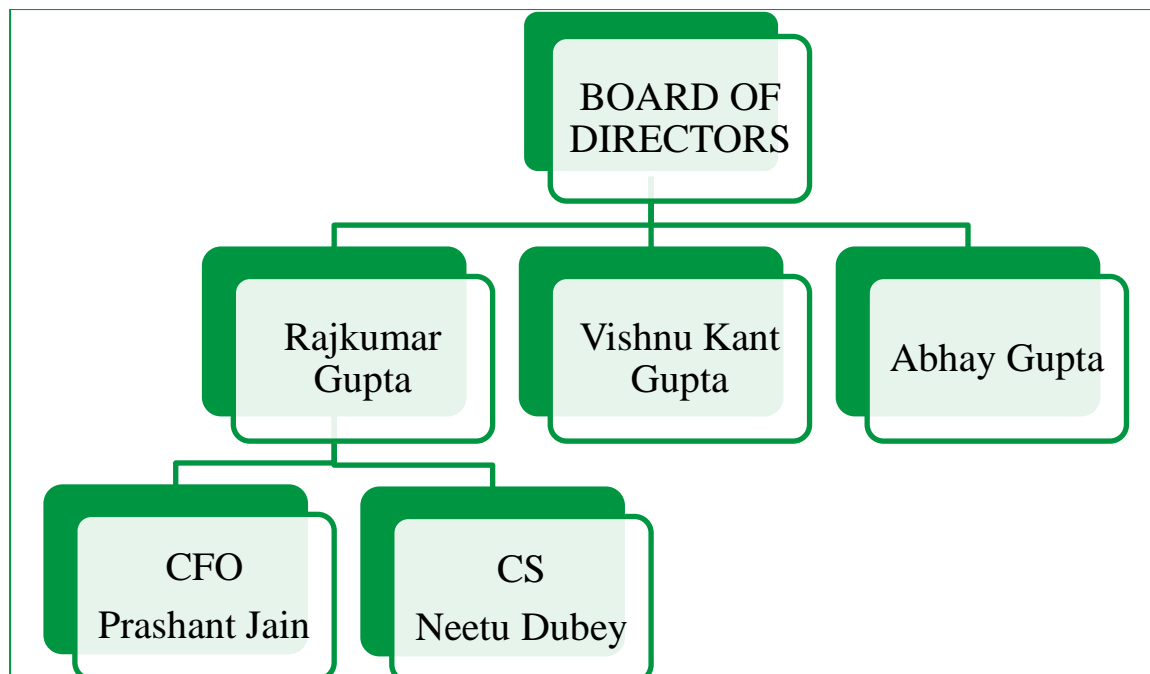
- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy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

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

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on NSE Emerge. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

Neetu Dubey, Company Secretary & Compliance Officer, will be 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.

## ORGANIZATIONAL STRUCTURE



## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

**The details of our Key Managerial Personnel are set out below:**

**a. Raj Kumar Gupta, Managing Director**

Raj Kumar Gupta, aged 41 years is the Director of our Company since September 24, 2002. He has been appointed as Managing Director of our Company with effect from March 16, 2012. He has an experience of more than a decade in the fertilizer industry. He is the guiding force behind the strategic decisions of our Company. His scope of work includes business development and management of overall business as well as financial operations of our Company.

**b. Vishnu Kant Gupta, Whole Time Director**

Vishnu Kant Gupta, aged 36 years is the Director of our Company since March 16, 2012. He has been appointed as Whole Time Director of our Company with effect from April 01, 2014. He has completed his Bachelors in Physiotherapy from Barkatullah University. His scope of work includes management of organizational finances.

**c. Prashant Jain, Chief Financial Officer**

Prashant Jain, aged 24 years, is the Chief Financial Officer of our Company. He has been appointed as Chief Financial Officer of our Company with effect from August 16, 2016 He is responsible for handling the financial operations of the Company.

**d. Neetu Dubey, Company Secretary**



Neetu Dubey, aged 26 years, is the Company Secretary of our Company. She has been appointed as Company Secretary of our Company with effect from August 16, 2016. She is entrusted with the responsibility of handling corporate secretarial functions of our Company.

#### **RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

None of the Key Managerial Personnel's are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of the Key Managerial Personnel are permanent employees of our company.

#### **RELATIONSHIPS OF DIRECTORS/ AND PROMOTERS WITH KEY MANAGERIAL PERSONNEL**

Except as mentioned below, None of our Directors of the Company are related to the Key Managerial Personnel within the meaning of section 2(77) of the Companies Act, 2013.

| Name of Director | Name of Key Managerial Personnel | Family Relation |
|------------------|----------------------------------|-----------------|
| Abhay Gupta      | Raj Kumar Gupta                  | Son- Father     |

#### **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

#### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Prospectus.

| Sr. No. | Name of the Director | No. of Equity Shares | % of Pre Issue Equity Share Capital | % of Post Issue Equity Share Capital |
|---------|----------------------|----------------------|-------------------------------------|--------------------------------------|
| 1.      | Raj Kumar Gupta      | 40,75,435            | 28.00                               | 20.10                                |
| 2       | Vishnu Kant Gupta    | 15,96,075            | 11.09                               | 7.87                                 |

#### **REMUNERATION/ COMPENSATION TO KEY MANAGERIAL PERSONNEL**

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Prospectus.

| Name of the Key Managerial Personnel | Remuneration paid during FY 2015-16 (Rupees in Lakhs) |
|--------------------------------------|---|
| Raj Kumar Gupta                      | 15.00   |
| Vishnu Kant Gupta                    | 7.50  |

#### **BONUS OR PROFIT SHARING PLAN OF THE DIRECTORS/ KEY MANAGERIAL PERSONNEL**

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Directors, Key Managerial Personnel.

### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL**

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

### **LOANS TO KEY MANAGERIAL PERSONNEL**

The Company has not given any loans and advances to the Key Managerial Personnel as on the date of this Prospectus.

### **INTEREST OF KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel of our Company have interest in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon, if any.

Except as disclosed in this Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated in the heading titled “*Related Party Transactions*” under the Section titled “Financial Statements as Restated” beginning on page 261 of this Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

### **CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS**

The Changes in the Key Managerial Personnel in the last three years are as follows:

| <b>Name</b>       | <b>Date of appointment</b> | <b>Nature of event</b> | <b>Reason</b>                        |
|-------------------|----------------------------|------------------------|--------------------------------------|
| Vishnu Kant Gupta | April 01, 2014             | Change in designation  | Designated as Whole Time Director    |
| Prashant Jain     | August 16, 2016            | Appointment            | Appointed as Chief Financial Officer |
| Neetu Dubey       | August 16, 2016            | Appointment            | Appointment as Company Secretary     |

Other than the above changes, there have been no changes to the KMP of our company that are not in the normal cause of employment.

### **ESOP/ESPS SCHEME TO EMPLOYEES**

Presently, we do not have any ESOP/ESPS Scheme for employees.

### **PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)**

Except as disclosed in the heading titled “*Related Party Transactions*” in the section titled “*Financial Statements as Restated*” beginning on page 261 of this Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTERS

Our Company is promoted by Raj Kumar Gupta and Vishnu Kant Gupta.

**Brief profile of our individual Promoter is as under:**

|   |   |
|---|---|
|    | <p><b>Raj Kumar Gupta, Promoter, Chairman and Managing Director</b><br/>Raj Kumar Gupta, aged 41 years is the Director of our Company since September 24, 2002. He has been appointed as Managing Director of our Company with effect from March 16, 2012. He has an experience of more than a decade in the fertilizer industry. He is the guiding force behind the strategic decisions of our Company. His scope of work includes business development and management of overall business as well as financial operations of our Company.</p> <p><b>Passport No:</b> H1192489<br/><b>Driving License:</b> MP09/029514/03<br/><b>Voters ID:</b> Not available</p> <p><b>Address:</b> A-7 Mangal Murti Nagar Indore 452001 Madhya Pradesh, India</p> <p>For further details relating to Raj Kumar Gupta, including terms of appointment as our Managing Director, other directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 227 of this Prospectus.</p> |
|  | <p><b>Vishnu Kant Gupta, Promoter and Whole Time Director</b><br/>Vishnu Kant Gupta, aged 36 years is the Director of our Company since March 16, 2012. He has been appointed as Whole Time Director of our Company with effect from April 01, 2014. He has completed his Bachelors in Physiotherapy from Barkatullah University. His scope of work includes management of organizational finances.</p> <p><b>Passport No:</b> L5161137<br/><b>Driving License:</b> V/9627/R<br/><b>Voters ID:</b> STI8993917</p> <p><b>Address:</b> RH-18, Scheme No. 54, Indore 452001 Madhya Pradesh, India.</p> <p>For further details relating to Vishnu Kant Gupta, including terms of appointment as our Director, other Directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 227 of this Prospectus.</p>   |

### DECLARATION

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters have been submitted to the Stock Exchange at the time of filing of the

Draft Red Herring Prospectus with it.

## UNDERTAKING/ CONFIRMATIONS

Our Promoters and the members of our Promoter Group have not been debarred from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. None of our Promoters was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Further, none of our Promoters, the relatives of our Promoters (as defined under the Companies Act) nor our Group Companies have been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against him.

## INTEREST OF PROMOTERS

### Interest in promotion of our Company

Our Promoters may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. For further details, refer to Annexure “*Related Party Transactions*” under the chapter titled “*Financial Statement as Restated*” and chapter titled “*Our Promoter and Promoter Group*” beginning on page 261 and 243 respectively of this Prospectus.

### Interest in the property of our Company

Our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of filing the Prospectus with RoC.

### Interest as member of our Company

As on date of this Prospectus, our Promoters together hold 56,71,510 Equity Shares in our Company i.e. 39.40 % of the pre Issue paid up Equity Share capital of our Company. Therefore, our Promoters are interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

### Interest as Director of our Company

Except as given in the chapters titled “*Our Management*”, “*Financial Statements as Restated*” and “*Capital Structure*” beginning on pages 227, 261 and 77 respectively of this Prospectus, our Promoters / Director, may deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and AoA of our Company.

### Interest as Key Managerial Personnel of our Company.

Raj Kumar Gupta is the Chairman and Managing Director and Vishnu Kant Gupta is the Whole Time Director of our Company and hence both are Key Managerial Personnels of our Company may be deemed to be interested to the extent of remuneration, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and AoA of our Company. For further details,



please refer to chapters titled “*Our Management*” and “*Related Party Transaction*” beginning on page 227 and 259 respectively of this Prospectus.

### **Interest in transactions involving acquisition of land**

Except as stated/referred to in the heading titled “Land and Property” under the chapter titled ‘Our Business’ beginning on page 191 of this Prospectus, our Promoters have not entered into any contract, agreement or arrangements in relation to acquisition of property, within the two years from the date of the Prospectus in which the Promoters 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.

### **Other Indirect Interest**

Except as stated in chapter titled “*Financial Statements as Restated*” beginning on page 261 of this Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Promoters.

### **Payment of benefits to our Promoters and Promoter Group during the last two years**

Other than in the normal course of business including any advances or commission paid and except as stated in “*Financial Statements as Restated*” beginning on page 261 of this Prospectus, there has been no payment of any amount of benefits to our Promoters or the members of our Promoter Group during the last two years from the date of the Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter group as on the date of the Prospectus.

## **OUR PROMOTER GROUP**

Our Promoter Group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations is as under:

### **A. Individuals related to our Promoter:**

| <b>Relationship with Promoters</b> | <b>Raj Kumar Gupta</b>  | <b>Vishnu Kant Gupta</b>   |
|------------------------------------|---|--|
| Father                             | -   | Ramesh Chand Suhane  |
| Mother                             | -   | Asha Devi Gupta  |
| Brother                            | <ul style="list-style-type: none"> <li>• Ramesh Chand Suhane</li> <li>• Rakesh Kumar Suhane</li> <li>• Rajesh Kumar Suhane</li> <li>• Vinod Kumar Suhane</li> </ul>   | <ul style="list-style-type: none"> <li>• Nitin Gupta</li> </ul>                            |
| Sister                             | <ul style="list-style-type: none"> <li>• Veni Devi Gupta</li> <li>• Vidhiyadevi Gupta</li> <li>• Sheela Gupta</li> <li>• Meera Nahar</li> <li>• Ramdevi Nikhara</li> <li>• Kiran Barsaiya</li> <li>• Uma Gupta</li> <li>• Usha Gupta</li> </ul> | <ul style="list-style-type: none"> <li>• Shobha Gupta</li> <li>• Anuradha Gupta</li> </ul> |
| Spouse                             | <ul style="list-style-type: none"> <li>• Uma Gupta</li> </ul>   | <ul style="list-style-type: none"> <li>• Sharddha Gupta</li> </ul>                         |

| Relationship with Promoters | Raj Kumar Gupta  | Vishnu Kant Gupta  |
|-----------------------------|--|--|
| Father                      | -  | Ramesh Chand Suhane  |
| Mother                      | -  | Asha Devi Gupta  |
| Daughter                    | <ul style="list-style-type: none"> <li>Shreya Gupta</li> <li>Arpita Gupta</li> <li>Samiksha Gupta</li> </ul> | -  |
| Son                         | <ul style="list-style-type: none"> <li>Abhay Gupta</li> <li>Aditya Gupta</li> </ul>                          | <ul style="list-style-type: none"> <li>Granth Gupta</li> </ul>                     |
| Spouse's Father             | <ul style="list-style-type: none"> <li>Jagdishchandra Gupta</li> </ul>                                       | <ul style="list-style-type: none"> <li>Rajiv Lochan Gupta</li> </ul>               |
| Spouse's Mother             | <ul style="list-style-type: none"> <li>Urmila Gupta</li> </ul>   | <ul style="list-style-type: none"> <li>Meera Gupta</li> </ul>                      |
| Spouse's Brother            | <ul style="list-style-type: none"> <li>Devendra Gupta</li> <li>Rahul Gupta</li> </ul>                        | <ul style="list-style-type: none"> <li>Pankaj Seth</li> <li>Neeraj Seth</li> </ul> |
| Spouse's Sister*            | <ul style="list-style-type: none"> <li>Geeta Gupta</li> <li>Poonam Gupta</li> </ul>                          | -  |

#### B. In the case of our Individual Promoter: Raj Kumar Gupta

| Nature of Relationship  | Entity   |
|---|--|
| Any body corporate in which 10% or more of the equity share capital is held by the Promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the Promoter or any one or more of his immediate relative is a member | <ul style="list-style-type: none"> <li>a. Madhav Agrochem Private Limited</li> <li>b. Mahadhan Phosphate Private Limited</li> <li>c. Nafco Commodities Private Limited</li> <li>d. Suhane Agro India Private Limited</li> <li>e. Suhane Buildcon India Private Limited</li> <li>f. R.R Deal Infracon Private Limited</li> <li>g. Arisent Hybrids &amp; Fertilisers Private Limited</li> <li>h. Technoies Private Limited</li> </ul>  |
| Any body corporate in which a body corporate as mentioned above holds 10% or more, of the equity share capital  | Nil  |
| Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 10%  | <ul style="list-style-type: none"> <li>a. Rajesh Kumar Suhane HUF</li> <li>b. Ramesh Chand Suhane HUF</li> <li>c. Raj Kumar Gupta HUF</li> <li>d. Rakesh Kumar Suhane HUF</li> <li>e. Vinod Kumar Suhane HUF</li> <li>f. Vishnu Kant Gupta HUF</li> <li>g. Madhav Sales Corporation</li> <li>h. Mahadan Nutrients and Seeds Corporation</li> <li>i. Shreenathji Logistics</li> <li>j. Suhane Housing and Construction Company</li> <li>k. Vinod Sales Corporation</li> </ul> |



| Nature of Relationship | Entity                   |
|------------------------|--------------------------|
|                        | 1. Vinod Trading Company |

### C. In case of Individual Promoter : Vishnu Kant Gupta

| Nature of Relationship  | Entity  |
|---|---|
| Any body corporate in which 10% or more of the equity share capital is held by the Promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the Promoter or any one or more of his immediate relative is a member | a. Suhane Buildcon India Private Limited<br>b. Suhane Agro India Private Limited  |
| Any body corporate in which a body corporate as mentioned above holds 10% or more, of the equity share capital  | Nil   |
| Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 10%  | a. Vishnu Kant Gupta HUF<br>b. Nitin Gupta HUF<br>c. Pankaj Jewellers<br>d. Ramesh Chand Suhane HUF<br>e. Vinod Trading Company<br>f. Suhane Housing and Construction Company |

### RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Except as disclosed herein, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

| Promoter        | Director    | Relationship |
|-----------------|-------------|--------------|
| Raj Kumar Gupta | Abhay Gupta | Father- Son  |

### CHANGES IN CONTROL

Raj Kumar Gupta and Vishnu Kant Gupta were initially allotted shares of our Company on September 24, 2002 and March 29, 2004, respectively. Since then, there has been no change in the management or control of our Company.

For details on litigations and disputes pending against the Promoters and defaults made by them, please refer to the section titled "*Outstanding Litigation and Material Developments*" beginning on page 316 of this Prospectus.

## OUR GROUP COMPANIES

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of 'Group Companies', our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and other companies as per the policy adopted by our Board. Pursuant to a resolution dated August 16, 2016, our Board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Accounting Standard 18 no other Company is material in nature.

For avoidance of doubt, it is clarified that the Promoters and subsidiaries of our Company shall not be considered 'Group Companies'.

### Our Group Companies:

The details of our Group Companies are provided below:

#### 1. MADHAV AGRO-CHEM PRIVATE LIMITED (MACPL)

Madhav Agro-Chem Private Limited is a Private Company incorporated on July 24, 2008 under the provisions of Companies Act, 1956 and has its registered office at 203, Vastu Vaibhav Complex, G.E. Road, Raipur, Chattisgarh-4920041. The current paid up capital of Madhav Agro-Chem Private Limited is Rs. 24.10 lakhs. The Corporate Identification Number of MACPL is U24120CT2008PTC020771.

### Board of Directors as on the date of this Prospectus:

1. Vinod Kumar Gupta
2. Preeti Gupta

### Main Object:

1. To carry on in India and elsewhere the business to manufacture, process, produce, formulate, mix, disinfect, clean, wash, dilute, concentrate, compound, segregate, pack, repack, add, remove, heat, grade, freeze, fermentate, reduce, improve, reduce, buy-sell, re-sell, import, export, barter, transport, store, forward, distribute, dispose, develop, handle, manipulate, market, procure, supply, treat, work and to act as agent, broker, representative, consultant, collaborator, adhatia, stockiest, liasioner, job worker, or otherwise and to deal in all types of gas based, bio sulphate, zinc, zinc ferrous, micronutrient fertilizer, natural or manmade fertilizers, organic and non organic fertilizers, manure and chemicals, pesticides whether nitrogious, phosphatic, potash or otherwise such as single super phosphate, triple super phosphate, mixture of various fertilisers, phosphate rock, sodium silica, fluoride, lime rock phosphate, urea, sulphur, gypsum, silicon fluoride, vanadium pent oxide, coleuim, sulphuric acid, zinc sulphate, silicon dioxide, phosphoric acid, nitric acid, hydrochloric acid, soda ash, caustic soda, chlorine based chemicals, mixed fertilizers other allied chemicals used in fertilizers and chemicals, dominium phosphate, monomaniam phosphate, calcium chloride, and other organic salts, by products, derivates, compounds, residues, waste, whether straight, complex or mixed and whether granulated.



## Financial Performance

(Rs in Lakhs.)

| Particulars              | 2012-13 | 2013-14 | 2014-15 |
|--------------------------|---------|---------|---------|
| Paid Up Capital          | 24.10   | 24.10   | 24.10   |
| Reserves and Surplus     | 114.20  | 119.91  | 128.05  |
| Net Asset Value (In Rs.) | 57.38   | 59.75   | 106.26  |

## NATURE AND EXTENT OF INTEREST OF PROMOTERS

Vinod Kumar Gupta, brother of our Promoter & Managing Director Raj Kumar Gupta, holds 85,500 equity shares constituting 35.48% of total number of shares of Madhav Agro-Chem Private Limited.

### 2. Mahadhan Phosphate Private Limited:

Mahadhan Phosphate Private Limited is a Private Company incorporated on November 30, 2007 under the provisions of Companies Act, 1956 and its registered office is situated at 11-B, Ramakrishna Tower, Indira Complex, Indore, Madhya Pradesh- 452001. The current paid up capital of the company is Rs. 140.00 lakhs. The Corporate Identification Number of the company is U51497MP2007PTC020053.

### Board of Directors as on the date of this Prospectus:

1. Rajesh Chand Suhane
2. Daulal Mahajan
3. Ramprakash Tripathi
4. Bhumanesh Pandey

### Main Object:

1. To carry on the business of manufacturer process, produce, formulate, mix, disinfect, clean, wash, dilute, concentrate, compound, segregate, pack, remove, repack, add, heat, grade, freeze, fermented, reduce, improve, sale, purchase, import, export, barter, store, forward, distribute, dispose, develop, handle, manipulate, market, procure, supply, treat, work and to act as agent, broker, representative, consultant, collaborator, stockiest, job worker, in all types of phosphate, potash such as Single Super Phosphate, triple Super Phosphate, NPK and allied products, mixtures of various fertilizers, phosphate rock, sodium, silica, fluoride, lime rock phosphate, urea, sulphur, gypsum, silicon fluoride, vanadium pentoxide, coleuiem sulphuric acid, Zinc sulphate, all types of gas based bio sulphate, zinc ferrous micronutrient fertilizers natural or man made fertilizers and chemicals, silicon dioxide, phosphoric acid, nitric acid, hydrochloric acid, soda ash, caustic soda, chlorine based chemicals, mixed fertilizers other allied chemicals used in fertilizers and chemicals, industries and diammonium phosphate, monomonium phosphate, calcium chloride and other organic salt by products, derivatives, compounds, residues, waste whether straight, complex or mixed or granulated. To carry on the business of manufacturer process, produce, formulate, mix, disinfect, clean, wash, dilute, concentrate, compound, segregate, pack, remove, repack, add, heat, grade, freeze, fermented, reduce, improve, sale, purchase, import, export, barter, store, forward, distribute, dispose, develop, handle, manipulate, market, procure, supply, treat, work and to act as agent, broker, representative, consultant, collaborator, stockiest, job worker, in all types of phosphate, potash such as Single Super Phosphate, triple Super Phosphate, NPK and allied products, mixtures of various fertilizers, phosphate rock, sodium, silica, fluoride, lime rock phosphate,

urea, sulphur, gypsum, silicon fluoride, vanadium pentoxide, coleuiem sulphuric acid, Zinc sulphate, all types of gas based bio sulphate, zinc ferrous micronutrient fertilizers natural or man made fertilizers and chemicals, silicon dioxide, phosphoric acid, nitric acid, hydrochloric acid, soda ash, caustic soda, chlorine based chemicals, mixed fertilizers other allied chemicals used in fertilizers and chemicals, industries and diammonium phosphate, monomonium phosphate, calcium chloride and other organic salt by products, derivatives, compounds, residues, waste whether straight, complex or mixed or granulated.

## Financial Performance

*Rs in lakhs*

| Particulars              | 2012-13 | 2013-14 | 2014-15 |
|--------------------------|---------|---------|---------|
| Paid Up Capital          | 79.06   | 100.00  | 140.00  |
| Reserves and Surplus     | 63.24   | 99.42   | 165.04  |
| Net Asset Value (In Rs.) | 17.99   | 19.94   | 21.78   |

## NATURE AND EXTENT OF INTEREST OF PROMOTERS

Ramesh Chand Suhane, brother of our promoter Raj Kumar Gupta and father of our promoter Vishnu Kant Gupta, holds 6,78,955 equity shares constituting 48.50 % of total number of shares.

### 3. Nafco Commodities Private Limited

Nafco Commodities Private Limited is a Private Company incorporated on November 11, 2013 under the provisions of Companies Act, 1956 and its registered office at M-88, Trade Centre, 18 South Tukoganj, Indore, Madhya Pradesh- 452001. The current paid up capital of the company is Rs. 5.00 lakhs. The Corporate Identification Number of Nafco Commodities Private Limited is U51900MP2013PTC031748.

#### Main Object of the company:

To carry on the business of buying, selling, reselling, repacking, importing, exporting, transporting, storing, developing, promoting, marketing, supplying, trading, exchange/ barter or otherwise deal in any manner whatsoever in all type of commodities including but not limited to minerals, metals, fertilizers, chemicals, electronic goods, petroleum products, agricultural produce, edible and non edible oils and all tradable items, goods, merchandise, products and articles on retail as well as on wholesale basis in India or elsewhere and to act as principal and/or agent.

#### Board of Directors as on the date of this Prospectus:

1. Raj Kumar Gupta
2. Kuber Dutta

## Financial Performance

*Rs in lakhs*

| Particulars | 2013-14 | 2014-15 |
|-------------|---------|---------|
|-------------|---------|---------|



| Particulars              | 2013-14 | 2014-15 |
|--------------------------|---------|---------|
| Paid Up Capital          | 5.00    | 5.00    |
| Reserves and Surplus     | (0.33)  | 0.00    |
| Net Asset Value (In Rs.) | 10.00   | 9.32    |

#### **NATURE AND EXTENT OF INTEREST OF PROMOTERS**

Raj Kumar Gupta, Promoter of our company holds 25,000 equity shares constituting 50% of the total shareholding of Nafco Commodities Private Ltd.

#### **4. Suhane Agro India Private Limited**

Suhane Agro India Private Limited is a Private Company incorporated on February 21, 2003 under the provisions of Companies Act, 1956 and its registered office at M-87, Trade Centre, 18-South Tukoganj, (Near Hotel Crown Palace), Indore- 452001. The current paid up capital of the company is Rs. 99.00 lakhs. The Corporate Identification Number of Suhane Agro India Private Limited is U15331MP2003PTC015598.

#### **Board of Directors as on the date of this Prospectus:**

1. Vinod Kumar Gupta
2. Rakesh Kumar Suhane
3. Preeti Gupta

#### **Main Object:**

1. To manufacture, produce, prepare, purchase, store, sell, import, export, and generally to trade and deal in all kinds of cattle feeds, animal feeds, laboratory animal feeds, sheep feeds, poultry feeds, pig feeds, fish feeds, growth stimulator concentrates, compounded feeds or mixed feeds, cattle feed concentrates, feed premixes, supplementary feeds, additives, cattle, feeds included with vitamins, proteins, vegetable products, glucose, starch, minerals, fattening materials, like all kinds of brans, husks, churries, oyster, shells and grits, oil cakes and deoiled cakes, and all products and by products thereof. To work as agents, consignment agents of cattle feed and other agro products.
2. To manufacture, produce, refine, prepare, purchase, stores, sell, import, export and generally to deal in all kinds of crude oil, refined oil, perfumed oil, edible oils and oil products extraction of proteins, fats and by-products thereof and in connection therewith to acquire, construct, repair, operate and use oil and other refineries, buildings, mills, factories, distilleries, ghanies, rotaries, expellers and mechanical or hydraulic press for extraction of oil from Soyabean, oil seeds and nuts and to prepare Cake, Soaps, deoiled Cakes and bran and all kinds of ingredients for the attainment of objects herein contained.
3. To carry on India or elsewhere the business to manufacture, process, produce, formulate, mix, disinfect, clean, wash, dilute, concentrate, compound, segregate, pack, repack, add, remove, heat, grade, freeze, fermentate, reduce, improve, buy, sell, resell import, export, barter, transport, store, forward, distribute, dispose, develop, handle, manipulate, market, procure, supply, treat, work and to act as agent, broker, representative, consultant, collaborator, adatia, stockists, liasioner, job worker, or otherwise and to deal in all types of gas based bio, sulphate, zinc, zinc-ferrous, micronutrient fertilizers, natural or man made fertilizers and chemicals whether nitrogenous, phosphate, triple super phosphate rock, sodium silica, silicon fluoride, vanadium pentoxide, colediam, sulphur acid, nitric acid, hydrochloric acid, soda ash, caustic soda, chlorine based chemicals, mixed fertilizers other allied chemicals used in fertilizers and

chemical, industries and Diammonium phosphate, monium phosphate, calcium chloride and other organic salts, by products, derivatives, compounds, residues waste, whether straight, complex, or mixed and whether granulated.

## Financial Performance

*Rs in lakhs*

| Particulars              | 2012-13 | 2013-14 | 2014-15 |
|--------------------------|---------|---------|---------|
| Paid Up Capital          | 99.00   | 99.00   | 99.00   |
| Reserves and Surplus     | 55.23   | 63.77   | 75.16   |
| Net Asset Value (In Rs.) | 15.57   | 16.44   | 17.59   |

## NATURE AND EXTENT OF INTEREST OF PROMOTERS

Rakesh Kumar Suhane, brother of our promoter Raj Kumar Gupta and holds 1,67,400 constituting 16.90% of the total paid up capital of Suhane Agro India Private Limited.

### 5. R R Deal Infracon Private Limited

R R Deal Infracon Private Limited is a Private Company incorporated on December 20, 2007 under the provisions of Companies Act, 1956. Its registered office is situated at 32, Parsi Mohalla Chawani Chock, Indore, Madhya Pradesh-452001. The current paid up capital of the company is Rs. 1.00 lakhs. The Corporate Identification Number of R R Deal Infracon Private Limited is U45201MP2007PTC020140.

#### Board of Directors as on the date of this Prospectus:

1. Vinod Kumar Gupta
2. Vikas Gupta

#### Main Object:

1. To purchase, take on lease or in any other such lawful manner, any land, buildings and structures and to develop the same and dispose of or maintain the same and build township, markets, commercial complex with all or related conveniences thereon and to equip the same or any part of other buildings, or any related amenities or conveniences such as drainage and to act as commission agents and dealers in farm land building whether commercial, residential whether meant for purchase, sale, resale or let out.
2. To lay out, develop, construct, build, erect, demolish, alter, repair or do any other such civil and constructional work in connection with any building or building schemes, roads, highways, sewers, bridges, canals, dam, reservoirs, embankments, irrigations, improvements, sanitary, water electric works and power supply works or any other such structural or architectural work related thereto and for such purpose to prepare estimates, designs, plans, specification or models related thereto.
3. To purchase land for sale, and to develop into farm land plots, construct buildings and flats for sale on installments or otherwise and to act as real estate agents and to carry on the business as civil contractors for constructions of markets, multistories, multiplex, hyper malls, development of SE2, IT park, shopping malls, commercial complex, amusement parks roads, buildings, houses, bungalows, duplex, row houses, flats, apartments, holiday homes, school complex consisting main building, playgrounds, library and laboratory's building,

hostel buildings, and residential flats, factory's sheds office, shops, hotels, resorts, motels, food court, restaurant's, clubs, theatres, hospital, community halls, marriage halls, cold storages, warehouses, and buildings, dams, canals, tanks, bridges, hydel, projects, power house, tunnels, culverts, drains, channels, sewages, gardens and such other necessary related civil and constructional works of all types.

4. To sell, let, mortgage or dispose of the markets, commercial complex, lands, houses, buildings and other immovable property of the Company and to set up develop.
5. To carry on the business of fabricates, architects, consultants, interior decorators, civil engineers, builders and developers of land contractors, colonisers, civil contractors and undertake any residential, commercial or industrial, construction, either independently or jointly in partnership, or on agency or sub contracts basis with or on behalf of any individual, firm body corporate, association or society Central or State Government, Cantonment board or any local authority and to Design Detail and develop and detail all sorts of Consultancy Services related to Architecture and interior Designing, Land Scrapping, Structural, Electrical, Sanitary & Water Supply, Bridges, Tanks, Canals, Dams hydel Power Projects, Tunnels and Culverts.

## Financial Performance

*Rs in lakhs*

| Particulars              | 2012-13 | 2013-14 | 2014-15 |
|--------------------------|---------|---------|---------|
| Paid Up Capital          | 1.00    | 1.00    | 1.00    |
| Reserves and Surplus     | 0.00    | 0.00    | 0.00    |
| Net Asset Value (In Rs.) | 10.00   | 10.00   | 10.00   |

## NATURE AND EXTENT OF INTEREST OF PROMOTERS

Vinod Kumar Gupta, brother of our Promoter, Raj Kumar Gupta holds 5,000 Equity Shares constituting 50% of total shareholding of R R Deal Infracon Private Limited.

### 6. Suhane Buildcon India Private Limited

Suhane Buildcon India Private Limited is a Private Company incorporated on June 15, 2010 under the provisions of Companies Act, 1956 and its registered office at RH 18, Scheme No. 54, Sector A, Vijay Nagar, Indore, Madhya Pradesh- 452001. The current paid up capital of the company is Rs. 17.15 lakhs. The Corporate Identification Number of Suhane Buildcon India Private Limited is U45200MP2010PTC023776.

### Board of Directors as on the date of this Prospectus:

1. Ramesh Chand Suhane
2. Nitin Suhane

### Main Object:

1. To build, erect, construct, operate on Build – Own- Transfer (BOT) or Build – Own – lease Transfer (BOLT) basis, Build-own-operate-Transfer (BOOT) basis, or on any other basis as per the various rules and regulations prevalent at the moment, repair, execute, develop infrastructural projects including roadways, bridges, dams, docks, harbours, canals, air-ports, power projects, irrigation projects, highways, runways, railway sidings, tramways, ships,

sewers, pools, wells and tube wells, spring serials, drains, wharves, farm houses, ports reservoirs, swimming pools, erection of towers, water treatment plant to supply & lay for carrying water or oil embarkments, irrigations, reclamations, improvements sanitary, water works for gas, electric, light, telephonic, telegraphic and power departments, supply works or any other structural or architectural works of any kind whatsoever and for such purpose to prepare estimates, designs, plans, specifications or models and do such other or any other act that may be requisite therefore and to carry on the business contracts for procurement, fabrication supply, import export, stock, sell, purchase, trading and dealing in material to be used in aforesaid construction in India and abroad or any kind of work for and on behalf of government, Semi-government, or bodies corporate or individuals, Non Government organisations, local bodies, Municipal Corporations, Development Authorities etc. by whatever name called or for any person within India or outside India.

2. To carry on the business in all its respective branches whether in India or out side India of Promoters, Land Developers, Masonry and general construction contractors, engineers (Civil, structural, erection & fabrication, infrastructure, foundation, electrical, mechanical) and to construct, execute, carry, equip, improve, maintain, develop works and buildings, roadways, docks, harbours, wharfs, canals, water courses, reservoirs, bridges, wells, dams, embarkments, irrigations, erection works, reclamations, sewage, drainage and other buildings and any kind of work in connection with building and real estate. Civil Engineers, Civil Contractors and among things related to construction to undertake from Government or other bodies Corporate, Local Authorities, Non Government Organisations, Municipal Corporations, Development Authorities, State/ Central Government Corporations etc. by whatever name called or from individuals.

## Financial Performance

*Rs in lakhs*

| Particulars              | 2012-13 | 2013-14      | 2014-15 |
|--------------------------|---------|--------------|---------|
| Paid Up Capital          | 17.15   | 17.15        | 17.15   |
| Reserves and Surplus     | 12.23   | 11,89,605.00 | 11.68   |
| Net Asset Value (In Rs.) | 17.14   | 16.94        | 16.81   |

## NATURE AND EXTENT OF INTEREST OF PROMOTERS

Nitin Suhane, brother of our Promoter, Vishnu Kant Gupta holds 23,750 equity shares constituting 13.84% of the total shareholding of Suhane Buildcon Private Limited

Ramesh Chand Suhane, father of our Promoter, Vishnu Kant Gupta holds 20,000 Equity Shares constituting 11.66% of total shareholding of Suhane Buildcon India Private Limited.

## 7. Techcronies Infotech Private Limited

Techcronies Infotech Private Limited is a Private Company incorporated on August 26, 2014 under the provisions of Companies Act, 2013 and its registered office at M-86, Trade Centre, 18 South Tukoganj, Indore, Madhya Pradesh- 452001. The current paid up capital of the company is Rs. 1.00 lakhs. The Corporate Identification Number of Techcronies Infotech Private Limited is U72900MP2014PTC033102.

**Board of Directors as on the date of this Prospectus:**



1. Raj Kumar Gupta
2. Nupur Neekhara
3. Saurabh Neekhara

**Main Object:**

1. To develop implement, convert, export, import, distribute, sell, buy, trade, alter, exchange, maintain, and otherwise deal in computer software, hardware and firmware. Robots and related software including on internet and to provide facility management, software and hardware support services, maintenance contracts, contract programming, crucial relationship management services, to set up call centers and facilities for medical transcription.
2. To carry on E-business and all other related aspects and the business of designing, preparing, creating of web page, internet, audio, visual, interactive/non interactive CD ROM presentation, electronic bill board hoarding, E-mail, E-commerce including providing facilities for sale purchase or otherwise deal in new and old vehicles, and internet service provider.
3. To provide as servers, technologies, web hosting management, medical transcription, internet network technologies and web related activities and to advise and render services such as technical analysis of data electronic data processing, data entry operations and other activities related to computers within India and abroad and giving out computer machine time.
4. To establish, manage, equip, maintain and operate internet and worldwide web based facilities as well as portals, domain names, search engines for the purpose of transmitting or receiving through the internet voice, electronic data and other images, telecommunication links, whether independently or in conjunction with any electronic, telegraphic, telephonic, wireless, microwave or other names, voice, data, images or radio or television messages of any kind including all electronic format data, voice, sound, images and pictures of whatsoever kind. To do the above in India and abroad and to do all such acts related directly and indirectly to above Para.
5. To run and operate the computer hardware and software training institute for the training of the computer operations, development, up gradation of software, training of SAP packages, CRM package, oracle packages, E-business, suits and database, Microsoft products and technology, accounting packages, ERP packages and programming in India and abroad.
6. To establish software development centers, to enter into joint development/business alliances with other national or international firms/companies/individuals/consultants in India or abroad and to carry on the business of the information technology, software consultancy in telecom and all other related areas. To act as e-commerce service providers, data processing, data management, content development of internet, web site, web hosting, web sites design, domain name services, server farms, e-mail, electronic market places, e-commerce and other business including renting, maintaining, repairing for the purpose, to set up plants, purchase, import or otherwise acquire the same and to run, maintain all such plants, machinery and to undertake all activities, directly or indirectly related to electronic commerce right from conception to transition, training, implementation, and modification and services related to Electronic-Commerce business.

**Financial Performance**

*Rs in lakhs*

| Particulars | 2014-15 |
|-------------|---------|
|-------------|---------|

| Particulars              | 2014-15 |
|--------------------------|---------|
| Paid Up Capital          | 1.00    |
| Reserves and Surplus     | (1.97)  |
| Net Asset Value (In Rs.) | (9.78)  |

### **NATURE AND EXTENT OF INTEREST OF PROMOTERS**

Our Promoter Raj Kumar Gupta holds 2,500 equity shares constituting 25.00% of the total shareholding of Techcronies Infotech Private Limited.

### **8. Arisent Hybrids & Fertilisers Private Limited**

Arisent Hybrids & Fertilisers Private Limited is a Private Company incorporated on August 17, 2012 under the provisions of Companies Act, 1956 and its registered office at Shop No.6, The Mall , Patel Colony, Chuna Bhatti Bhopal Madhya Pradesh 462016. The current paid up capital of the company is Rs. 1.00 lakhs. The Corporate Identification Number of Arisent Hybrids & Fertilisers Private Limited is U24120MP2012PTC029026.

#### **Board of Directors as on the date of this Prospectus:**

1. Govind Shrivastava
2. Sapan Gajjar

#### **Main Object:**

1. To carry on business as manufacturers, producers, importers, exporters, buyers, sellers, distributors, stockists, C & F agents, promoters, processors, cultivators, growers, agriculturists, farmers, crushers, chemical formulation, pulverizes, extractors, refiners, packagers, preservers, pasteurizes, cold storage of all kinds & types of seeds, natural seeds, hybrid seeds, pesticides, bio-pesticides, insecticides, disinfectants and chemicals, fertilizers (natural, artificial, organic/chemical/water soluble) agro equipment, machinery, spray pumps, agricultural pipes, plant foods, plant medicines, plant growth agents, plant care equipments and other related equipments.
2. To carry on in India or else ware the business of manufacture, process, produce, formulate, mix, disinfect, clean wash, dilute, concentrate, compound, segregate, pack, repack, add, remove heat, grade, freeze, fermentate reduce, improve, buy, sell resell, import, export, barter, transport, store, forward, distribute, dispose, develop, handle, manipulate, market, procure, supply, treat, works, and to act as agent broker, representative, consultant, collaborator, adatia, stockist, liasioner, middleman export house, job worker, or otherwise to deal in all types of gas based natural or man made fertilizers and chemicals whether nitrogenous, phosphatic, potash or otherwise such as single super phosphate, triple super phosphate, phosphate, rock, sodium silica fluoride, lime rock phosphate, urea, sulphur, gypsum, silicon, fluoride vanadium pent oxide, oleum, sulphuric acid, zinc sulphate, silicon dioxide, phosphoric acid, nitric acid, hydrochloric acid, soda ash, caustic soda, chlorine based chemicals, Diammonium phosphate, calcium chloride, and other organic salts, by products, derivatives, compounds, residues, waste, whether straight, compels, or mixed and whether granulated or otherwise and to do all incidental acts and things for the attainment of above objects.

### **Financial Performance**

*Rs in lakhs*



| Particulars              | 2012-13 | 2013-14 | 2014-15 |
|--------------------------|---------|---------|---------|
| Paid Up Capital          | 1.00    | 1.00    | 1.00    |
| Reserves and Surplus     | (0.52)  | (0.57)  | (1.18)  |
| Net Asset Value (In Rs.) | 4.70    | 4.20    | (1.80)  |

## **NATURE AND EXTENT OF INTEREST OF PROMOTERS**

Rakesh Kumar Suhane, brother of our Promoter Raj Kumar Gupta holds 2,000 equity shares constituting 20.00% of the total shareholding of Arisent Hybrids & Fertilisers Private Limited

## **DISSOCIATION BY THE PROMOTER IN THE LAST THREE YEAR**

Our Promoters have not disassociated themselves from any of the companies, firms or other entities during the last three years preceding the date of this Prospectus.

## **NEGATIVE NET WORTH**

Except Arisent Hybrids & Fertilisers Private Limited and Techronies Infotech Private Limited none of our Group Company has negative net worth as on the date of filing this Prospectus.

## **DEFUNCT / STRUCK-OFF COMPANY**

None of our Promoters or Promoter Group or Group Company has become defunct or struck – off in the five years preceding the filing of this Prospectus.

## **INTEREST OF OUR PROMOTERS, GROUP COMPANIES**

### **In the promotion of our Company**

None of our Group Companies have any interest in the promotion or any business interest or other interest in our Company.

### **In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Prospectus**

None of our Group Companies have any interest in the properties acquired or proposed to be acquired by our Company in the two years preceding the date of filing of this Prospectus or proposed to be acquired by it. However, all the group companies have same registered office as that of our Company.

### **In transactions involving acquisition of land, construction of building and supply of machinery.**

None of our Group Companies is interested in any transactions involving acquisition of land, construction of building or supply of machinery.

## **COMMON PURSUITS**

Except Mahadan Phosphate Private Limited, Madhav Agro Chem Private Limited, Suhane Agro India Private Limited and Arisent Hybrids & Fertilisers Private Limited which are authorized to carry similar activities as those conducted by our Company none of our group company has common pursuits with our company and also these companies do not have any non-compete agreements in place amongst themselves, there is a conflict of interest between our Company and Group Company.

## **SALES/PURCHASES BETWEEN OUR COMPANY AND PROMOTER COMPANY & GROUP COMPANIES**

Other than as disclosed in the chapter titled “*Related Party Transactions*” beginning on page 259, there are no sales/purchases between the Company and the Group Companies.

## **RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP COMPANIES AND SIGNIFICANCE OF THE FINANCIAL PERFORMANCE OF OUR COMPANY**

For details, please refer to the section titled “*Related Party Transactions*” beginning on page 259 of this Prospectus.

## **CONFIRMATIONS**

None of the securities of our Group Companies are listed on any stock exchange and none of our Group Companies have made any public or rights issue of securities in the preceding three years.

Our Group Company has not been declared as wilful 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.

Our Group Companies have become not been declared sick companies under the SICA. Additionally, Group Company has not been restrained from accessing the capital markets for any reasons by SEBI or any other authorities.

## **LITIGATIONS INVOLVING OUR GROUP COMPANIES**

For details related to litigations and regulatory proceedings involving our group companies, please refer to the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 316 of this Prospectus.

## **PAYMENT OR BENEFIT TO OUR GROUP COMPANIES**

Except as stated in chapter titled “*Related Party Transactions*” beginning on page 259 of this Prospectus, there has been no payment of benefits to our Group Companies during the period/financial years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, and March 31, 2012 nor is any benefit proposed to be paid to them.



## **RELATED PARTY TRANSACTION**

For details on Related Party Transactions of our Company, please refer to Annexure XXVIII of restated financial statement under the section titled, '*Financial Statements*' beginning on page 261 of this Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has no formal dividend policy. The amounts paid as dividends in the past are not necessarily indicative of the Company's dividend policy or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of the Company or for an investment in the Equity Shares.



## SECTION V: FINANCIAL STATEMENTS

### FINANCIAL STATEMENTS AS RESTATED

#### INDEPENDENT AUDITOR'S REPORT AS REQUIRED BY SECTION 26 OF COMPANIES ACT, 2013 READ WITH RULE 4 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

To,  
**The Board of Directors**  
Agro Phos (India) Limited,  
M-87, Trade Centre,  
South Tukoganj,  
**INDORE (M.P.)**

Dear Sirs,

#### **Sub: Public issue of equity shares of Agro Phos (India) Limited**

1. We have examined the attached Restated Statement of Assets and Liabilities of Agro Phos (India) Limited (**the Company**) as at 31<sup>st</sup> March, 2012, 2013, 2014, 2015, 2016 and as at 30.04.2016 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the financial year ended on 31<sup>st</sup> March, 2012, 2013, 2014, 2015, 2016 and upto 30.04.2016 (collectively the "**Restated Summary Statements**" or "**Restated Financial Statements**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of National Stock Exchange of India Limited.
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Part I of Chapter III to the Companies Act, 2013 ("**Act**");
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The terms of reference to our engagements with the Company letter dated 25.08.2016 and 19.09.2016 requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus/ Information Memorandum being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of National Stock Exchange of India Limited ("**IPO**" or "**SME IPO**"); and
  - (iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2012, 2013, 2014, 2015, 2016 and for the period ended 30.04.2016 which have been approved by the Board of Directors.
4. In accordance with the requirements of Part I of Chapter III of Act, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- (i) The “**Restated Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company as at 31<sup>st</sup> March, 2012, 2013, 2014, 2015, 2016 and as at 30.04.2016 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV and Annexure V** to this Report.
  - (ii) The “**Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the financial year ended on 31<sup>st</sup> March, 2012, 2013, 2014, 2015, 2016 and for the period ended 30.04.2016 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV and Annexure V** to this Report.
  - (iii) The “**Restated Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for the financial year ended on 31<sup>st</sup> March, 2012, 2013, 2014, 2015, 2016 and for the period ended 30.04.2016 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV and Annexure V** to this Report.
5. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
  - a) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.
  - b) Adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments.
  - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments except survey proceedings by I T Deptt. During FY 2014-15 resulting into declaration of additional income to the extent of Rs. 4.51 Crores.
  - d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial year ended on 31<sup>st</sup> March, 2012, 2013, 2014, 2016 and for the period ended 30.04.2016 which would require adjustments in this Restated Financial Statements of the Company.
  - e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV and Annexure V** to this report.
6. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and

annexed to this report relating to the Company for the financial year ended on 31<sup>st</sup> March, 2012, 2013, 2014, 2015, 2016 and for the period ended 30.04.2016 proposed to be included in the Draft Prospectus/Prospectus/Information Memorandum (“**Offer Document**”).

**Annexure of Restated Financial Statements of the Company:-**

1. Significant Accounting Policies in Annexure IV;
2. Notes to accounts as restated in Annexure V;
3. Details of Share Capital as Restated as appearing in ANNEXURE VI to this report;
4. Details of Reserves and Surplus as Restated as appearing in ANNEXURE VII to this report;
5. Details of Long Term Borrowings as Restated as appearing in ANNEXURE VIII to this report;
6. Details of Deferred Tax Liabilities (Net) as Restated as appearing in ANNEXURE IX to this report;
7. Details of Long Term Liabilities (Net) as Restated as appearing in ANNEXURE X to this report;
8. Details of Long Term Provisions as Restated as appearing in ANNEXURE XI to this report;
9. Details of Short Term Borrowings as Restated as appearing in ANNEXURE XII to this report;
10. Details of Trade Payables as Restated as appearing in ANNEXURE XIII to this report;
11. Details of Other Current Liabilities as Restated as appearing in ANNEXURE XIV to this report;
12. Details of Short Term Provisions as Restated as appearing in ANNEXURE XV to this report;
13. Details of Fixed Assets as Restated as appearing in ANNEXURE XVI to this report;
14. Details of Deferred Tax Assets (Net) as Restated as appearing in ANNEXURE XVII to this report;
15. Details of Long Term Loans & Advances as Restated as appearing in ANNEXURE XVIII to this report;
16. Details of Other Non-Current Assets as Restated as appearing in ANNEXURE XIX to this report;
17. Details of Inventories as Restated as appearing in ANNEXURE XX to this report;
18. Details of Trade Receivables as Restated enclosed as ANNEXURE XXI to this report;
19. Details of Cash and Bank Balances as Restated enclosed as ANNEXURE XXII to this report;
20. Details of Short Term Loans & Advances as Restated as appearing in ANNEXURE XXIII to this report;
21. Details of Other Current Assets as Restated as appearing in ANNEXURE XXIV to this report;
22. Details of Other Income as Restated as appearing in ANNEXURE XXV to this report;
23. Statement of Capitalisation as at Last Audited Balance Sheet as appearing in ANNEXURE XXVI
24. Statement of Tax Shelters as Restated as appearing in ANNEXURE XXVII to this report;

25. Details of Related Parties Transactions with the Directors as Restated as appearing in ANNEXURE XXVIII to this report;
26. Details of Significant Accounting Ratios as Restated as appearing in ANNEXURE XXIX to this report
27. Reconciliation of Restated Profit as appearing in ANNEXURE XXX to this report.
7. We, Rajendra Goyal & Co., Chartered Accountants, Indore, have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
8. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
9. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to therein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. In our opinion, the above financial information contained in Annexure I to XXX of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV and Annexure V are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
12. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

PLACE : INDORE CITY

DATED : 08.11.2016

**For RAJENDRA GOYAL & CO.,**  
Chartered Accountants  
(FRN:001256C)

(Tarun Kumar Mehta)  
Partner - M.No.071787

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED - ANNEXURE I**  
(Rs. in Lacs)

| Sr. No.   | Particulars                     | As at March 31, 2012 | As at March 31, 2013 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2016 | As at April 30, 2016 |
|-----------|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>1)</b> | <b>Equity &amp; Liabilities</b> |                      |                      |                      |                      |                      |                      |
|           | <b>Shareholders' funds</b>      |                      |                      |                      |                      |                      |                      |
|           | a. Share capital                | 118.25               | 137.12               | 147.57               | 287.88               | 287.88               | 287.88               |
|           | b. Reserves & surplus           | 431.43               | 625.26               | 805.52               | 1,762.01             | 2,129.76             | 2137.22              |
|           | <b>Sub-total</b>                | <b>549.68</b>        | <b>762.38</b>        | <b>953.09</b>        | <b>2,049.89</b>      | <b>2,417.64</b>      | <b>2425.10</b>       |
| <b>2)</b> | <b>Share application money</b>  | -                    | -                    | -                    | -                    | -                    |                      |
| <b>3)</b> | <b>Non-current liabilities</b>  |                      |                      |                      |                      |                      |                      |
|           | a. Long-term borrowings         | 439.18               | 543.10               | 358.08               | 575.80               | 498.81               | 498.09               |
|           | b. Deferred tax liabilities     |                      |                      |                      |                      |                      |                      |
|           | c. Long-term liabilities        | 29.81                | 34.18                | 34.35                | -                    | -                    | -                    |
|           | d. Long-term provisions         | 200.43               | 559.78               | 375.11               | 242.06               | 128.06               | 128.06               |
|           | <b>Sub-total</b>                |                      |                      |                      |                      |                      |                      |
| <b>4)</b> | <b>Current liabilities</b>      |                      |                      |                      |                      |                      |                      |
|           | a. Short-term borrowings        | 451.04               | 922.36               | 878.10               | 1,154.38             | 1,546.37             | 1517.72              |
|           | b. Trade payables               | 1,559.66             | 1,099.54             | 788.93               | 1,014.63             | 2,106.21             | 2167.56              |
|           | c. Other current liabilities    | 140.75               | 96.34                | 148.76               | 152.56               | 266.60               | 241.45               |
|           | d. Short term provisions        | 32.73                | 38.90                | 29.31                | 34.80                | 65.02                | 67.12                |
|           | <b>Sub-total</b>                | <b>2,184.18</b>      | <b>2,157.14</b>      | <b>1,845.10</b>      | <b>2,356.37</b>      | <b>3,984.20</b>      | <b>3,993.85</b>      |
|           | <b>T O T A L (1+2+3+4)</b>      | <b>3,404.49</b>      | <b>4,059.07</b>      | <b>3,568.63</b>      | <b>5,231.61</b>      | <b>7,036.99</b>      | <b>7053.54</b>       |
| <b>5)</b> | <b>Non-current assets</b>       |                      |                      |                      |                      |                      |                      |
|           | a. Fixed assets                 |                      |                      |                      |                      |                      |                      |
|           | i. Tangible assets              | 399.64               | 446.23               | 461.03               | 1,684.41             | 1,658.79             | 1649.95              |
|           | ii. Intangible assets           |                      |                      |                      |                      |                      |                      |
|           | iii. Capital work in progress   | 50.49                | 240.04               | 498.89               | 12.55                | 17.34                | 17.40                |
|           | b. Non-current investments      |                      |                      |                      |                      |                      |                      |
|           | c. Deferred Tax Asset           | -                    | -                    | -                    | 457.28               | 296.13               | 292.50               |
|           | d. Long term loans              | 31.52                | 19.81                | 19.85                | 14.23                | 134.65               | 136.91               |
|           | e. Other non-current assets     | 60.94                | 74.43                | 104.63               | 30.36                | 37.60                | 37.61                |
|           | <b>Sub-total</b>                | <b>542.59</b>        | <b>780.51</b>        | <b>1,084.40</b>      | <b>2,198.83</b>      | <b>2,144.51</b>      | <b>2134.37</b>       |
| <b>6)</b> | <b>Current assets</b>           |                      |                      |                      |                      |                      |                      |
|           | a. Current investments          |                      |                      |                      |                      |                      |                      |
|           | b. Inventories                  | 881.97               | 1,359.02             | 1,030.42             | 885.76               | 1,319.29             | 1237.03              |
|           | c. Trade receivables            | 526.21               | 414.18               | 434.42               | 807.23               | 1,546.27             | 1629.94              |
|           | d. Cash and bank balances       | 146.79               | 170.59               | 22.29                | 139.65               | 108.84               | 118.94               |
|           | e. Short term loans &           | 65.13                | 294.54               | 377.44               | 197.43               | 224.69               | 225.68               |

| Sr.<br>No. | Particulars             | As at<br>March<br>31, 2012 | As at<br>March<br>31, 2013 | As at<br>March<br>31, 2014 | As at<br>March<br>31, 2015 | As at<br>March<br>31, 2016 | As at<br>April<br>30, 2016 |
|------------|-------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|            | f. Other current assets | 1,241.80                   | 1,040.23                   | 619.66                     | 1,002.71                   | 1,693.39                   | 1707.58                    |
|            | <b>Sub-total</b>        | <b>2,861.90</b>            | <b>3,278.56</b>            | <b>2,484.23</b>            | <b>3,032.78</b>            | <b>4,892.48</b>            | <b>4919.17</b>             |
|            | <b>T O T A L (5+6)</b>  | <b>3,404.49</b>            | <b>4,059.07</b>            | <b>3,568.63</b>            | <b>5,231.61</b>            | <b>7,036.99</b>            | <b>7053.54</b>             |

**STATEMENT OF PROFIT AND LOSS AS RESTATED - ANNEXURE II**

(Rs. in Lacs)

| Particulars  | As at<br>March<br>31, 2012 | As at<br>March<br>31, 2013 | As at<br>March<br>31, 2014 | As at<br>March<br>31, 2015 | As at<br>March<br>31, 2016 | As at<br>April<br>30,<br>2016 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|
| <b>INCOME</b>  |                            |                            |                            |                            |                            |                               |
| Revenue from Operations(See Note Below)  | 5,785.12                   | 5,871.74                   | 6244.44                    | 6599.19                    | 7291.56                    | 365.45                        |
| Less: Excise Duty  | 12.63                      | 22.70                      | 25.03                      | 35.03                      | 43.15                      | 0.95                          |
| Net Revenue  | 5772.49                    | 5849.04                    | 6219.41                    | 6564.16                    | 7248.41                    | 364.50                        |
| Other income   | 17.79                      | 10.27                      | 9.50                       | 15.61                      | 28.36                      | 0.54                          |
| <b>Total revenue (A)</b>   | <b>5,790.28</b>            | <b>5,859.31</b>            | <b>6228.91</b>             | <b>6579.77</b>             | <b>7276.77</b>             | <b>365.04</b>                 |
| <b>EXPENDITURE</b>   |                            |                            |                            |                            |                            |                               |
| Cost of materials consumed   | 2,149.52                   | 2,516.35                   | 2,524.85                   | 2,375.80*                  | 3,253.04                   | 54.61                         |
| Purchase of stock-in-trade   | 1,822.80                   | 2,163.76                   | 1124.40                    | 1268.54                    | 982.68                     | 126.33                        |
| Changes in inventories of finished   | (226.61)                   | (636.11)                   | 618.53                     | 127.85                     | (325.98)                   | 86.98                         |
| Employee benefit expenses  | 129.64                     | 154.29                     | 97.81                      | 155.99                     | 169.53                     | 11.04                         |
| Finance costs  | 161.19                     | 168.21                     | 137.07                     | 201.23                     | 323.07                     | 24.05                         |
| Depreciation and amortisation  | 14.13                      | 24.83                      | 29.20                      | 48.20                      | 104.87                     | 8.84                          |
| Other expenses   | 1,538.61                   | 1,261.62                   | 1,505.17                   | 1,739.68                   | 2,252.80                   | 42.10                         |
| <b>Total expenses (B)</b>  | <b>5,589.28</b>            | <b>5,652.95</b>            | <b>6037.03</b>             | <b>5917.29</b>             | <b>6760.01</b>             | <b>353.95</b>                 |
| <b>Net profit/ (loss) before exceptional, extraordinary items and tax, as restated</b> | <b>201.00</b>              | <b>206.36</b>              | <b>191.88</b>              | <b>662.48</b>              | <b>516.76</b>              | <b>11.09</b>                  |
| Exceptional items  | -                          | -                          | -                          | -                          | -                          | -                             |
| <b>Net profit/ (loss) before extraordinary items and tax, as restated</b>              | <b>201.00</b>              | <b>206.36</b>              | <b>191.88</b>              | <b>662.48</b>              | <b>516.76</b>              | <b>11.09</b>                  |
| Extraordinary items  | -                          | -                          | -                          | -                          | -                          | -                             |
| <b>Net profit/ (loss) before tax, as restated</b>                                      | <b>201.00</b>              | <b>206.36</b>              | <b>191.88</b>              | <b>662.48</b>              | <b>516.76</b>              | <b>11.09</b>                  |
| Tax expense:   |                            |                            |                            |                            |                            |                               |
| (i) Current tax  | 40.52                      | 64.79                      | 63.71                      | 146.33                     | 106.61                     | 2.26                          |
| (ii) Income Tax Paid for earlier   | -                          | -                          | -                          | -                          | 2.86                       | -                             |
| (iii) MAT Credit Entitlement   | (14.67)                    | -                          | -                          | -                          | (106.61)                   | 3.63                          |
| (iv) Deferred tax (asset)/liability  | 2.31                       | 4.36                       | 0.18                       | (491.64)                   | 161.15                     | (2.26)                        |
| <b>Total tax expense</b>   | <b>28.16</b>               | <b>69.15</b>               | <b>63.89</b>               | <b>(345.31)</b>            | <b>164.01</b>              | <b>3.63</b>                   |
| <b>Profit/ (loss) for the year/ period, as restated</b>                                | <b>172.84</b>              | <b>137.21</b>              | <b>127.99</b>              | <b>1,007.79</b>            | <b>352.75</b>              | <b>7.46</b>                   |
| <b>Earning per equity share (face value of Rs. 10/- each):</b>                         | <b>1.25</b>                | <b>0.98</b>                | <b>0.90</b>                | <b>7.03</b>                | <b>2.45</b>                | <b>0.05</b>                   |

**\*After considering value of stock surrendered during I T Survey.**

**Note: Details of Revenue from Operations-**

**(Rs in lacs)**

| <b>Particulars</b>                                      | <b>For<br/>Period<br/>ended<br/>31.03.2011</b> | <b>For<br/>Period<br/>ended<br/>31.03.2012</b> | <b>For<br/>Period<br/>ended<br/>31.03.2013</b> | <b>For<br/>Period<br/>ended<br/>31.03.2015</b> | <b>For<br/>Period<br/>ended<br/>31.03.2016</b> | <b>For the<br/>period<br/>ended<br/>30.04.2016</b> |
|---|--|--|--|--|--|--|
| Sales of Traded Goods                                   | 1,731.65                                       | 1,616.02                                       | 1,282.45                                       | 1,445.99                                       | 522.02   | 208.55   |
| Sales of Manufactured Goods                             | 1,840.33                                       | 2,762.37                                       | 3358.89  | 3693.40  | 4482.46  | 111.95   |
| Turnover in respect of products not normally dealt with | -  | -  | -  | -  | -  | -  |
| Subsidy on SSP  | 2,203.94                                       | 1,489.19                                       | 1,360.24                                       | 1,360.72                                       | 2,161.43                                       | 14.29  |
| Freight Subsidy   | 3.19   | -  | -  | 1.47   | 14.09  | 3.53   |
| Moisture Rebate   | 5.59   | -  | -  | 1.47   | -  | -  |
| Vat & Rate Difference                                   | -  | -  | -  | -  | -  | 5.28   |
| Trade Discount  | 0.42   | 4.16   | 242.86   | 96.14  | 111.56   | 21.85  |
| <b>TOTAL</b>  | <b>5,785.12</b>                                | <b>5,871.74</b>                                | <b>6244.44</b>                                 | <b>6599.19</b>                                 | <b>7291.56</b>                                 | <b>365.45</b>                                      |

**STATEMENT OF CASH FLOW AS RESTATED - ANNEXURE III**

*(Rs. in Lacs)*

| Particulars   | For Year ended<br>31.03.2012 | For Year ended<br>31.03.2013 | For Year ended<br>31.03.2014 | For Year ended<br>31.03.2015 | For Year ended<br>31.03.2016 | For Period ended<br>30.04.2016 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|
| <b>Cash flow from Operating Activities</b>              |                              |                              |                              |                              |                              |                                |
| Net Profit Before tax as per Statement of Profit & Loss | 201.00                       | 206.36                       | 191.88                       | 662.48                       | 516.76                       | 11.09                          |
| <b>Adjustments for :</b>                                |                              |                              |                              |                              |                              |                                |
| Depreciation & Amortisation Exp.                        | 14.13                        | 24.83                        | 29.19                        | 48.20                        | 104.87                       | 8.84                           |
| Loss (Profit) on Sale of Assets                         | 1.20                         | 2.76                         | 0.07                         | -                            | -                            | -                              |
| Loss (Profit) on Sale of Shares                         | (3.20)                       | -                            | -                            | -                            | -                            | -                              |
| Provision for Gratuity                                  | 0.48                         | 1.30                         | 0.42                         | 4.64                         | 0.84                         | -                              |
| Dividend Income   | -                            | -                            | -                            | -                            | -                            | -                              |
| Extraordinary Items                                     | -                            | -                            | -                            | -                            | -                            | -                              |
| Interest Income   | (12.79)                      | (9.89)                       | (7.75)                       | (6.23)                       | (14.95)                      | (0.01)                         |
| Preliminary Expenses Written off                        | -                            | -                            | -                            | -                            | -                            | -                              |
| Sundry Balances Written Off                             | 0.03                         | -                            | -                            | -                            | -                            | -                              |
| Finance Cost  | 85.30                        | 89.08                        | 116.70                       | 144.19                       | 256.68                       | 22.39                          |
| <b>Operating Profit before working capital changes</b>  | <b>286.15</b>                | <b>314.44</b>                | <b>330.51</b>                | <b>853.28</b>                | <b>864.20</b>                | <b>42.31</b>                   |
| <b>Changes in Working Capital</b>                       |                              |                              |                              |                              |                              |                                |
| Trade receivable  | (228.46)                     | 107.87                       | (16.08)                      | (372.81)                     | (739.04)                     | (83.67)                        |
| Other Loans and advances                                | (35.84)                      | (230.38)                     | (82.68)                      | 179.75                       | (26.23)                      | (0.89)                         |
| Inventories   | (241.83)                     | (477.05)                     | 328.60                       | 144.66                       | (433.53)                     | 82.26                          |

| Particulars  | For Year ended<br>31.03.2012 | For Year ended<br>31.03.2013 | For Year ended<br>31.03.2014 | For Year ended<br>31.03.2015 | For Year ended<br>31.03.2016 | For Period ended<br>30.04.2016 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|
| Other Current Assets                               | (866.93)                     | 202.55                       | 420.34                       | (382.79)                     | (691.70)                     | (14.29)                        |
| Trade Payables                                     | 986.33                       | (96.60)                      | (449.25)                     | (206.06)                     | 977.57                       | 61.35                          |
| Other Current Liabilities                          | 101.77                       | (38.08)                      | 22.98                        | (12.33)                      | 98.65                        | (25.05)                        |
| Other Long Term Liabilities                        | -                            | -                            | 3.50                         | 1.40                         | -                            | -                              |
| Long Term Provisions                               | -                            | -                            | -                            | -                            | -                            | -                              |
| Other Long Term Loans and Advances                 | 2.32                         | (3.05)                       | (0.18)                       | 5.48                         | (14.05)                      | (0.01)                         |
| Short Term Borrowings                              | -                            | -                            | -                            | -                            | -                            | -                              |
| Short term Provisions                              | -                            | -                            | -                            | -                            | -                            | -                              |
|  |                              |                              |                              |                              |                              |                                |
| <b>Net Cash Flow from Operation</b>                | <b>3.51</b>                  | <b>(220.30)</b>              | <b>557.74</b>                | <b>210.58</b>                | <b>35.87</b>                 | <b>62.01</b>                   |
| Less : Income Tax paid                             | (14.71)                      | (42.81)                      | (72.51)                      | (140.26)                     | (77.55)                      | -                              |
| <b>Net Cash Flow from Operating Activities (A)</b> | <b>(11.20)</b>               | <b>(263.11)</b>              | <b>485.23</b>                | <b>70.32</b>                 | <b>(41.68)</b>               | <b>62.01</b>                   |
|  |                              |                              |                              |                              |                              |                                |
| <b>Cash flow from investing</b>                    |                              |                              |                              |                              |                              |                                |
| Purchase of Fixed Assets (Net)                     | (116.97)                     | (91.79)                      | (45.58)                      | (248.86)                     | (58.99)                      | -                              |
| Increase in Capital Work In Progress               | -                            | (172.93)                     | (312.56)                     | (536.36)                     | (10.07)                      | (0.06)                         |
| Sale of Fixed Assets                               | 8.38                         | 1.00                         | 1.51                         | -                            | -                            | -                              |
| Purchase of Investment                             | (140.17)                     | -                            | -                            | (82.09)                      | (19.60)                      | (11.00)                        |
| Sale / Redemption of Investment                    | 4.00                         | 53.41                        | 115.13                       | -                            | -                            | -                              |

| Particulars  | For Year ended<br>31.03.2012 | For Year ended<br>31.03.2013 | For Year ended<br>31.03.2014 | For Year ended<br>31.03.2015 | For Year ended<br>31.03.2016 | For Period ended<br>30.04.2016 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|
| Movement in Loan & Advances (Other non Current Assets)                 | -                            | (16.35)                      | (65.49)                      | 81.86                        | -                            | -                              |
| Interest Income  | 2.55                         | 15.67                        | 6.33                         | 3.48                         | 7.22                         |                                |
| Dividend Income  | -                            | -                            | -                            | -                            | -                            | -                              |
|  |                              |                              |                              |                              |                              |                                |
| <b>Net Cash Flow from Investing</b>                                    | <b>(242.21)</b>              | <b>(210.99)</b>              | <b>(300.66)</b>              | <b>(781.97)</b>              | <b>(81.44)</b>               | <b>(11.06)</b>                 |
|  |                              |                              |                              |                              |                              |                                |
| <b>Cash Flow From Financing</b>  |                              |                              |                              |                              |                              |                                |
| Proceeds From Issue of shares  | 8.25                         | 18.88                        | 10.45                        | 22.25                        | -                            | -                              |
| Increase in Share Premium  | 74.21                        | 56.63                        | 52.27                        | 66.75                        | -                            | -                              |
| Decrease in Secured Loans  | -                            | -                            |                              | -                            |                              | -                              |
| Increase in Term Borrowings  | 255.10                       | 568.88                       | (199.82)                     | 807.44                       | 330.39                       | (29.46)                        |
| Increase in Unsecured Loans  | -                            | -                            |                              | -                            |                              | -                              |
| Interest Paid  | (84.95)                      | (86.43)                      | (116.62)                     | (144.19)                     | (256.68)                     | (22.39)                        |
| Loan Processing Charges  | -                            | (2.65)                       | (0.07)                       | -                            | -                            | -                              |
| Dividend paid ( Including DDT)   | -                            | -                            |                              | -                            | -                            | -                              |
| <b>Net Cash Flow from Financing Activities (C)</b>                     | <b>252.61</b>                | <b>555.31</b>                | <b>(253.79)</b>              | <b>752.25</b>                | <b>73.71</b>                 | <b>(51.85)</b>                 |
| <b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b> | <b>(0.80)</b>                | <b>81.21</b>                 | <b>(69.22)</b>               | <b>40.60</b>                 | <b>(49.41)</b>               | <b>(0.90)</b>                  |
| Opening Cash & Cash Equivalents  | 2.42                         | 1.62                         | 82.83                        | 13.60                        | 54.20                        | 4.79                           |
| <b>Cash and cash equivalents at the end of the period</b>              | <b>1.62</b>                  | <b>82.83</b>                 | <b>13.61</b>                 | <b>54.20</b>                 | <b>4.79</b>                  | <b>3.89</b>                    |

| Particulars                      | For Year ended<br>31.03.2012 | For Year ended<br>31.03.2013 | For Year ended<br>31.03.2014 | For Year ended<br>31.03.2015 | For Year ended<br>31.03.2016 | For Period ended<br>30.04.2016 |
|----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|
| <b>Cash And Cash Equivalents</b> |                              |                              |                              |                              |                              |                                |
| Cash                             | 1.34                         | 5.41                         | 8.78                         | 5.84                         | 1.29                         | 2.27                           |
| <b>Bank Balance :</b>            |                              |                              |                              |                              |                              |                                |
| Current Account                  | 0.28                         | 77.42                        | 4.83                         | 48.36                        | 3.50                         | 1.62                           |
| <b>Total</b>                     | <b>1.62</b>                  | <b>82.83</b>                 | <b>13.61</b>                 | <b>54.20</b>                 | <b>4.79</b>                  | <b>3.89</b>                    |

## **SIGNIFICANT ACCOUNTING POLICIES - ANNEXURE IV**

### **Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention in accordance with the requirements of the Companies Act, 2013 in terms of schedule III. The Cash Flow Statement is prepared using indirect method as per AS 3 notified under Companies (Accounting Standards) Rules, 2006.

### **2. Revenue recognition**

- (i) All Expenses and Income considered payable and receivable as at the yearend have been accounted for on accrual basis.
- (ii) Inter unit transactions have been booked at cost but considered as part of turnover/cost in respective units commencing from financial year 2013-14 and onwards.(\*) **However effect whereof has been nullified while preparing restated financial statements.**

### **3. Fixed assets**

All tangible fixed assets are stated at cost of acquisition net of Cenvat wherever applicable, less accumulated depreciation. The cost comprises of purchase price and other attributable expenses incurred up to acquisition and installation.

### **4. Depreciation and amortization**

- (i) Till 31.03.2014, Depreciation has been provided on the Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- (ii) Effective from April 1, 2014, the Company has charged depreciation on its assets based on their useful life as stipulated under Schedule II of the Companies Act, 2013. Due to this, the depreciation for the year ended on 31st March, 2015 remained higher by Rs. 1443666/- as compared to the depreciation computed under the provisions of the Companies Act, 1956, having a consequent impact on the statement of profit and loss for the year 2014-15 by similar amount.
- (iii) Depreciation on additions to fixed assets has been charged from the quarter next following the quarter in which the assets have been acquired /created. Similarly on

deductions depreciation is charged upto immediately preceding quarter in which the assets are sold/ discarded.

- (iv) Depreciation on assets put to use in respect of Company's Meghnagar Unit is charged from the date of commencement of production i. e. 13.03.2015.

## 5. Valuation of Inventories

- (i) Raw material, Trading Stock and Packing Material are valued at cost or net realisable value whichever is less on FIFO basis.
- (ii) Work in progress is valued at cost incurred upto the stage of production.
- (iii) Finished Goods is valued at cost or net realisable value whichever is less.

## 6. Impairment of assets

As at the balance sheet date, the Company assesses the realisable value of all the assets. If there is any indication of fall in the realisable value over carrying cost of the assets, impairment in value of assets is recognised.

## 7. Foreign Currency Transactions

**Initial Recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate at the date of the transaction.

**Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using exchange rate at the date of the transaction.

**Exchange Differences:** Exchange differences arising on settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

## 8. Government Grants

Government grant in the nature of promoter's contribution is credited to Capital Reserve & treated as part of shareholders fund.

Interest subsidy and Project Report Cost Reimbursement, being revenue related grants, are deducted from the related costs & net expense is debited to Statement of Profit & Loss.

Subsidy received under Nutrient Based Subsidy Policy of Department of Fertilizers, Ministry of Chemicals & Fertilizers, Govt. of India, against concessional sale of SSP is credited to the Statement of Profit & Loss and shown as a part of sale.

## 9. Treatment of VAT/CST

Sales are recorded net of output VAT/CST, similarly purchases are recorded net of input VAT/CST. Input VAT/CST is adjusted against output VAT/CST and balance VAT/CST liability or VAT/CST receivable is presented in the accounts accordingly.

## 10. Excise duty / service tax

Sales are recorded net of excise duty/service tax, similarly cenvat credit, if any available is credited to the respective cost accounts and related cost is recorded net of excise duty/service tax.

**11. Provisions, contingent liabilities and contingent assets**

- (i) Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if
  - a. The company has a present obligation as a result of past event.
  - b. A probable outflow of resources to settle the obligation, and
  - c. The amount of obligation can be reliably estimated.
- (ii) Reimbursement/claims receivable against expenditure made/ services rendered is recognised only when it is virtually certain that reimbursement/claim will be received.

**12. Extraordinary items**

The extraordinary items are income or expenditure that arises from events of transactions that are clearly distinct from the ordinary business activities of the company and therefore not expected to recur frequently or regularly.

**13. Income Tax liability**

- (a) Income tax liability for current tax (under normal calculation or under MAT, as the case may be) is provided for in the accounts.
- (b) Deferred tax liability (asset) is recognised in the accounts in terms of AS-22 in respect of timing differences originating in the current year and reversing later at the tax rate enacted on the balance sheet date.

## NOTES TO ACCOUNTS AS RESTATED- ANNEXURE V

### Notes on material adjustments:

1. Appropriate reclassification/ adjustments/ regrouping have been made in the restated summary statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the company.
2. During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company for preparation and presentation of its financial statements, accordingly previous year figures have been regrouped/ re-classified wherever applicable.
3. In the financial statements for the years ended 31<sup>st</sup> March, 2012, 2013, 2014, 2015, 2016 and for the period ended 30.04.2016, certain income/expenses have been identified as prior period items. For the purpose of restated financial statements, such material prior period items have been appropriately adjusted in respective years.

### Accompanying Notes to the Restated Financial Statement:

#### 1. Background

- a. Agro Phos (India) limited is a public limited company incorporated under the Companies Act, 1956 bearing Corporate Identity No. U24123MP2002PLC015285 dated 19.09.2002. The Company was initially incorporated as a private limited company under part IX of the Companies Act, 1956 and has been converted into public limited company w.e.f. 28.02.2004 and accordingly all assets, liabilities, rights, entitlements, contracts etc. of erstwhile partnership firm M/s. Agro Phos (India) vest into the Company as a going concern. Company commenced its business from the date of incorporation and established its manufacturing facilities at Industrial Area, Dewas (M.P.). During the year 2014-15 company has commenced commercial production from its new manufacturing facility at Meghnagar-Dist. Jhabua (M.P.) The principal place of business as well as the Registered and Corporate Office of the company is located at Indore (M.P.)
- b. The Restated Statements of Assets and Liabilities as at 31st March, 2012, 2013, 2014, 2015, 2016 and as at 30.04.2016 and the related Restated Statement of Profit and Loss and Restated Statement of Cash Flow for the period ended 31st March, 2012, 2013, 2014, 2015, 2016 and for the period ended 30.04.2016 hereinafter collectively referred to as 'Restated Financial Statements' related to the company have been prepared specifically for inclusion in the offer document to be filed by the company with Securities Exchange Board of India (SEBI) in connection with proposed Initial Public Offering of Equity Shares of the Company.
- c. The Restated Financial Statements have been prepared to comply in all material respects in accordance with sub-clause (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ('the Act') read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the SEBI Regulations) issued by SEBI in pursuance of Section 11 of Securities and Exchange Board of India Act, 1992.
- d. Till 31.03.2014, the Company was providing depreciation on Fixed Assets on Straight Line Method at the rates specified in Schedule XIV of the Companies Act,

1956. Effective from 01.04.2014, Company has been charging depreciation on assets based on their useful life as stipulated under schedule II of the Companies Act, 2013. For the purpose of restated financial statement, revised depreciation has not been applied for the years ended 31<sup>st</sup> March 2012, 2013 and 2014 as the same was not applicable in those years.

- e. During the year ended 31<sup>st</sup> March, 2016, provision for Gratuity was made on the basis of actuarial valuation in compliance with Accounting Standard-15 issued by the Institute of Chartered Accountants of India, which was earlier accounted for on cash basis. Accordingly, provision for Gratuity has been recomputed for each preceding year and consequently the adjustments have been made in the expense for Gratuity for the years ended 31<sup>st</sup> March, 2012, 2013, 2014 and 2015 and the brought forward balance of Gratuity payable for the period prior to 31<sup>st</sup> March, 2011 is adjusted against balance in Profit and Loss Account as at 31<sup>st</sup> March, 2011.

## 2. Material Regroupings

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

## 3. Contingent liabilities not provided for

- a. Bank guarantees issued by Union Bank of India for an aggregate sum of Rs. 1300000/- (margin money deposited in the form of bank fixed deposits with the same bank for a sum of Rs.325000/-).
  - b. Foreign Letter of Credit issued by Union Bank of India for a sum of Rs.40207688/- and outstanding as at the year end. (Margin money in the form of fixed deposits of the same bank for a sum of Rs.10000000/-).
  - c. Revolving Letter of Credit issued by Union Bank of India for a sum of Rs.1337500/- and outstanding as at the year end. (Margin money in the form of fixed deposits of the same bank for a sum of Rs.544000/-).
4. The company has availed a term loan of Rs.650 Lacs from Madhya Pradesh Financial Corporation against equitable mortgage of company's property i.e. SSP Plant located at Industrial Area, Meghnagar (M.P.) & hypothecation of all Plants & Machinery installed & erected at above location.
  5. On 22nd and 23rd January, 2015 a survey was conducted by the Income Tax Authorities at the business premises of the Company. During the survey proceedings, an excess stock valuing Rs. 44205200/- and excess Cash in hand amounting to Rs.892464/- were found aggregating to Rs.45100664/-. The Company offered to tax these excess stock and cash as income for the financial year 2014-15 (A. Y. 2015-16) and accordingly accounted for a sum of Rs. 45100664/- in the books of account for the F. Y. 2014-15 (A. Y. 2015-16). Assessments for A. Y. 2014-15 and A. Y. 2015-16 are under scrutiny and are yet to be completed.
  6. In the opinion of the Board, all the items of current assets, long term loans and advances and other non-current assets have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated.

7. The various balances of long term loans and advances, other non-current assets, trade payables, trade receivables and other items of current assets, as well as current and non-current liabilities are unconfirmed from the parties concerned.
8. In absence of proper information in respect of trade payables as to their status as Micro, Small and Medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, Company is not in a position to state information required to be disclosed in the notes to the accounts under the provisions of the said Act. Company is trying its best to obtain the required details in this regard.

**DETAILS OF SHARE CAPITAL AS RESTATED - Annexure – VI**

*(Rs. in Lacs)*

| Particulars                                    | As at March 31, |               |               |               |               | As at April 30, 2016 |
|--|-----------------|---------------|---------------|---------------|---------------|----------------------|
|  | 2012            | 2013          | 2014          | 2015          | 2016          |                      |
| <b>Share capital</b>                           |                 |               |               |               |               |                      |
| <b>Authorised:</b>                             |                 |               |               |               |               |                      |
| Equity shares of Rs. 10/- each                 | 125.00          | 500.00        | 500.00        | 500.00        | 500.00        | 500.00               |
| <b>Issued, subscribed &amp; fully paid up:</b> |                 |               |               |               |               |                      |
| Equity shares of Rs. 10/- each                 | 118.25          | 137.12        | 147.57        | 287.88        | 287.88        | 287.88               |
| <b>TOTAL</b>                                   | <b>118.25</b>   | <b>137.12</b> | <b>147.57</b> | <b>287.88</b> | <b>287.88</b> | <b>287.88</b>        |

**Reconciliation of number of shares outstanding:**

*(Rs. in Lacs)*

| Particulars  | As at March 31, |        |        |        |        | As at April 30, 2016 |
|--|-----------------|--------|--------|--------|--------|----------------------|
|  | 2012            | 2013   | 2014   | 2015   | 2016   |                      |
| Equity shares outstanding at the beginning of the year | 110.00          | 118.25 | 137.12 | 147.57 | 287.88 | 287.88               |
| Add: Shares issued during the year                     | 8.25            | 18.87  | 10.45  | 22.25  | -      | -                    |
| Add: Issue of bonus shares                             | -               | -      | -      | 118.06 | -      | -                    |
| Equity shares outstanding at the end of the year       | 118.25          | 137.12 | 147.57 | 287.88 | 287.88 | 287.88               |

*Details of Shareholders holding more than 5% of the aggregate shares in the Company:*

| Name of Shareholder | As at 31st March, 2012 |     | As at 31st March, 2013 |     | As at 31st March, 2014 |     | As at 31st March, 2015 |     | As at 31st March, 2016 |       | As at April 30, 2016 |       |
|---------------------|------------------------|-----|------------------------|-----|------------------------|-----|------------------------|-----|------------------------|-------|----------------------|-------|
|                     | No. Of Shares          | %   | No. Of Shares          | %   | No. Of Shares          | %   | No. Of Shares          | %   | No. Of Shares          | %     | No of Shares         | %     |
| Ramesh Chand        | 61000                  | 5.1 | -                      | -   | -                      | -   | -                      | -   | -                      | -     | -                    | -     |
| Raj Kumar Gupta     | 116300                 | 9.8 | 116300                 | 8.4 | 116300                 | 7.8 | 254340                 | 8.8 | 745702                 | 25.90 | 745702               | 25.90 |
| Rakesh Kumar        | 62650                  | 5.3 | -                      | -   | -                      | -   | -                      | -   | -                      | -     | -                    | -     |
| Kiran Gupta         | 59750                  | 5.0 | -                      | -   | -                      | -   | -                      | -   | -                      | -     | -                    | -     |
| Vishnu Kant Gupta   | -                      | -   | -                      | -   | -                      | -   | 146860                 | 5.1 | 268900                 | 9.34  | 268900               | 9.34  |



**DETAILS OF RESERVES & SURPLUS AS RESTATED - Annexure – VII**

(Rs. in Lacs)

| Particulars   | As at March 31, |               |               |                 |                 | For the period ended April 30, 2016 |
|---|-----------------|---------------|---------------|-----------------|-----------------|-------------------------------------|
|   | 2012            | 2013          | 2014          | 2015            | 2016            |                                     |
| <b><u>Securities premium account</u></b>                |                 |               |               |                 |                 |                                     |
| Opening balance   | 20.00           | 94.20         | 150.82        | 203.10          | 151.79          | 151.79                              |
| Add: Additions during the year/ period                  | 74.20           | 56.62         | 52.27         | 66.75           | -               | -                                   |
| Less: Utilisation during the year/ period               | -               | -             | -             | 118.06          | -               | -                                   |
| <b>Closing balance</b>                                  | <b>94.20</b>    | <b>150.82</b> | <b>203.09</b> | <b>151.79</b>   | <b>151.79</b>   | <b>151.79</b>                       |
| <b><u>Capital Reserve</u></b>                           |                 |               |               |                 |                 |                                     |
| Opening balance   | 5.00            | 5.00          | 5.00          | 5.00            | 5.00            | 20.00                               |
| Add: Additions during the year/ period                  | -               | -             | -             | -               | 15.00           | -                                   |
| Less: Utilisation during the year/ period               | -               | -             | -             | -               | -               | -                                   |
| <b>Closing balance</b>                                  | <b>5.00</b>     | <b>5.00</b>   | <b>5.00</b>   | <b>5.00</b>     | <b>20.00</b>    | <b>20.00</b>                        |
| <b><u>Surplus in statement of Profit &amp; Loss</u></b> |                 |               |               |                 |                 |                                     |
| Opening balance   | 159.39          | 332.23        | 469.44        | 597.43          | 1,605.22        | 1,957.97                            |
| Add: Profit for the year/ period                        | 172.84          | 137.21        | 127.99        | 1,007.79        | 352.75          | 7.46                                |
| Amount available for appropriation                      | 332.23          | 469.44        | 597.43        | 1,605.22        | 1,957.97        | 1,965.43                            |
| <b><u>Appropriations:</u></b>                           |                 |               |               |                 |                 |                                     |
| Proposed dividend                                       | -               | -             | -             | -               | -               | -                                   |
| Dividend distribution tax                               | -               | -             | -             | -               | -               | -                                   |
| Transfer to general reserve                             | -               | -             | -             | -               | -               | -                                   |
| <b>Closing balance</b>                                  | <b>332.23</b>   | <b>469.44</b> | <b>597.43</b> | <b>1,605.22</b> | <b>1,957.97</b> | <b>1,965.43</b>                     |
| <b>TOTAL</b>  | <b>431.43</b>   | <b>625.26</b> | <b>805.52</b> | <b>1,762.01</b> | <b>2,129.76</b> | <b>2,137.22</b>                     |

**DETAILS OF LONG TERM BORROWINGS AS RESTATED - ANNEXURE VIII**

(Rs. in Lacs)

| Particulars   | As at March 31, 2012 | As at March 31, 2013 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2016 | As at April 30, 2016 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Secured</b>  |                      |                      |                      |                      |                      |                      |
| (a) Term loans  |                      |                      |                      |                      |                      |                      |
| From Bank & Financial Institutions                        |                      |                      |                      |                      |                      |                      |
| - Term Loan   | 5.36                 | 100.00               | 325.00               | 574.96               | 498.81               | 498.09               |
| - Vehicle Loan  | 11.92                | 21.20                | 11.18                | 0.84                 | -                    | -                    |
| From Others   | -                    | -                    | -                    | -                    | -                    | -                    |
| A. Sub-total (a)  | 17.28                | 121.20               | 336.18               | 575.80               | 498.81               | 498.09               |
| <b>Unsecured</b>  |                      |                      |                      |                      |                      |                      |
| (b) Loans and advances from related parties               | -                    | -                    | -                    | -                    | -                    | -                    |
| (c) Loans and Advances from Bank & Financial Institutions |                      |                      |                      |                      |                      |                      |
| Business Loans from Banks                                 | -                    | -                    | -                    | -                    | -                    | -                    |
| Business Loans from                                       | -                    | -                    | -                    | -                    | -                    | -                    |
| (d) Loans and Advances from Others                        | 400.00               | 400.00               | -                    | -                    | -                    | -                    |
| B. Sub-total (b) + (c) +(d)                               | 400.00               | 400.00               | -                    | -                    | -                    | -                    |
| C. Inter Corporate Deposits:                              | 21.90                | 21.90                | 21.90                | -                    | -                    | -                    |
| <b>TOTAL (A+B+C)</b>                                      | <b>439.18</b>        | <b>543.10</b>        | <b>358.08</b>        | <b>575.80</b>        | <b>498.81</b>        | <b>498.09</b>        |

| Nature of loan   | Rate of interest | Repayment terms  |                            |   | Security offered   |
|--|------------------|--|----------------------------|---|--|
| Term Loan from MPFC (Outstanding as on 30.04.2016 – Rs.498.09Lacs) | 15.25% per annum | Repayable in 8 years in 24 quarterly installments, with two years off period, commencing from 01st Nov. 2014 and ending on 1st August 2020. The repayment schedule of Principal is as under: |                            |   | Secured by way of Equitable (English) Mortgage of Land (leasehold), factory building, plant & machinery, furniture & fixtures (existing & future) of the Company's Meghnagar unit. |
|  |                  | <b>Period</b>  | <b>No. of Installments</b> | <b>Amount (excluding Interest) each</b> |  |
|  |                  | 01/11/2014 to 01/08/2016   | 8                          | 12.50 Lacs                              |  |
|  |                  | 01/11/2016 to 01/08/2017   | 4                          | 25.00 Lacs                              |  |



| Nature of loan | Rate of interest | Repayment terms                |    |            | Security offered |
|----------------|------------------|--------------------------------|----|------------|------------------|
|                |                  | 01/11/2017<br>to<br>01/08/2020 | 12 | 37.50 Lacs |                  |

There are no long-term borrowings from related parties.

**DETAILS OF DEFERRED TAX LIABILITIES (NET) AS RESTATED – ANNEXURE IX**

(Rs. in Lacs)

| Particulars  | As at March 31, |              |              |      |      | For the period ended April 30, 2016 |
|--|-----------------|--------------|--------------|------|------|-------------------------------------|
|  | 2012            | 2013         | 2014         | 2015 | 2016 |                                     |
| Difference between book and tax depreciation                       | 7.95            | 16.61        | 12.45        | -    | -    | -                                   |
| Provision for Gratuity   | (0.48)          | (1.30)       | (0.42)       | -    | -    | -                                   |
| Disallowances under section 43B of the Income Tax Act, 1961        | -               | (0.06)       | (11.45)      | -    | -    | -                                   |
| Disallowances under section 40 (a)(ia) of the Income Tax Act, 1961 | -               | (1.12)       | -            | -    | -    | -                                   |
| <b>Net (A)</b>   | <b>7.47</b>     | <b>14.13</b> | <b>0.58</b>  |      |      |                                     |
| <b>Transfer to P&amp;L – (A) * applicable Tax Rate</b>             | <b>2.31</b>     | <b>4.37</b>  | <b>0.17</b>  | -    | -    | -                                   |
| Opening Balance  | <b>27.50</b>    | <b>29.81</b> | <b>34.18</b> | -    | -    | -                                   |
| <b>Closing Balance</b>   | <b>29.81</b>    | <b>34.18</b> | <b>34.35</b> | -    | -    | -                                   |

**DETAILS OF LONG TERM LIABILITIES AS RESTATED - ANNEXURE – X**

(Rs. in Lacs)

| Particulars        | As at March 31, |               |               |               |               | For the period ended April 30, 2016 |
|--------------------|-----------------|---------------|---------------|---------------|---------------|-------------------------------------|
|                    | 2012            | 2013          | 2014          | 2015          | 2016          |                                     |
| Trade Payables     | 197.27          | 556.62        | 368.45        | 234.00        | 120.00        | 120.00                              |
| Dealership Deposit | 3.16            | 3.16          | 6.66          | 8.06          | 8.06          | 8.06                                |
| <b>TOTAL</b>       | <b>200.43</b>   | <b>559.78</b> | <b>375.11</b> | <b>242.06</b> | <b>128.06</b> | <b>128.06</b>                       |

**DETAILS OF LONG TERM PROVISIONS AS RESTATED - ANNEXURE – XI**

(Rs. in Lacs)

| Particulars                     | As at March 31, |             |             |             |             | For the period ended April 30, 2016 |
|---------------------------------|-----------------|-------------|-------------|-------------|-------------|-------------------------------------|
|                                 | 2012            | 2013        | 2014        | 2015        | 2016        |                                     |
| Provision for employee benefits |                 |             |             |             |             |                                     |
| Gratuity                        | 1.21            | 2.49        | 2.90        | 7.49        | 8.28        | 8.44                                |
| Compensated absences            |                 |             |             |             |             |                                     |
| Others                          |                 |             |             |             |             |                                     |
| Provision for Taxation          |                 |             |             |             |             |                                     |
| <b>TOTAL</b>                    | <b>1.21</b>     | <b>2.49</b> | <b>2.90</b> | <b>7.49</b> | <b>8.28</b> | <b>8.44</b>                         |

**DETAILS OF SHORT TERM BORROWINGS AS RESTATED - ANNEXURE-XII**

(Rs. in Lacs)

| Particulars                   | As at March 31, |               |               |                 |                 | For the period ended April 30, 2016 |
|-------------------------------|-----------------|---------------|---------------|-----------------|-----------------|-------------------------------------|
|                               | 2012            | 2013          | 2014          | 2015            | 2016            |                                     |
| <b><u>Secured</u></b>         |                 |               |               |                 |                 |                                     |
| (a) Working Capital Loans     |                 |               |               |                 |                 |                                     |
| CC From Union Bank of India   | 451.04          | 892.06        | 778.10        | 1,154.38        | 1,546.26        | 1,517.35                            |
| (b) Buyers' Credit Facilities | -               | -             | -             | -               | 0.11            | 0.37                                |
| <b><u>Unsecured</u></b>       | -               | 30.30         | 100.00        | -               | -               | -                                   |
| <b>TOTAL</b>                  | <b>451.04</b>   | <b>922.36</b> | <b>878.10</b> | <b>1,154.38</b> | <b>1,546.37</b> | <b>1,517.72</b>                     |

**\*Details of secured loans –short-term**

| Nature of loan   | Rate of interest  | Repayment terms                        | Security offered  |
|--|---|--|---|
| Cash Credit (Working Capital Loan) from Union Bank of India (Outstanding as on 30.04.2016 – Rs.1517.35 Lacs) | Base Rate + 3.00% (Present base rate being 9.60%)                             | Repayable on demand. Renewed annually. | Secured by way of:<br>1. Equitable/english Mortgage of Land (leasehold) & factory building of Company's Dewas unit.<br>2. Hypothecation of Plant & Machinery of Company's Dewas unit.<br>3. Hypothecation of Stock & Book Debts of the Company's (both units).                      |
| Cash Credit from Punjab National Bank (Outstanding as on 30.04.2016 – Rs.0.37 Lacs)                          | Base rate + 1.00% i.e.10.60% subject to review/change as per Bank's guideline | Repayable on demand. Renewed annually. | Secured by way of:<br>1. Pledge of Warehouse Receipts of the agriculture commodities and fertilizers which have been stored or may be stored with the Central/state Warehousing Corporation.<br>2. Guarantee given by Mr. Raj Kumar Gupta, Mr. Vishnukant Gupta and Mrs. Uma Gupta. |

**There are no short-term borrowings from related parties.**

**DETAILS OF TRADE PAYABLES AS RESTATED - ANNEXURE-XIII**

**(Rs. in Lacs)**

| Particulars                           | As at March 31, |                |               |                |                 | For the period ended April 30, 2016 |
|---------------------------------------|-----------------|----------------|---------------|----------------|-----------------|-------------------------------------|
|                                       | 2012            | 2013           | 2014          | 2015           | 2016            |                                     |
| (a) Micro,Small and Medium Enterprise | -               | -              | -             | -              | -               | -                                   |
| (b) Others                            | 1,559.66        | 1099.54        | 788.93        | 1014.63        | 2,106.21        | 2,167.56                            |
| <b>TOTAL</b>                          | <b>1,559.66</b> | <b>1099.54</b> | <b>788.93</b> | <b>1014.63</b> | <b>2,106.21</b> | <b>2,167.56</b>                     |

**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED-ANNEXURE – XIV**

**(Rs. in Lacs)**

| Particulars | As at March 31, |      |      |      |      | For the period ended April 30, 2016 |
|-------------|-----------------|------|------|------|------|-------------------------------------|
|             | 2012            | 2013 | 2014 | 2015 | 2016 |                                     |
|             |                 |      |      |      |      |                                     |

| Particulars                                   | As at March 31, |              |               |               |               | For the period ended April 30, 2016 |
|---|-----------------|--------------|---------------|---------------|---------------|-------------------------------------|
|   | 2012            | 2013         | 2014          | 2015          | 2016          |                                     |
| Current maturities of long term debt          | 21.11           | 14.77        | 44.21         | 60.34         | 75.84         | 75.74                               |
| Interest accrued but not due on borrowings    | -               | -            | 12.31         | 18.37         | 19.79         | 6.74                                |
| <b>Other payables</b>                         |                 |              |               |               |               |                                     |
| Outstanding Expenses                          | 12.13           | 13.43        | 10.00         | 16.42         | 28.32         | 26.46                               |
| Advance received from supply of goods         | 36.80           | 15.67        | 51.77         | 26.29         | 79.74         | 76.38                               |
| Statutory Liabilities                         | 70.71           | 49.57        | 30.25         | 30.83         | 58.27         | 54.28                               |
| Credit Bank Balance due to issuance of Cheque | -               | 2.90         | 0.22          | 0.31          | 2.93          | 0.14                                |
| Rent Deposits Received (Gold Plaza)           | -               | -            | -             | -             | 1.71          | 1.71                                |
| <b>TOTAL</b>                                  | <b>140.75</b>   | <b>96.34</b> | <b>148.76</b> | <b>152.56</b> | <b>266.60</b> | <b>241.45</b>                       |

**\*Details of Current maturities of secured loans –long-term**

| Nature of loan      | Amount Outstanding as on 30.04.2016 | Rate of interest   | Repayment terms   | Security offered                    |
|---------------------|-------------------------------------|--|---|-------------------------------------|
| Vehicle Loan        | 0.47 Lacs                           | 13.00% p.a.  | 36 monthly installments starting from 05/01/2014 and ending on 05/12/2016 | Hypothecation of respective vehicle |
| Vehicle Loan        | 0.27 Lacs                           | 12.25% p.a.  | 36 monthly installments starting from 05/11/2013 and ending on 05/10/2016 | Hypothecation of respective vehicle |
| Term Loan from MPFC | 75.00 Lacs                          | Refer annexure VIII for security and other terms and conditions of the loans |   |                                     |
| Total               | <b>75.74 Lacs</b>                   |  |   |                                     |

**There are no long-term borrowings from related parties.**

**DETAILS OF SHORT TERM PROVISIONS AS RESTATED - ANNEXURE- XV**

*(Rs. in Lacs)*

| Particulars                            | As at March 31, |              |              |              |              | For the period ended April 30 2016 |
|--|-----------------|--------------|--------------|--------------|--------------|------------------------------------|
|  | 2012            | 2013         | 2014         | 2015         | 2016         |                                    |
| <b>Provision for employee benefits</b> |                 |              |              |              |              |                                    |
| Gratuity                               | 0.02            | 0.04         | 0.05         | 0.11         | 0.15         | -                                  |
| Compensated absences                   | -               | -            | -            | -            | -            | -                                  |
| <b>Others</b>                          |                 |              |              |              |              |                                    |
| Provision for taxation                 | 32.71           | 38.86        | 29.26        | 34.69        | 64.87        | 67.12                              |
| Proposed dividend                      | -               | -            | -            | -            | -            | -                                  |
| <b>TOTAL</b>                           | <b>32.73</b>    | <b>38.90</b> | <b>29.31</b> | <b>34.80</b> | <b>65.02</b> | <b>67.12</b>                       |

**DETAILS OF FIXED ASSETS AS RESTATED**
**- ANNEXURE -XVI**
*(Rs. in Lacs)*

| Particulars  | As at March 31, |               |               |               |               | For the period ended April 30, 2016 |
|--|-----------------|---------------|---------------|---------------|---------------|-------------------------------------|
|  | 2012            | 2013          | 2014          | 2015          | 2016          |                                     |
| <b><u>1. Land (Leasehold &amp; Site Development)</u></b> |                 |               |               |               |               |                                     |
| Gross Block  | 18.46           | 1.85          | 1.85          | 46.86         | 46.86         | 46.86                               |
| Accumulated Depreciation                                 | 0.00            | 0.00          | 0.00          | 0.00          | 0.00          | 0.00                                |
| Net Block  | 18.46           | 1.85          | 1.85          | 46.86         | 46.86         | 46.86                               |
| <b><u>2. Building</u></b>                                |                 |               |               |               |               |                                     |
| Gross Block  | 128.01          | 156.02        | 156.02        | 714.31        | 714.31        | 714.31                              |
| Accumulated Depreciation                                 | 13.39           | 18.10         | 23.32         | 29.16         | 51.71         | 53.57                               |
| Net Block  | 114.62          | 137.92        | 132.70        | 685.15        | 662.60        | 660.74                              |
| <b><u>3. Plant &amp; Machinery</u></b>                   |                 |               |               |               |               |                                     |
| Gross Block  | 278.62          | 323.92        | 350.70        | 961.17        | 1025.9        | 1,025.99                            |
| Accumulated Depreciation                                 | 46.04           | 61.42         | 78.67         | 110.04        | 178.86        | 184.70                              |
| Net Block  | 232.58          | 262.50        | 272.03        | 851.13        | 847.13        | 841.29                              |
| <b><u>4. Electrical Installations</u></b>                |                 |               |               |               |               |                                     |
| Gross Block  | 0.00            | 0.00          | 0.00          | 54.27         | 59.11         | 59.11                               |
| Accumulated Depreciation                                 | 0.00            | 0.00          | 0.00          | 0.18          | 3.78          | 4.09                                |
| Net Block  | 0.00            | 0.00          | 0.00          | 54.09         | 55.33         | 55.02                               |
| <b><u>5. Motor Vehicles</u></b>                          |                 |               |               |               |               |                                     |
| Gross Block  | 30.46           | 40.04         | 54.35         | 54.35         | 54.35         | 54.35                               |
| Accumulated Depreciation                                 | 2.12            | 3.89          | 8.01          | 14.74         | 21.47         | 22.03                               |
| Net Block  | 28.34           | 36.15         | 46.34         | 39.61         | 32.88         | 32.32                               |
| <b><u>6. Computer &amp; Software</u></b>                 |                 |               |               |               |               |                                     |
| Gross Block  | 5.42            | 7.35          | 8.64          | 9.15          | 10.51         | 10.51                               |
| Accumulated Depreciation                                 | 3.89            | 4.91          | 6.23          | 7.52          | 8.51          | 8.58                                |
| Net Block  | 1.53            | 2.44          | 2.41          | 1.63          | 2.00          | 1.93                                |
| <b><u>7. Other Miscellaneous Assets</u></b>              |                 |               |               |               |               |                                     |
| Gross Block  | 4.98            | 6.50          | 7.16          | 10.19         | 18.42         | 18.42                               |
| Accumulated Depreciation                                 | 0.87            | 1.13          | 1.46          | 4.25          | 6.43          | 6.63                                |
| Net Block  | 4.11            | 5.37          | 5.70          | 5.94          | 11.99         | 11.79                               |
| <b>TOTAL (Net Block)</b>                                 | <b>399.64</b>   | <b>446.23</b> | <b>461.03</b> | <b>1684.4</b> | <b>1658.7</b> | <b>1,649.95</b>                     |

**DETAILS OF DEFERRED TAX ASSETS (NET) AS RESTATED - ANNEXURE XVII**

(Rs. in Lacs)

| Particulars                                    | As at March 31, |      |      |                 |                 | For the period ended April 30, 2016 |
|--|-----------------|------|------|-----------------|-----------------|-------------------------------------|
|  | 2012            | 2013 | 2014 | 2015            | 2016            |                                     |
| Difference between book and tax depreciation   | -               | -    | -    | 12.54           | 54.57           | 5.73                                |
| Provision for Gratuity                         | -               | -    | -    | 4.64            | 0.84            | 0.00                                |
| Disallowances under section                    | -               | -    | -    | (11.51)         | 0.38            | 0.00                                |
| Brought forward Unabsorbed Loss & Depreciation | -               | -    | -    | 1,509.40        | (578.79)        | (16.71)                             |
| <b>NET(A)</b>                                  |                 |      |      | <b>1,515.07</b> | <b>(523.00)</b> | <b>(10.98)</b>                      |
| <b>Transfer to P&amp;L- (A) *</b>              | -               | -    | -    | <b>491.63</b>   | <b>(161.15)</b> | <b>(3.63)</b>                       |
| Opening Balance                                | -               | -    | -    | (34.35)         | 457.28          | 296.13                              |
| <b>Closing Balance</b>                         | -               | -    | -    | <b>457.28</b>   | <b>296.13</b>   | <b>292.50</b>                       |

**DETAILS OF LONG TERM LOANS AND ADVANCES AS RESTATED-ANNEXURE – XVIII**

(Rs. in Lacs)

| Particulars              | As at March 31, |              |              |              |               | For the period ended April 30, 2016 |
|--------------------------|-----------------|--------------|--------------|--------------|---------------|-------------------------------------|
|                          | 2012            | 2013         | 2014         | 2015         | 2016          |                                     |
| <b><u>Secured</u></b>    | -               | -            | -            | -            | -             | -                                   |
|                          |                 |              |              |              |               |                                     |
| <b><u>Unsecured</u></b>  |                 |              |              |              |               |                                     |
| Capital advances         | -               | -            | -            | -            | -             | -                                   |
| Others                   |                 |              |              |              |               |                                     |
| Security Deposits        | 16.85           | 19.81        | 19.85        | 14.23        | 28.04         | 28.04                               |
| Advance income tax (net) | -               | -            | -            | -            | -             | -                                   |
| MAT Credit Entitlement   | 14.67           | -            | -            | -            | 106.61        | 108.87                              |
| <b>TOTAL</b>             | <b>31.52</b>    | <b>19.81</b> | <b>19.86</b> | <b>14.23</b> | <b>134.65</b> | <b>136.91</b>                       |

**DETAILS OF OTHER NON CURRENT ASSETS AS RESTATED - ANNEXURE – XIX**

(Rs. in Lacs)

| Particulars                  | As at March 31, |      |      |      |       | For the period ended April 30, 2016 |
|------------------------------|-----------------|------|------|------|-------|-------------------------------------|
|                              | 2012            | 2013 | 2014 | 2015 | 2016  |                                     |
| Interest accrued on Deposits | 11.97           | 5.11 | 5.76 | 7.92 | 14.16 | 14.16                               |

| Particulars                    | As at March 31, |              |               |              |              | For the period ended April 30, 2016 |
|--------------------------------|-----------------|--------------|---------------|--------------|--------------|-------------------------------------|
|                                | 2012            | 2013         | 2014          | 2015         | 2016         |                                     |
| Pre Operative Expenses Pending | -               | 16.36        | 81.87         | -            | -            | -                                   |
| Fixed Deposits (Maturing Over  | 48.97           | 52.96        | 17.00         | 22.44        | 23.44        | 23.45                               |
| <b>TOTAL</b>                   | <b>60.94</b>    | <b>74.43</b> | <b>104.63</b> | <b>30.36</b> | <b>37.60</b> | <b>37.61</b>                        |

**DETAILS OF INVENTORIES AS RESTATED - ANNEXURE – XX**

(Rs. in Lacs)

| Particulars  | As at March 31, |                 |                 |               |                 | For the period ended April 30, 2016 |
|--|-----------------|-----------------|-----------------|---------------|-----------------|-------------------------------------|
|  | 2012            | 2013            | 2014            | 2015          | 2016            |                                     |
| a. Raw Materials and components (Valued at Cost as per FIFO Method)                          | 204.81          | 45.47           | 340.73          | 325.63        | 428.45          | 423.36                              |
| b. Work-in-progress (Valued At Estimated Cost)   | 27.55           | 14.54           | 15.32           | 55.14         | 3.15            | 39.01                               |
| c. Finished goods (Valued At Lower of Cost or NRV)   | 61.68           | 96.62           | 238.23          | 106.34        | 96.51           | 84.16                               |
| d. Stock in Trade (Valued At Lower of Cost or NRV)   | 568.03          | 1,182.22        | 421.29          | 385.52        | 773.33          | 662.84                              |
| e. Stores and spares & Packing Materials (Valued at Lower of Cost or NRV as per FIFO Method) | 19.90           | 20.17           | 14.85           | 13.13         | 17.85           | 27.66                               |
| <b>TOTAL</b>   | <b>881.97</b>   | <b>1,359.02</b> | <b>1,030.42</b> | <b>885.76</b> | <b>1,319.29</b> | <b>1,237.03</b>                     |

**DETAILS OF TRADE RECEIVABLES AS RESTATED - ANNEXURE-XXI**

(Rs. in Lacs)

| Particulars   | As at March 31, |      |       |       |      | For the period ended April 30, 2016 |
|---|-----------------|------|-------|-------|------|-------------------------------------|
|   | 2012            | 2013 | 2014  | 2015  | 2016 |                                     |
| <b>Outstanding for a period exceeding six months</b>      |                 |      |       |       |      |                                     |
| Unsecured, considered good                                |                 |      |       |       |      |                                     |
| a. From Directors/Promoters/<br>Promoter Group/Associates | 19.10           | 7.20 | 54.51 | 68.90 | -    | -                                   |

| Particulars  | As at March 31, |               |               |               |                 | For the period ended April 30, 2016 |
|--|-----------------|---------------|---------------|---------------|-----------------|-------------------------------------|
|  | 2012            | 2013          | 2014          | 2015          | 2016            |                                     |
| /Relatives of Directors/Group Companies  |                 |               |               |               |                 |                                     |
| b. From Others   | 1.10            | 4.72          | 13.40         | 133.69        | 438.99          | 540.12                              |
|  |                 |               |               |               |                 |                                     |
| <b>Other debts</b>   |                 |               |               |               |                 |                                     |
| Unsecured, considered good   |                 |               |               |               |                 |                                     |
| a. From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/Group Companies | -               | -             | -             | -             | -               | -                                   |
| b. From Others   | 506.01          | 402.26        | 366.51        | 604.64        | 1,107.28        | 1089.82                             |
| <b>TOTAL</b>   | <b>526.21</b>   | <b>414.18</b> | <b>434.42</b> | <b>807.23</b> | <b>1,546.27</b> | <b>1,629.94</b>                     |

**DETAILS OF CASH AND BANK BALANCES AS RESTATED - ANNEXURE- XXII**

(Rs. in Lacs)

| Particulars           | As at March 31, |               |              |               |               | For the period ended April 30, 2016 |
|-----------------------|-----------------|---------------|--------------|---------------|---------------|-------------------------------------|
|                       | 2012            | 2013          | 2014         | 2015          | 2016          |                                     |
| Cash in hand          | 1.34            | 5.41          | 8.78         | 5.84          | 1.29          | 2.27                                |
| Cheques in hand       |                 |               |              |               |               |                                     |
| Balances with banks   |                 |               |              |               |               |                                     |
| - In Current Accounts | 0.28            | 77.42         | 4.82         | 48.36         | 3.50          | 1.62                                |
| - In Deposit Accounts | 145.17          | 87.76         | 8.69         | 85.45         | 104.05        | 115.05                              |
| <b>Total</b>          | <b>146.79</b>   | <b>170.59</b> | <b>22.29</b> | <b>139.65</b> | <b>108.84</b> | <b>118.94</b>                       |

**DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED -ANNEXURE – XXIII**

(Rs. in Lacs)

| Particulars                       | As at March 31, |      |      |      |      | For the period ended April 30, 2016 |
|-----------------------------------|-----------------|------|------|------|------|-------------------------------------|
|                                   | 2012            | 2013 | 2014 | 2015 | 2016 |                                     |
| <u>Unsecured, considered good</u> |                 |      |      |      |      |                                     |

| Particulars                           | As at March 31, |               |               |               |               | For the period ended April 30, 2016 |
|---------------------------------------|-----------------|---------------|---------------|---------------|---------------|-------------------------------------|
|                                       | 2012            | 2013          | 2014          | 2015          | 2016          |                                     |
| Loans and advances to related parties | 9.56            | 8.21          | 1.00          | 1.73          | -             | -                                   |
| <b>Other loans and advances</b>       |                 |               |               |               |               |                                     |
| Security Deposits                     | 9.86            | 18.76         | 31.28         | 57.08         | 112.15        | 99.67                               |
| Deposits- others                      |                 |               |               |               |               |                                     |
| Advance income tax (net)              | -               | -             | -             | -             | -             | -                                   |
| Others                                | 45.71           | 267.57        | 345.16        | 138.62        | 112.54        | 126.01                              |
| <b>TOTAL</b>                          | <b>65.13</b>    | <b>294.54</b> | <b>377.44</b> | <b>197.43</b> | <b>224.69</b> | <b>225.68</b>                       |

**DETAILS OF OTHER CURRENT ASSETS AS RESTATED - ANNEXURE - XXIV**

(Rs. in Lacs)

| Particulars             | As at March 31, |                |               |                |                | For the period ended April 30, 2016 |
|-------------------------|-----------------|----------------|---------------|----------------|----------------|-------------------------------------|
|                         | 2012            | 2013           | 2014          | 2015           | 2016           |                                     |
| Unamortised expenditure | -               | -              | -             | -              | -              | -                                   |
| Share issue expenses*   | -               | -              | -             | -              | -              | -                                   |
| <b>Others</b>           |                 |                |               |                |                |                                     |
| Subsidy Receivable      | 1,241.13        | 1,038.58       | 618.24        | 1,001.03       | 1,692.73       | 1,707.03                            |
| Prepaid expenses        | 0.67            | 1.65           | 1.42          | 1.68           | 0.66           | 0.55                                |
| <b>TOTAL</b>            | <b>1,241.80</b> | <b>1040.23</b> | <b>619.66</b> | <b>1002.71</b> | <b>1693.39</b> | <b>1,707.58</b>                     |

**DETAILS OF OTHER INCOME AS RESTATED - ANNEXURE –XXV**

(Rs. in Lacs)

| Particulars                       | As at March 31, |        |        |        |        | For the period ended April 30, 2016 | Nature |
|-----------------------------------|-----------------|--------|--------|--------|--------|-------------------------------------|--------|
|                                   | 2012            | 2013   | 2014   | 2015   | 2016   |                                     |        |
| Other income                      | 17.79           | 10.27  | 9.50   | 15.61  | 28.36  | 0.54                                |        |
| Net profit before tax as restated | 201.00          | 206.36 | 191.88 | 662.48 | 516.76 | 11.09                               |        |
| <b>Percentage</b>                 | 8.85%           | 4.98%  | 4.95%  | 2.36%  | 5.49%  | 4.86%                               |        |
|                                   |                 |        |        |        |        |                                     |        |
| <b>Source of Income</b>           |                 |        |        |        |        |                                     |        |

| Particulars                       | As at March 31, |              |             |              |              | For the period ended April 30, 2016 | Nature  |
|-----------------------------------|-----------------|--------------|-------------|--------------|--------------|-------------------------------------|---|
|                                   | 2012            | 2013         | 2014        | 2015         | 2016         |                                     |   |
| Capital Gain on Sale of Shares    | 3.20            | -            | -           | -            | -            | -                                   | "Non Recurring and not related to business activity." |
| Rental Income                     | 1.20            | -            | -           | -            | 8.03         | 0.42                                |   |
| Income from Warehouse             | 0.60            | -            | -           | -            | -            | -                                   |   |
| Claim Received                    | -               | -            | 1.37        | -            | -            | -                                   | "Non Recurring and related to business activity."     |
| Amount Received                   | -               | -            | -           | -            | 4.27         | -                                   |   |
| Cash Surrendered during IT Survey | -               | -            | -           | 8.93         | -            | -                                   |   |
| Interest on FDR and SD            | 12.79           | 10.27        | 8.12        | 6.68         | 16.06        | 0.12                                | "Recurring and related to business activity."         |
| <b>Total other</b>                | <b>17.79</b>    | <b>10.27</b> | <b>9.50</b> | <b>15.61</b> | <b>28.36</b> | <b>0.54</b>                         |   |

***CAPITALISATION STATEMENT AS AT LAST AUDITED BALANCE SHEET - ANNEXURE – XXVI***

*(Rs. in Lacs)*

| Particulars                                       | Pre Issue      | Post Issue     |
|---|----------------|----------------|
| <b>Borrowings:</b>                                |                |                |
| Short-term  | 1593.46        | 1593.46        |
| Long-term (A)                                     | 498.09         | 498.09         |
| <b>Total debts (B)</b>                            | <b>2091.55</b> | <b>2091.55</b> |
| <b>Shareholders' funds</b>                        |                |                |
| Share capital                                     | 287.88         | 2027.41        |
| Reserve and surplus                               | 2137.22        | 1691.29        |
| <b>Total shareholders' funds (C)</b>              | <b>2425.10</b> | <b>3718.70</b> |
| <b>Long term debt / shareholders' funds (A/C)</b> | <b>0.21</b>    | <b>0.13</b>    |
| <b>Total debt / shareholders' funds (B/C)</b>     | <b>0.86</b>    | <b>0.56</b>    |

**STATEMENT OF TAX SHELTERS**
**ANNEXURE – XXVII**
*(Rs. in Lacs)*

| Particulars   | As at March 31, |         |         |           |        | For the period ended April 30, 2016 |
|---|-----------------|---------|---------|-----------|--------|-------------------------------------|
|   | 2012            | 2013    | 2014    | 2015      | 2016   |                                     |
| <b>Profit before tax, as restated (A)</b>                         | 201             | 206.36  | 191.88  | 662.48    | 516.76 | 11.09                               |
| Tax Rate (%)  | 32.45%          | 32.45%  | 32.45%  | 32.45%    | 33.06% | 33.06%                              |
| Tax at notional rate on   | 65.21           | 66.95   | 62.26   | 214.94    | 170.86 | 3.67                                |
| <b>Adjustments :</b>  |                 |         |         |           |        |                                     |
| <b>Permanent differences</b>                                      |                 |         |         |           |        |                                     |
| Expenses disallowed under   | 2.76            | 7.45    | 5.07    | 4.58      | 8.64   | 0.01                                |
| Deduction u/s 35 AD   | (112.62)        | -       | -       | (1731.12) | -      |                                     |
| <b>Total permanent differences(B)</b>                             | (109.86)        | 7.45    | 5.07    | (1726.54) | 8.64   | 0.01                                |
| <b>Income considered separately (C)</b>                           | 3.2             | -       | -       | 451.01    | 8.03   | 0.42                                |
| <b>Timing differences</b>   |                 |         |         |           |        |                                     |
| Difference between tax depreciation and book depreciation         | (7.95)          | (16.61) | (12.45) | 12.53     | 54.57  | 5.73                                |
| Difference due to expenses allowable/ disallowable u/s 28 to 44DA | 0.48            | 2.49    | 11.87   | (6.87)    | 1.23   | -                                   |
| <b>Total timing differences (D)</b>                               | (7.47)          | (14.12) | (0.58)  | 5.66      | 55.80  | 5.73                                |
| <b>Net adjustments E = (B+D-C)</b>                                | (120.53)        | (6.67)  | 4.49    | (2171.89) | 56.40  | 5.33                                |
| <b>Tax expense / (saving) thereon</b>                             | (39.11)         | (2.16)  | 1.46    | (704.67)  | 18.65  | 1.76                                |
| <b>Income from other sources (F)</b>                              | 3.20            | 0       | 0       | 451.01    | 5.62   | 0.29                                |
| <b>Loss of P.Y. Brought Forward and adjusted (G)</b>              | -               | -       | -       | -         | 578.79 | 16.71                               |
| <b>Taxable income/(loss) (A+E+F-G)</b>                            | 83.67           | 199.69  | 196.37  | 451.01    | -      | -                                   |
| <b>Taxable income/(loss) as per MAT</b>                           | 202.52          | 210.47  | 196.51  | 666.47    | 522.86 | 11.10                               |

| Particulars                          | As at March 31, |        |        |        |        | For the period ended April 30, 2016 |
|--------------------------------------|-----------------|--------|--------|--------|--------|-------------------------------------|
|                                      | 2012            | 2013   | 2014   | 2015   | 2016   |                                     |
| <b>Tax as per Normal Calculation</b> | 25.85           | 64.79  | 63.71  | 146.33 | -      | -                                   |
| <b>Tax as per MAT</b>                | 40.52           | 42.11  | 39.32  | 133.34 | 106.61 | 2.26                                |
| <b>MAT Credit Aailed</b>             | -               | 14.67  | -      | -      | -      | -                                   |
| <b>Tax Paid</b>                      | 40.52           | 50.12  | 63.71  | 146.33 | 106.61 | 2.26                                |
| Tax paid as per “normal” or “MAT”    | MAT             | Normal | Normal | Normal | MAT    | MAT                                 |

**Note: Details of Permanent Disallowance**

| Expenses disallowed under Income Tax Act, 1961  | 2012        | 2013        | 2014        | 2015        | 2016        | April 30, 2016 |
|---|-------------|-------------|-------------|-------------|-------------|----------------|
| Disallowed u/s 36                               |             |             |             |             |             |                |
| Delaved PF Contribution                         | 0.03        | 0.03        | 0.01        | -           | 0.16        | -              |
| Delaved ESI Contribution                        | -           | 0.01        | -           | -           | -           | -              |
| Disallowed u/s 37                               |             |             |             |             |             |                |
| Loss on Sale of Fixed Assets                    | 1.20        | 2.76        | 0.07        | -           | -           | -              |
| Penalty   | -           | 0.21        | 0.02        | 0.19        | 0.54        | -              |
| Donation  | 0.01        | 0.34        | 0.34        | 0.17        | 0.05        | -              |
| Round Off                                       | -           | -           | .01         | -           | -           | -              |
| Expenses related to other Financial Year        | -           | -           | -           | -           | 0.10        | -              |
| Disallowed u/s 40(a)                            |             |             |             |             |             |                |
| Interest on TDS/TCS/Income Tax                  | 1.52        | 4.10        | 4.62        | 3.98        | 7.23        | 0.01           |
| Disallowed u/s 40(a)(ia)                        |             |             |             |             |             |                |
| Short TDS Deduction(Since no TDS Deduction made | -           | -           | -           | 0.24        | 0.07        | -              |
| Disallowed u/s 40A(3)                           |             |             |             |             |             |                |
| Cash Purchases                                  | -           | -           | -           | -           | 0.49        | -              |
| <b>TOTAL</b>                                    | <b>2.76</b> | <b>7.45</b> | <b>5.07</b> | <b>4.58</b> | <b>8.64</b> | <b>0.01</b>    |

**DETAILS OF RELATED PARTY TRANSACTIONS AS RESTATED - ANNEXURE – XXVIII**

*(Rs. in Lacs)*

| Nature of Transaction                            | Name of Related Party | Relation   | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | April'16 |
|--|-----------------------|--|---------|---------|---------|---------|---------|----------|
| Managerial Remuneration                          | Raj Kumar Suhane      | Key Managerial Person  | 4.98    | 9.00    | 9.00    | 12.00   | 15.00   | 1.25     |
|  | Rajesh Kumar Suhane   | Key Managerial Person  | 2.88    | -       | -       | -       | -       | -        |
|  | Uma Gupta             | Key Managerial Person  | -       | -       | -       | -       | 0.30    | 0.30     |
|  | Vishnukant Gupta      | Key Managerial Person  | 0.20    | 5.10    | 6.00    | 7.20    | 9.00    | 0.75     |
|  | Nitin Suhane          | Key Managerial Person  | -       | -       | 0.35    | 4.80    | 4.80    | 0.40     |
|  | Vikas Gupta           | Key Managerial Person  | -       | -       | 3.00    | 3.00    | 3.30    | -        |
| Salary   | Uma Gupta             | Relative of KMP  | 2.64    | 2.40    | 3.60    | 3.60    | 3.30    | -        |
|  | Vishnukant Gupta      | Relative of KMP  | 4.60    | -       | -       | -       | -       | -        |
|  | Vikas Gupta           | Relative of KMP  | -       | -       | -       | -       | 0.30    | -        |
|  | Shradhha Gupta        | Relative of KMP  | -       | -       | 2.40    | 2.40    | 2.40    | 0.20     |
|  | Deepali Suhane        | Relative of KMP  | -       | -       | 2.16    | -       | -       | -        |
|  | Neetu Gupta           | Relative of KMP  | -       | -       | -       | -       | 2.52    | 0.21     |
| Processing /Loading / Unloading / Labour Charges | Rakesh Suhane         | Relative of KMP  | 36.14   | -       | -       | -       | -       | -        |
|  | Nitin Suhane          | Relative of KMP  | 31.45   | 8.19    | 0.57    | -       | -       | -        |
| Freight Charges                                  | M/s. Vinod Trading Co | Entity under the Control of KMP till 16.03.2012. Thereafter Under control of relative of KMP | -       | -       | -       | 9.62    | 9.64    | -        |
|  | Madhav Sales Corp     | Entity Controlled by Relative of   | -       | -       | -       | 1.55    | 1.24    | -        |
|  | Shreenath Logistics   | Entity Controlled by KMP   | -       | -       | 56.57   | -       | -       | -        |
| Rent   | Shradhha Gupta        | Relative of KMP  | -       | -       | 0.96    | 0.96    | 0.96    | -        |
|  | Kiran Gupta           | Relative of KMP  | -       | -       | 3.60    | 3.60    | 3.60    | -        |

| Nature of Transaction                   | Name of Related Party       | Relation   | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | April'16 |
|---|-----------------------------|--|---------|---------|---------|---------|---------|----------|
| Trade Discount/ Rate Difference Allowed | M/s. Vinod Trading Co       | Entity under the Control of KMP till 16.03.2012, Thereafter Under control of relative of KMP | -       | -       | -       | -       | 9.74    | -        |
|   | Madhav Sales Corp           | Entity Controlled by Relative of KMP   | -       | -       | -       | -       | 4.33    | -        |
| Purchase of Goods                       | M/s. Vinod Sales            | Entity under the Control of KMP till 16.03.2012, Thereafter Under control of relative of KMP |         | 38.72   | 144.41  | 132.09  | 7.58    | -        |
|   | M/s. Vinod Trading Co       |  |         | 44.49   | -       | 108.72  | 67.20   | -        |
|   | Mahadhan Phosphate Pvt Ltd  |  | 3.67    | -       | 123.34  | 96.00   | 13.65   | -        |
|   | Suhane Agro India Pvt. Ltd  | Entity controlled by Relative of Key Management Personnel                                    | -       | -       | 194.98  | 61.18   | 44.25   | -        |
|   | Madhav Agrochem Pvt. Ltd    |  | -       | -       | 313.24  | 47.67   | -       | -        |
|   | Madhav Sales Corp           |  | -       | -       | -       | 15.47   | 70.88   | -        |
| Sales of Goods                          | M/s. Vinod Sales            | Entity under the Control of KMP till 16.03.2012, Thereafter Under control of relative of KMP | 84.53   | 83.22   | 51.85   | 6.23    | 52.71   | -        |
|   | M/s. Vinod Trading Co       |  | 31.24   | 54.49   | 168.14  | 182.69  | 141.62  | -        |
|   | Mahadhan Phosphate Pvt Ltd  |  | 74.01   | -       | 251.57  | -       | -       | -        |
|   | Suhane Agro India Pvt. Ltd  | Entity controlled by Relative of Key Management Personnel                                    | -       | -       | 355.01  | -       | 199.05  | 13.03    |
|   | Madhav Agrochem Pvt. Ltd    |  | -       | -       | 94.49   | -       | 50.65   | -        |
|   | Madhav Sales Corp           |  | -       | -       | 182.89  | 76.52   | 102.97  | 0.94     |
|   | Nafco Commodities Pvt. Ltd. | Entity Controlled by KMP   | -       | -       | -       | 304.07  | -       | -        |

| Nature of Transaction                           | Name of Related Party       | Relation  | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | April'16 |
|---|-----------------------------|---|---------|---------|---------|---------|---------|----------|
| Advance given for supplies                      | Nafco Commodities Pvt. Ltd. | Entity Controlled by KMP  | -       | -       | -       | -       | 3.00    | -        |
|   | Mahadhan Phosphate Pvt Ltd  | Entity under the Control of KMP till 16.03.2012, Thereafter Under | -       | -       | -       | -       | -       | 1.00     |
| Advance received against supplies to be made    | Madhav Agrochem Pvt. Ltd    | Entity controlled by Relative of KMP                              | -       | -       | -       | -       | 55.86   | 8.00     |
| Advance received against supplies returned back | Madhav Agrochem Pvt. Ltd    | Entity controlled by Relative of KMP                              | -       | -       | -       | -       | -       | 8.00     |
| Conveyance Reimbursed                           | Neetu Gupta                 | Relative of KMP   | -       | -       | -       | -       | .01     | -        |
| Loan Taken                                      | Raj Kumar Suhane            | KMP   | -       | -       | -       | -       | 6.68    | -        |
|   | Rajesh Kumar Suhane         | KMP till 16.03.2012 Thereafter Relative of KMP                    | -       | 2.51    | 3.73    | -       | -       | -        |
|   | Mrs. Uma Gupta              | Relative of KMP and KMP w.e.f. 05.03.2016                         | -       | 2.60    | -       | 0.50    | -       | -        |
|   | Mr. Vishnukant Gupta        | Relative of KMP till 16.03.2012 Thereafter KMP                    | 5.00    | -       | -       | -       | -       | -        |
|   | Ramesh Chand Suhane (HUF)   | HUF of KMP till 16.03.2012 Thereafter HUF of Relative of KMP      | -       | 4.85    | 0.93    | -       | -       | -        |
|   | Vinod Kumar                 | HUF of Relative of KMP  | -       | 3.20    | -       | -       | -       | -        |
|   | Raj Kumar Suhane (HUF)      | HUF of KMP  | -       | 3.05    | -       | -       | -       | -        |
|   | Vishnukant Gupta HUF        | HUF of KMP  | -       | -       | 1.95    | -       | -       | -        |
|   | Nafco Commodities           | Entity Controlled by KMP  | -       | -       | 6.00    | -       | -       | -        |
| Loan Repaid                                     | Raj Kumar Suhane            | KMP   |         |         |         |         | 6.68    | -        |

| Nature of Transaction | Name of Related Party     | Relation   | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | April'16 |
|-----------------------|---------------------------|--|---------|---------|---------|---------|---------|----------|
|                       | Rajesh Kumar Suhane       | KMP till 16.03.2012 thereafter relative of KMP               | -       | 2.51    | 3.73    | -       | -       | -        |
|                       | Ramesh Chand Suhane       | KMP till 16.03.2012 thereafter relative of KMP               | 14.85   | -       | -       | -       | -       | -        |
|                       | Mrs. Uma Gupta            | Relative of KMP and KMP w.e.f. 05.03.2016                    | 5.03    | 0.50    | -       | 0.50    | -       | -        |
|                       | Mr. Vishnukant Gupta      | Relative of KMP till 16.03.2012 Thereafter KMP               | 5.00    | -       | -       | -       | -       | -        |
|                       | Ramesh Chand Suhane (HUF) | HUF of KMP till 16.03.2012 Thereafter HUF of Relative of KMP | 4.10    | 4.85    | 0.93    | -       | -       | -        |
|                       | Vinod Kumar               | HUF of Relative of KMP                                       | 1.52    | 5.50    | 2.50    | -       | -       | -        |
|                       | Rakesh Suhane (HUF)       | HUF of Relative of KMP                                       | 2.20    | 3.20    | -       | -       | -       | -        |
|                       | Raj Kumar Suhane (HUF))   | HUF of KMP   | 1.90    | 3.05    | -       | -       | -       | -        |
|                       | Vishnukant Gupta HUF      | HUF of KMP   | -       | -       | 1.95    | -       | -       | -        |
|                       | Nafco Commodities         | Entity Controlled by KMP                                     | -       | -       | 6.00    | -       | -       | -        |
| Loan Given            | Raj Kumar Suhane          | KMP  | 31.49   | 32.85   | 22.95   | 15.70   | -       | -        |
|                       | Ramesh Chand Suhane       | KMP till 16.03.2012 thereafter relative of KMP               |         |         | 0.93    |         |         | -        |
|                       | Mrs Uma Gupta             | Relative of KMP and KMP wef                                  | 2.10    | -       | -       | -       | 12.00   | -        |
|                       | Mr. Vishnukant Gupta      | Relative of KMP till 16.03.2012 Thereafter KMP               | 3.50    | -       | 5.00    | -       | -       | -        |
|                       | Rakesh Suhane (HUF)       | HUF of Relative of KMP                                       | -       | -       | -       | 5.00    | -       | -        |
|                       | Raj Kumar Suhane (HUF)    | HUF of KMP   | -       | -       | 0.70    | -       | -       | -        |

| Nature of Transaction | Name of Related Party  | Relation                                       | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | April'16 |
|-----------------------|------------------------|--|---------|---------|---------|---------|---------|----------|
|                       | Vikas Gupta            | KMP (Ceased to be Director w e f 05.03.2016)   | -       | -       | 10.00   | -       | -       | -        |
|                       | Kiran Gupta            | Relative of KMP                                | -       | -       | 10.00   | -       | -       | -        |
|                       | Asha Gupta             | Relative of KMP                                | -       | -       | -       | 0.85    | -       | -        |
| Loan Received Back    | Raj Kumar Suhane       | KMP  | 27.53   | 32.01   | 26.76   | 16.70   | -       | -        |
|                       | Ramesh Chand Suhane    | KMP till 16.03.2012 thereafter relative of KMP | -       | -       | 0.93    | -       | -       | -        |
|                       | Mrs. Uma Gupta         | Relative of KMP and KMP wef 05.03.2016         | -       | -       | -       | -       | 12.00   | -        |
|                       | Mr. Vishnukant Gupta   | Relative of KMP till 16.03.2012 Thereafter KMP | -       | 0.10    | 8.40    | -       | -       | -        |
|                       | Rakesh Suhane (HUF)    | HUF of Relative of KMP                         |         |         |         | 5.00    |         | -        |
|                       | Raj Kumar Suhane (HUF) | HUF of KMP                                     | -       | -       | 0.70    | -       | -       | -        |
|                       | Vikas Gupta            | KMP (Ceased to be Director w.e.f. 05.03.2016)  | -       | -       | 10.00   | -       | -       | -        |
|                       | Kiran Gupta            | Relative of KMP                                | -       | -       | 10.00   | -       | -       | -        |
|                       | Asha Gupta             | Relative of KMP                                | -       | -       | -       | 0.85    | -       | -        |

**SUMMARY OF ACCOUNTING RATIOS -**

**Annexure – XXIX**

**(Rs in lakhs)**

| Ratio  | As at March 31, |            |            |            |            | For the period ended April 30, 2016 |
|--|-----------------|------------|------------|------------|------------|-------------------------------------|
|  | 2012            | 2013       | 2014       | 2015       | 2016       |                                     |
| Restated PAT as per P& L Account before Extraordinary Item   | 172.84          | 137.21     | 127.99     | 1,007.79   | 352.75     | 7.46                                |
| Restated PAT as per P& L Account after Extraordinary Item  | 172.84          | 137.21     | 127.99     | 1,007.79   | 352.75     | 7.46                                |
| Weighted Average Number of Equity Shares before bonus impact   | 1,100,225       | 1,182,967  | 1,371,486  | 2,810,695  | 2,878,823  | 2,878,823                           |
| Weighted No. of equity shares at the end of the year/period after adjustment for issue of bonus shares | 13,881,974      | 13,964,716 | 14,153,235 | 14,325,987 | 14,394,115 | 14,394,115                          |
| No. of equity shares at the end of the year/period   | 1,182,450       | 1,371,200  | 1,475,735  | 2,878,823  | 2,878,823  | 2,878,823                           |
| No. of Equity Shares at the end after issue of Bonus Shares  | 13,964,199      | 14,152,949 | 14,257,484 | 14,394,115 | 14,394,115 | 14,394,115                          |
| Net Worth  | 549.67          | 762.38     | 953.10     | 2,049.89   | 2,417.64   | 2425.10                             |
| <b>Earnings Per Share</b>  |                 |            |            |            |            |                                     |
| Basic & Diluted - before bonus Issue   | 15.71           | 11.60      | 9.33       | 35.86      | 12.25      | 0.26                                |
| Basic & Diluted - after bonus Issue  | 1.25            | 0.98       | 0.90       | 7.03       | 2.45       | 0.05                                |
| <b>Earnings Per Share after considering Extraordinary Item</b>   |                 |            |            |            |            |                                     |
| Basic & Diluted  | 15.71           | 11.60      | 9.33       | 35.86      | 12.25      | 0.26                                |
| Basic & Diluted  | 1.25            | 0.98       | 0.90       | 7.03       | 2.45       | 0.05                                |

| Ratio   | As at March 31, |        |        |        |        | For the period ended April 30, 2016 |
|---|-----------------|--------|--------|--------|--------|-------------------------------------|
|   | 2012            | 2013   | 2014   | 2015   | 2016   |                                     |
| Return on Net Worth (%)                             | 31.44%          | 18.00% | 13.43% | 49.16% | 14.59% | 0.31%                               |
| Net Asset Value Per Share (Rs) - before bonus Issue | 46.49           | 55.60  | 64.58  | 71.21  | 83.98  | 84.24                               |
| Net Asset Value Per Share (Rs) - after bonus Issue  | 3.94            | 5.39   | 6.68   | 14.24  | 16.80  | 16.85                               |
| Nominal Value per Equity share (Rs.)                | 10.00           | 10.00  | 10.00  | 10.00  | 10.00  | 10.00                               |

1. The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company \*remain the same.
2. \*\*Earning Per Share (EPS) is calculated after adjusting for bonus equity shares issued, with retrospective effect as provided in Accounting Standard (AS-20) - Earning per Share, issued by the Institute of Chartered Accountant of India.
3. Formula:

I Earning Per Share  $\frac{\text{Net profit attributable to Equity Shares}}{\text{Weighted Average Number of Equity Shares outstanding during the period}}$

ii Return on Net Worth  $\frac{\text{Net profit After Tax Adjustments}}{\text{Net Worth at the end of the year / period}}$

iii Net Asset Value Per Share  $\frac{\text{Net Worth at the end of the period}}{\text{Total Number of Equity Shares at the end of the year / period}}$

iv Net Assets  $\frac{\text{Equity Share Capital Plus Reserve \& Surplus less Misc. Expenditure to the extent not written off}}{\text{Total Number of Equity Shares at the end of the year / period}}$

**RECONCILIATION OF RESTATED PROFIT - ANNEXURE – XXX**

*(Rs. in Lacs)*

| Adjustments for   | As at March 31, |               |               |                 |               | For the period ended April 30, 2016 |
|---|-----------------|---------------|---------------|-----------------|---------------|-------------------------------------|
|   | 2012            | 2013          | 2014          | 2015            | 2016          |                                     |
| Net profit/(loss) after tax as per audited statement of profit & loss | 158.40          | 150.10        | 139.01        | 1,001.41        | 240.85        | 11.57                               |
| <b>Adjustments for:</b>   |                 |               |               |                 |               |                                     |
| A. Provision for gratuity   | (0.48)          | (1.30)        | (0.42)        | (4.64)          | 8.07          | (0.48)                              |
| B. Changes in depreciation  | -               | -             | -             | -               | -             | -                                   |
| C. Decrease / (Increase) in Foreign                                   | -               | -             | -             | 2.57            | (2.57)        | -                                   |
| D. Prior Period Expenses Adjusted                                     |                 |               |               |                 |               | -                                   |
| -Income:  |                 |               |               |                 |               | -                                   |
| Trade Discount  | -               | 4.16          | (4.16)        | -               | -             | -                                   |
| -Expense  |                 |               |               |                 |               | -                                   |
| Excise Duty Expense   | -               | (0.06)        | (7.46)        | 7.51            | -             | -                                   |
| VAT Expense   | -               | -             | (4.00)        | 4.00            | -             | -                                   |
| E. Share issue expenses   | -               | -             | -             | -               | -             | -                                   |
| F. Changes in current year/period                                     | 0.10            | (1.44)        | 1.35          | -               | (0.87)        | -                                   |
| G.MAT Credit Accounted for in   | 14.67           | (14.67)       | -             | -               | 106.61        | -                                   |
| H. Deferred tax liability / asset                                     | 0.15            | 0.42          | 3.67          | (3.06)          | 0.66          | (3.63)                              |
| <b>Net profit/ (loss) after tax as</b>                                | <b>172.84</b>   | <b>137.21</b> | <b>127.99</b> | <b>1,007.79</b> | <b>352.75</b> | <b>7.46</b>                         |

**Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years/ period.**

**Adjustments having impact on Profit**

**- Provision for Gratuity**

**- Prior Period Expenses**

**Adjustments having no impact on Profit**

**Material Regrouping**

- Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009.
- Inter unit transfers considered as cost/ revenue in respective units in accordance with the revenue recognition policy of the company from 2013-14 onwards have been ignored while preparing restated financial statements in respective years.



**CHANGES IN SIGNIFICANT ACCOUNTING POLICIES IN LAST THREE YEARS:**

There is no change in accounting policies during last three years except change in procedure for calculation of depreciation necessitated due to enactment of the Companies Act, 2013 (Schedule II).



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

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the financial years ended March 2016, 2015 and 2014 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "*Financial Statements*" on page 261 of this Prospectus.

Indian GAAP differs in certain material aspects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "*Risk Factors*" and "*Forward-Looking Statements*" on pages 20 and 19, of this Prospectus beginning respectively.

Our Company was incorporated on September 19, 2002 and has completed more than ten years since incorporation. The Management's Discussion and Analysis of Financial Condition and Results of Operations, reflects the analysis and discussion of our financial condition and results of operations for the period ended April 30, 2016 and financial years ended March 2016, 2015 and 2014.

### OVERVIEW

Incorporated in 2002, our Company M/s. Agro Phos (India) Limited is an ISO 9001:2008 certified Company engaged in the manufacturing of fertilisers such as Single Super Phosphate (SSP), Nitrogen Phosphate and Potassium (NPK), Zinc Sulphate, Organic manure and Calcium Sulphate commonly known as soil conditioner or gypsum. Our Company also undertakes trading of Diammonium Phosphate (DAP), Urea, Ammonium Sulphate and other fertilizers depending upon the demand of the customer. The registered office of our Company is situated at M-87, Trade Centre 18M, South Tukoganj, Indore, Madhya Pradesh.

Our manufacturing facilities are located at Dewas and Meghnagar, Madhya Pradesh and are well equipped with required facilities including machinery, crane, conveyor belt, other handling equipments to facilitate smooth manufacturing process and easy logistics. We endeavor to maintain safety in our premises by adhering to key safety norms. Our manufacturing process is completely integrated from procurement of raw materials and final testing and packing of fertilisers for direct use of our customers.

We have entered into marketing agreement for our products SSP and NPK with Indian Potash Limited for supply of minimum 40,000 +/- 10% mt per annum of SSP and 25,000 mt per annum of NPK. SSP is marketed by Indian Potash Limited in the states of Madhya Pradesh, Chhattisgarh and Maharashtra while NPK is marketed in the states of Madhya Pradesh and Chattisgarh.

Our Company is well equipped with in-house testing laboratory to test the products as per quality standards and relevant chemical composition. In our quest to maintain high standards of quality for our products, we have imported testing machine to test the product in real time basis. The final product has to pass special quality test to ensure that it is of the requisite quality and contains the requisite chemical composition. We use gazette bags for packing of our products. These bags are very easy to handle and facilitates easy stacking as well. Apart from providing quality products at an affordable cost, our Company also emphasizes on the product reach through its distribution network. We have over 200 dealers and distributors.



Our Company also takes part in various educational awareness programs for farmers. Farmer suicide has become a major concern since being an agrarian country, a large percentage of population in our Country is dependent on agriculture. Towards this social initiative, our Company will be telecasting programme called “**Himmat Na Haar**” on Doordarshan (Regional telecast at Madhya Pradesh and Chhattisgarh). This programme will aim at educating farmers towards the use of fertilisers, pesticides, improve irrigation, address crop failures and such other agriculture related concerns and creating awareness about government policies.

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:-

1. The shareholders approved and passed a special resolution on August 27, 2016 to authorize the Board of Directors to raise funds by making an initial public offering.
2. The shareholders have approved and passed a special resolution on August 27, 2016 authorizing the Board of Directors to borrow funds for the purpose of business of the Company upto an amount of Rs. 100.00 crores
3. The authorised share capital of Rs. 5,00,00,000 consisting of 50,00,000 Equity Shares of Rs. 10/- each was increased to Rs 20,00,00,000 consisting of 2,00,00,000 Equity Shares of Rs 10/- each on July 18, 2016.
4. Our Company has adopted new Articles of Association pursuant to Companies Act 2013 vide shareholders resolution dated August 27, 2016.
5. M/s. Rajendra Goyal & Co., Chartered Accountants, have been appointed as Peer Reviewed Auditors of Company from August 18, 2016.
6. We have issued Bonus Shares in the ratio of 4 shares for every 1 share held to the then existing shareholders of the Company on September 02, 2016.
7. We have increased the authorized Capital of our Company from Rs. 20,00,00,000 consisting of 2,00,00,000 Equity Shares of Rs 10/- each to Rs. 21,00,00,000 consisting of 2,10,00,000 Equity Shares of Rs 10/- each on October 14, 2016

### **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 20 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Cost of materials
- Brand image
- Supply and availability of raw material
- Competition and price cutting from existing and new entrants
- Credit availability
- Technological changes
- Rate of interest policies
- Economic and Demographic conditions

### **DISCUSSION ON RESULT OF OPERATION**

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the period ended April 30, 2016 and financial years ended March 2016, 2015 and 2014.

### **OVERVIEW OF REVENUE & EXPENDITURE**



## Revenues

### *Income from operations:*

Our principal component of income is from sale of fertilisers such as Single Super Phosphate (SSP), Nitrogen Phosphate and Potassium (NPK), Zinc Sulphate, Organic manure and Calcium Sulphate commonly known as soil conditioner or gypsum. Our Company also undertakes trading of Diammonium Phosphate (DAP), Urea, Ammonium Sulphate and other fertilizers depending upon the demand of the customer.

### *Other Income:*

Our other income mainly includes interest income and rental income.

*Amount (Rs. In Lakhs)*

| Particulars   | Till March 31, |          |          | For the period ended April 30, 2016 |
|---|----------------|----------|----------|-------------------------------------|
|   | 2014           | 2015     | 2016     |                                     |
| <b>Income</b>   |                |          |          |                                     |
| Revenue from Operations (after deducting excise duty) | 6,219.40       | 6,564.16 | 7,248.41 | 364.50                              |
| As a % of Total Revenue                               | 99.85%         | 99.76%   | 99.61%   | 99.85%                              |
| <b>Other Income</b>                                   | 9.50           | 15.61    | 28.36    | 0.54                                |
| As a % of Total Revenue                               | 0.15%          | 0.24%    | 0.39%    | 0.15                                |
| <b>Total Revenue</b>                                  | 6,228.91       | 6,579.77 | 7,266.77 | 365.04                              |

## Expenditure

Our total expenditure primarily consists of direct expenditure i.e. cost of materials consumed and changes in inventories of finished goods and WIP, finance cost, employee benefit expenses, depreciation and other expenses.

### **Direct Expenditure**

Our direct expenditure includes cost of materials consumed, purchases of stock in trade and changes in inventories of finished goods and WIP. The cost of materials comprise of costs of raw material such as Rock Phosphate, sulphuric acid, Nitrogen, Potassium, Phosphorus, Neem DOC, Castor DOC, Karanja DOC, Mahua DOC and Tobacco dust, Calcium Sulphate, Magnesium Sulphate and Sulphur.

### **Employee benefits expense**

Our employee benefits expense primarily comprise of director's remuneration, salaries and wages expenses, labour charges, ex-gratia cost, other employee benefits expense such as staff and labour welfare expenses, bonus charges amongst others.

### **Finance Costs**

Our finance costs include interest on term loan, cash credit facility bank charges and commission, bank guarantee charges, etc.

### **Depreciation**

Depreciation includes depreciation on tangible assets like building, plant and machinery, vehicles, etc.

### **Other Expenses**

Other expenses include manufacturing, administrative and selling expenses such as advertisement expenses, business promotion expenses, electricity charges, freight, packing material, , transportation costs, repairs and maintenance costs, security charges, godown rent, etc.



## Statement of profits and loss

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

| Particulars  | For the Year Ended March 31, |                 |                 | For the period ended April 30, 2016 |
|--|------------------------------|-----------------|-----------------|-------------------------------------|
|  | 2014                         | 2015            | 2016            |                                     |
| <b>INCOME</b>  |                              |                 |                 |                                     |
| Revenue from Operations  | 6,244.43                     | 6,599.19        | 7,291.56        | 365.45                              |
| As a % of Total Revenue  | 99.85%                       | 99.76%          | 99.61%          | 99.85                               |
| Other Income   | 9.50                         | 15.61           | 28.36           | 0.54                                |
| As a % of Total Revenue  | 0.15%                        | 0.24%           | 0.39%           | 0.15%                               |
| <b>Total Revenue (A)</b>   | <b>6,228.91</b>              | <b>6,579.77</b> | <b>7,276.77</b> | <b>365.04</b>                       |
| <b>EXPENDITURE</b>   |                              |                 |                 |                                     |
| Cost of Material Consumed  | 2,524.85                     | 2,375.80        | 3,253.04        | 54.61                               |
| As a % of Total Revenue  | 40.53%                       | 36.11%          | 44.70%          | 14.96%                              |
| Changes in Inventories of finished goods, WIP and stock in Trade | 618.53                       | 127.84          | (325.99)        | 86.98                               |
| As a % of Total Revenue  | 9.93%                        | 1.94%           | (4.48%)         | 23.83                               |
| Employee benefit Expenses  | 97.80                        | 155.99          | 169.53          | 11.04                               |
| As a % of Total Revenue  | 1.57%                        | 2.37%           | 2.33%           | 3.02%                               |
| Finance costs  | 137.07                       | 201.23          | 323.07          | 24.05                               |
| As a % of Total Revenue  | 2.20%                        | 3.06%           | 4.44%           | 6.59%                               |
| Depreciation expense   | 29.19                        | 48.20           | 104.87          | 8.84                                |
| As a % of Total Revenue  | 0.47%                        | 0.73%           | 1.44%           | 2.42%                               |
| Other Expenses   | 1,505.17                     | 1,739.68        | 2,252.80        | 42.10                               |
| As a % of Total Revenue  | 24.16%                       | 26.44%          | 30.96%          | 11.53%                              |
| <b>Total Expenses (B)</b>  | <b>6037.03</b>               | <b>5917.28</b>  | <b>6760.01</b>  | <b>353.95</b>                       |
| As a % of Total Revenue  | 96.92%                       | 89.93%          | 92.90%          | 96.96%                              |
| <b>Profit before exceptional extraordinary items and tax</b>     |                              |                 |                 | <b>11.09</b>                        |
| As a % of Total Revenue  | 3.08%                        | 10.07%          | 7.10%           | 3.04%                               |
| <b>Profit before extraordinary items and tax</b>                 |                              |                 |                 | <b>11.09</b>                        |
| As a % of Total Revenue  | 3.08%                        | 10.07%          | 7.10%           | 3.04%                               |
| Extraordinary items  | -                            | -               | -               | -                                   |
| <b>Profit before tax</b>   | <b>191.88</b>                | <b>662.48</b>   | <b>516.77</b>   | <b>11.09</b>                        |
| <b>PBT Margin</b>  | <b>3.08%</b>                 | <b>10.07%</b>   | <b>7.10%</b>    | <b>3.04%</b>                        |
| Tax expense :  |                              |                 |                 |                                     |
| (i) Current tax  | 63.71                        | 146.33          | 106.61          | 2.26                                |



| Particulars                   | For the Year Ended March 31, |          |          | For the period ended April 30, 2016 |
|-------------------------------|------------------------------|----------|----------|-------------------------------------|
|                               | 2014                         | 2015     | 2016     |                                     |
| (ii) Deferred tax             | 0.18                         | (491.64) | 161.15   | 3.63                                |
| (iii) Income Tax paid earlier | -                            | -        | 2.86     | -                                   |
| (iv) MAT credit               | -                            | -        | (106.61) | (2.26)                              |
| <b>Total Tax Expense</b>      | 63.90                        | (345.31) | 164.01   | 3.63                                |
| Profit for the year/ period   | 127.98                       | 1007.79  | 352.75   | 7.46                                |
| <b>PAT Margin %</b>           | 2.05%                        | 15.32%   | 4.85%    | 2.04%                               |

## REVIEW OF ONE MONTH ENDED APRIL 30, 2016

### Income from operations

Our Income from operations was Rs 364.50 lakhs which was about 99.85% of the total revenue for the period of one month ended April 30, 2016.

### Other Income

Our other income was Rs 0.54 lakhs which is 0.15% of the total revenue and mainly includes rental income and interest income.

### Expenditure

Our total expenditure primarily consists of direct expenditure i.e. cost of materials consumed and changes in inventories of finished goods and WIP, finance cost, employee benefit expenses, depreciation and other expenses.

### Direct Expenditure

Our direct expenditure was Rs 267.92 lakhs which is 73.39% of the total revenue for the period ended April 30, 2016 and mainly includes purchase of stock in trade, cost of materials consumed and changes in inventories of finished goods and WIP. The cost of materials comprise of costs of raw material such as Rock Phosphate, sulphuric acid, Nitrogen, Potassium, Phosphorus, Neem DOC, Castor DOC, Karanja DOC, Mahua DOC and Tobacco dust, Calcium Sulphate, Magnesium Sulphate and Sulphur.

### Employee benefits expense

Our employee benefits expense was Rs 11.04 lakhs which is 3.02% of the total revenue for the period ended April 30, 2016 and primarily comprise of director's remuneration, salaries and wages expenses, labour charges, ex-gratia cost, other employee benefits expense such as staff and labour welfare expenses, bonus charges amongst others.

### Finance Costs

Our finance costs was Rs 24.05 lakhs which is 6.59 % of the total revenue for the period ended April 30, 2016 and mainly includes interest on term loan, cash credit facility bank charges and commission, bank guarantee charges, etc.

### Depreciation

Depreciation was Rs 8.84 lakhs which is 2.42% of the total revenue for the period ended April 30, 2016 and mainly includes depreciation on tangible assets like building, plant and machinery, vehicles, etc.

### Other Expenses

Other expenses was Rs 42.10 lakhs which is 11.53% of the total revenue for the period ended April 30, 2016 which mainly includes manufacturing, administrative and selling expenses such as advertisement



expenses, business promotion expenses, electricity charges, freight, packing material, , transportation costs, repairs and maintenance costs, security charges, godown rent, etc.

### Profit before tax

Our Profit before tax was Rs. 11.09 lakhs which is 3.04% of our total revenue for the period of one month ended April 30, 2016

### Net profit

Our Net profit after tax was Rs. 7.46 lakhs which is 2.04% of our total revenue for the period of one month ended April 30, 2016

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015

### INCOME

#### Income from Operations

(Rs. In lakhs)

|                  | 2014-15  | 2015-16  | Variance in % |
|------------------|----------|----------|---------------|
| Operating Income | 6,579.77 | 7,276.77 | 10.59%        |

The operating income of the Company for the year ending March 31, 2016 is Rs. 7,276.77 lakhs as compared to Rs. 6,579.77 lakhs for the year ending March 31, 2015, showing a increase 10.59%. This increase was in line with increase in our business operations.

#### Other Income

Our other income increased by 81.74% from Rs. 15.61 lakhs to Rs. 28.36 lakhs. This was due to rental income, and increase in interest income due to increase in fixed deposits.

### EXPENDITURE

#### Direct Expenditure

(Rs. In lakhs)

| Particulars  | 2014-2015 | 2015-16  | Variance in % |
|--|-----------|----------|---------------|
| Cost of materials consumed                                       | 2,375.80  | 3,253.04 | 36.92         |
| Purchase of stock in trade                                       | 1,268.54  | 9,82.68  | 22.53         |
| Changes in Inventories of finished goods, WIP and stock in Trade | 127.84    | (325.99) | (355.00)      |
| Total  | 3,772.18  | 3,909.73 | 3.65          |

Our direct expenditure has increased from Rs. 3,772.18 lakhs in Financial Year 2014-2015 to Rs. 3,909.73 lakhs in Financial Year 2015-2016 showing an increase of 3.05% over the previous year. This increase was in line with increase in our business operations.

#### Administrative and Employee Costs

(Rs. In lakhs)

| Particulars               | 2014-15  | 2015-16  | Variance in % |
|---------------------------|----------|----------|---------------|
| Employee Benefit Expenses | 155.99   | 169.53   | 8.68%         |
| Other Expenses            | 1,739.68 | 2,252.80 | 29.50%        |



Employee benefit expenses increased from Rs. 155.99 lakhs in financial year 2014-15 to Rs. 169.53 lakhs in financial year 2015-16 due to increase in salary levels and well as increase in number of employees.

Our other expenses increased by 29.50% from Rs. 1,739.68 laks in financial year 2014-15 to Rs. 2,252.80 lakhs in financial year 2015-16. The increase was due to increase in freight, rent, advertisement and business promotion expenses.

### Finance Charges

Our finance charges have increased from Rs. 201.23 lakhs in financial year 2014-15 to Rs. 323.07 lakhs in financial year 2015-16. This shows an increase of 60.55% compared to last financial year. The increased finance cost is contributed by increased borrowings.

### Depreciation

Depreciation expenses for the Financial Year 2015-2016 have increased to Rs. 104.87 lakhs as compared to Rs. 48.20 lakhs for the Financial Year 2014-2015 showing an increase of 117.06%. The increase in depreciation was majorly due to addition of new plant and machineries, electrical fittings and furniture.

### Profit Before Tax

(Rs. In lakhs)

| Particulars       | 2014-15 | 2015-16 | Variance in % |
|-------------------|---------|---------|---------------|
| Profit Before Tax | 662.49  | 516.76  | (22.00)       |

Profit before tax decreased from Rs. 662.48 lakhs in financial year 2014-15 to Rs. 516.77 lakhs in financial year 2015-16. The decrease in profits was due to increase in depreciation, finance cost and other administrative costs. Also, profit before tax was higher in 2014-15 due to survey proceedings initiated by Income Tax Department, wherein an excess stock valuing Rs. 4,42,08,200 and excess cash in hand amounting to Rs. 8,92,464 were found aggregating to Rs. 4,51,00,664. The Company offered to tax these excess stock and cash as income for the financial year 2014-15 and accordingly accounted for a sum of Rs. 4,51,00,664 in the books of account for the FY 2014-15. In view of the above, audit has been completed based on computer accounting data, books of account and records made available to us consequent upon the Survey Proceedings carried out by the Income Tax Deptt.

### Provision for Tax and Net Profit

(Rs. In lakhs)

| Particulars       | 2014-15  | 2015-16 | Variance in % |
|-------------------|----------|---------|---------------|
| Taxation Expenses | (345.31) | 164.01  | (147.50)      |
| Profit after Tax  | 1007.79  | 352.75  | (65.00)       |

Tax expenses were lower in Financial Year 2014-15 due to deduction under section 35 AD claimed by our Company in its computation of income in relation to setting up of our unit at Meghnagar.

## COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2015 WITH FINANCIAL YEAR ENDED MARCH 31, 2014

### INCOME

#### Revenue from Operations

(Rs. in lakhs)

| Particulars      | 2013-14  | 2014-15  | Variance in % |
|------------------|----------|----------|---------------|
| Operating Income | 6,228.91 | 6,579.77 | 5.63          |

The operating income of the Company for the financial year 2014-2015 was Rs. 6,579.77 lakhs as compared to Rs. 6,228.91 lakhs for the financial year 2013-2014. This increase was due to increase in trading turnover, freight subsidy and moisture rebate.



## Other Income

Other Income of the Company for the financial year 2013-2014 was Rs. 9.50 lakhs which increased to Rs. 15.61 lakhs during the financial year 2014-15. The increase in other income was due to declaration of excess cash amounting to Rs. 8,92,464 in the survey proceedings conducted by the Income Tax Authorities in the books of account for the F. Y. 2014-15.

## EXPENDITURE

### Direct Expenditure

(Rs. in lakhs)

| Particulars  | 2013-14  | 2014-15  | Variance in % |
|--|----------|----------|---------------|
| Cost of materials consumed                                       | 2,524.85 | 2,375.80 | (5.90)        |
| Purchase of stock in trade                                       | 1,124.40 | 1,268.54 | 12.82         |
| Changes in Inventories of finished goods, WIP and stock in Trade | 618.53   | 127.84   | (79.33)       |
| Total  | 4,267.79 | 3,772.18 | (11.61)       |

The direct expenditure decreased from Rs.4,267.79 lakhs in financial year 2013-14 to Rs. 3,772.18 lakhs in financial year 2014-15 showing an decrease of 11.61% over the previous year.

### Administrative and Employee Costs

(Rs. in lakhs)

| Particulars               | 2013-14  | 2014-15  | Variance in % |
|---------------------------|----------|----------|---------------|
| Employee Benefit Expenses | 97.80    | 155.99   | 59.50%        |
| Other expenses            | 1,505.17 | 1,739.68 | 15.58%        |

Employee Benefit Expenses in financial year 2014-2015 have increased by 59.50% to Rs. 155.99 lakhs as against Rs. 97.80 lakhs in financial year 2013-2014. The increase was due to increase in salaries and wages and number of employees and higher labour charges due to increased operations.

Other expenses increased from Rs. 1,505.17 lakhs in financial year 2013-14 to Rs. 1,739.68 lakhs in financial year 2014-15 showing an increase of 15.58% over the previous financial year. The increase was majorly due to higher trade discounts offered.

### Finance Charges

The finance charges for the Financial Year 2014-2015 increased to Rs. 201.23 lakhs from Rs. 137.07 lakhs during the financial year 2013-14. The increase was primarily due to increase in borrowings.

### Depreciation

Depreciation for the year financial year 2014-15 has increased to Rs. 48.20 lakhs as compared to Rs. 29.19 lakhs for the period 2013-14 due to increase in tangible assets.

### Profit Before Tax, Provision for Tax and Net Profit

(Rs. in lakhs)

| Particulars       | 2013-2014 | 2014-15  | Variance in % |
|-------------------|-----------|----------|---------------|
| Profit Before Tax | 191.88    | 662.49   | 245.25%       |
| Taxation Expenses | 63.90     | (345.31) | (640.37)      |
| Profit after Tax  | 127.98    | 1007.79  | 687.45%       |

The Profit before Tax has increased to Rs. 662.48 lakhs in Financial Year 2014-15 from Rs. 191.88 lakhs in Financial Year 2013-2014 showing an increase of 245.25% while Profit after tax increased to Rs. 1007.79 lakhs in the financial year 2014-15 as compared to Rs. 127.98 lakhs in the financial year 2013-14. This was due to survey proceedings initiated by Income Tax Department, wherein an excess stock



valuing Rs. 4,42,08,200 and excess cash in hand amounting to Rs. 8,92,464 were found aggregating to Rs. 4,51,00,664. The Company offered to tax these excess stock and cash as income for the financial year 2014-15 and accordingly accounted for a sum of Rs. 4,51,00,664 in the books of account for the FY 2014-15. In view of the above, audit has been completed based on computer accounting data, books of account and records made available to us consequent upon the Survey Proceedings carried out by the Income Tax Deptt.

Tax expenses were lower in Financial Year 2014-15 due to deduction under section 35 AD claimed by our Company in its computation of income in relation to setting up of our unit at Meghnagar.

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled “*Risk Factors*” beginning on page 20 of this Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as disclosed in the section titled “*Risk Factors*” beginning on page 20 of this Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### **4. Future relationship between Costs and Income.**

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies, subsidies available and prices of raw material.

### **5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices.**

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

### **6. Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in fertilizer Industry. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 168 of this Prospectus.

### **7. Status of any publicly announced new products/projects or business segments**

Our Company has not announced any new projects or business segments, other than disclosed in the Prospectus.

### **8. The extent to which the business is seasonal**

Our Company’s business is seasonal in nature.

### **9. Any significant dependence on a single or few suppliers or customers**

The % of Contribution of our Company’s customer and supplier vis a vis the total revenue from operations and raw materials/ finished goods cost respectively as March 31, 2016 is as follows:

|           | Customers | Suppliers |
|-----------|-----------|-----------|
| Top 5 (%) | 33.27     | 63.91     |



|            |       |       |
|------------|-------|-------|
| Top 10 (%) | 47.40 | 81.04 |
|------------|-------|-------|

#### **10.Competitive Conditions**

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “*Our Business*” on page 191 of this Prospectus.



## FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and financial institutions for conducting its business.

Set forth below is a brief summary of our Company's significant outstanding secured borrowings together with a brief description of certain significant terms of such financing arrangements:

Brief details of these facilities are as under:

### SECURED BORROWINGS

Our one of the object of the issue is repayment of secured loans. For further details please refer to the chapter titled "Objects of the Issue" on page 147 of this Prospectus.

#### **1. Term loan of Rs 650.00 lakhs sanctioned by Madhya Pradesh Financial Corporation- Indore vide their sanction letter dated April 20, 2012**

| Nature of Facility               | Term Loan  |
|----------------------------------|--|
| Amount                           | Rs. 650.00 lakhs   |
| Rate of Interest                 | 15.25% per annum and shall be payable quarterly, with rebate of 1% for timely payment of interest.   |
| Purpose                          | Setting up manufacturing unit of Single Super Phosphate and Granulated Single Super Phosphate at MPAKVN (Madhya Pradesh Audyogik Kendra Vikas Nigam) Industrial Area, Meghnagar, District Jhabua, Madhya Pradesh   |
| Security                         | <ul style="list-style-type: none"> <li>By way of English/equitable mortgage of land (leasehold), factory, building, plant and machinery, furniture and fixtures (existing &amp; future) of the company. Land (leasehold) admeasuring 10,171 Sq. mtrs. situated at Plot No 135-A, 136-A, 137-A and 138-A, Industrial Area, Meghnagar, District- Jhabua</li> <li>Additional security worth Rs 100.00 lakhs in the form of fixed assets/ FDRs</li> <li>Submission of post dated Cheques for repayment of entire principal amount as per repayment schedule and interest for at least two years</li> </ul> |
| Guarantee                        | Personal guarantee by: <ul style="list-style-type: none"> <li>Raj Kumar Gupta</li> <li>Vikas Gupta</li> <li>Vishnu Kant Gupta</li> <li>Uma Gupta</li> </ul>  |
| Repayment                        | The term loan shall be repaid in 8 years in 24 quarterly installments with two years off period <ul style="list-style-type: none"> <li>First 8 quarterly installment of Rs 12.50 lakhs each</li> <li>Next 4 quarterly installment of Rs 25.00 lakhs each</li> <li>Balance 12 quarterly installment of Rs 37.50 lakhs each</li> </ul>   |
| Outstanding as on April 30, 2016 | Rs 498.09 lakhs  |



**2. Loan of Rs 2200.00 lakhs from Union Bank as per sanction letter dated April 25, 2016**

| Type of Facility                 | Amount(Rs in lakhs)   | Rate of Interest | Security   |
|----------------------------------|---|------------------|--|
| Cash Credit                      | 1500.00   | Base Rate+ 3 %   | Hypothecation of stock   |
| W/w Inland LC/LG                 | (400.00)  | Cash margin      | Book debts   |
| FLC/ ILC Limited/ BC             | 600.00  | Cash margin      | English mortgage of Factory at Plot No 135-A, 136-A-1, 136-A-2, 137-A and 138-B, Industrial Area, Meghnagar, District- Jhabua in the name of Agro Phos (India) Limited and Plot No WB-91, Sector B IDA, Scheme No 94, Ring Road, Indore in the name of Mrs Kiran Gupta |
| Guarantee                        | <ul style="list-style-type: none"> <li>• Raj Kumar Gupta</li> <li>• Vikas Gupta</li> <li>• Vishnu Kant Gupta</li> <li>• Uma Gupta</li> <li>• Shraddha Gupta</li> <li>• Kiran Gupta</li> </ul> |                  |  |
| Repayment                        | Repayable on demand   |                  |  |
| Outstanding as on April 30, 2016 | Rs 1517.35 lakhs  |                  |  |

**3. Cash Credit Limit against pledge of warehouse receipts of Rs 400.00 lakhs sanctioned by Punjab National Bank vide their sanction letter dated March 18, 2016**

| Nature of Facility               | Cash Credit  |
|----------------------------------|--|
| Amount                           | Rs 400.00 lakhs  |
| Rate of Interest                 | Base Rate + 1.00% i.e 10.60%   |
| Security                         | Primary Security: <ul style="list-style-type: none"> <li>• Pledge of warehouse receipt duly endorsed in bank's favour and issued by approved collateral manager in respect of goods/stock stored therein.</li> </ul> |
| Guarantee                        | Personal guarantee shall be offered by: <ul style="list-style-type: none"> <li>• Raj Kumar Gupta</li> <li>• Vishnu Kant Gupta</li> <li>• Uma Gupta</li> </ul>  |
| Outstanding as on April 30, 2016 | 0.37   |

**Certain Key Restrictive Covenants**



During the currency of the Bank's credit facilities, the company will not, without the Bank's prior permission in writing

- Any dilution in the equity holding of promoters below controlling stake.
- Promoters will not raise loan by their equity holding in the Company and equity will not be pledged without the bank's consent.
- Formulate any scheme of amalgamation or reconstruction.
- Create any further charge, lien or encumbrance over the assets and properties of the company, which are to be charged to our bank, in favour of any other bank, financial institution, company, firm or person.
- Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank.



## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except, as stated below and mentioned elsewhere in this Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, statutory or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters and Group Companies or against any other company whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on August 16, 2016 determined that outstanding dues to creditors in excess of Rs 5 lakhs as per last audited financial statements of our Company shall be considered as material dues (“Material Dues”).

Our Board, in its meeting held on August 16, 2016 determined that litigations involving an amount of more than Rs 2 lakhs shall be considered as material.

Unless otherwise stated to contrary, the information provided is as of date of this Prospectus.

### **LITIGATIONS INVOLVING OUR COMPANY**

### **LITIGATIONS AGAINST OUR COMPANY**

#### **Criminal Litigations**

Nil

#### **Civil Proceedings**

#### **1. LAKHANLAL VERMA V. AGRO PHOS (INDIA) LIMITED**

Labour Court, Dewas, Madhya Pradesh issued a notice under Section 15 of the Payment of Wages Act, 1936 on July 6, 2015 to Agro Phos (India) Limited (hereinafter referred to as the ‘**Respondent Company**’) to file two copies of written statement on July 30, 2015. An application is filed by Lakhanlal Verma (hereinafter referred to as the ‘**Applicant**’) bearing Case number 63/2015 against the Respondent. The Applicant stated the he was the permanent employee in the Respondent Company. It has been stated that that an amount of Rs. 5,000/- was deducted from his salary of Rs. 9,500/- on allegation of theft of Rs. 5,000 and thereafter on applicant complaining to the Shri Vishnu Kant Gupta of the Respondent Company, he was removed from employment. The Respondent Company in the written statement dated February 8, 2016 has denied the permanency of his employment and contended that due to negligence of the Applicant in

discharging his duties and sleeping during work which led to serious financial loss of Rs. 1,50,000/- to the Respondent Company that the Applicant out of his own misconduct prayed the Respondent to deduct an amount of Rs. 5,000/- from his salary. An additional application was made by the Respondent to the Labour Court for failure to submit reply before December 22, 2015 and requesting the Court to take the written statement dated February 8, 2016 on record. The matter is currently pending with the Labour Court.

## 2. ENVIRONMENTAL PROCEEDING

The State Environment Impact Assessment Authority, Madhya Pradesh, Government of India, Ministry of Environment and Forests (hereinafter referred to as the '**Authority**') issued a letter dated September 4, 2014 to Rajkumar Gupta Managing Director of M/s Agro Phos (India) Limited (hereinafter referred to as the '**Company**'). With reference to case number 1247/2013 a prior environmental clearance for Single Super Phosphate (Powder/Granulated) production capacity 115500 MT/Year and Dicalcium Phosphate (DCP) 3300 MT/Year by the Managing Director of the Company. The case was considered by the State Level Environment Impact Assessment Authority (SEIAA) in its 175<sup>th</sup> meeting held on January 13, 2015 and recommendations of 143<sup>rd</sup> SEAC meeting held on October 29, 2013. The SEAA and SEIA gave certain specific recommendations to the Company. The Case was discussed at 156<sup>th</sup> SEIAA meeting dated August 21, 2014. The following was noted in the case discussed:

- a. The proposed total area of the project is 8821 sq.m. Public Prosecutor (hereinafter referred to as '**PP**') has submitted land allotment letter dated July 6, 2011 from Audyogik Kendra Vikas Nigam (AKVN) for plots nos. 135-A & 138-A for area of 5521 sqmt. PP has submitted amended lease deed dated April 8, 2011 with Madhya Pradesh Audyogik Kendra Vikas Nigam (MPAKVN), Indore for plot no. 136 A II and 137 A for an area of 3300 sqmt and was found satisfactory
- b. Since the project is located in the notified Industrial Growth Centre, it was decided that a letter and technical file should be sent to SEAC to appraise the case in view of the above notification by September 15, 2014
- c. It was decided that PP should obtain clear NOC from AVKN for supply of 190 KLD fresh water
- d. The effluent generation from the process is Zero. Domestic Effluent will be treated in septic tank. It was decided that there should be Zero discharge of treated effluent from the unit.
- e. The PP has submitted that the Hazardous Waste will be generated 0.75 MT/year from the industry spent oil of DG sets and it is proposed to be reused for lubrication to the maximum extent and balance will be sold to the authorised re-processor. Out of total area of plot 4000 sq. m. will be used as green belt and CSR plan has provided financial provision of 5% of the total cost of the project towards Social Welfare Programme in a period of ten years.

The Managing Director on behalf of the Company was directed to submit the information pertaining to the above points. The Appeal in the case no. 1247/2013 against prior environment clearance shall lie with the Green Tribunal within 30 days.

## TAXATION MATTERS

### PROCEEDING FOR AY 2006-07

A notice dated September 1, 2007 under Section 143 (1) read with section 245 of the Income Tax Act, 1961 was served by the Assessing Officer, Income Tax Department to M/s Agro Phos (India) Limited (hereinafter referred to as the '**Assessee Company**') for an amount outstanding of Rs. 32,465/-. A request letter dated September 6, 2016 is sent to Deputy Commissioner of Income Tax, Circle 1(1),



Indore (M.P.) for giving credit of Rs. 25,000/- paid as Advance Tax by the Assessee Company against the demand outstanding. The matter is currently pending.

#### **PROCEEDING FOR AY 2014-15**

A notice was served by the Assessing Officer, Income Tax Department to M/s Agro Phos (India) Limited (hereinafter referred to as the '**Assessee Company**') dated August 31, 2015 under Computer Assisted Scrutiny Selection (CASS) and the Assessee Company was required to attend the office of the Assessing Officer on September 11, 2015. Deputy Commissioner of Income Tax, Circle 1(1), Indore (M.P.) (hereinafter referred to as '**Assessing Authority**') issued a notice to Assessee Company under Section 142 (1) of the Income Tax Act, 1961 (hereinafter referred to as the '**Act**') dated May 13, 2016 fixing the date of hearing on June 10, 2016 to furnish required documents like Basic Income Tax Return (ITR), Tax Audit Report (TAR) & Audited Final Accounts. As per the Income Tax Department the case has been selected due to 'mismatch in sales turnover reported in Audit Report and ITR and mismatch in amount paid related persons under Section 40 A (2) (b) reported in Audit Report and ITR. The company has submitted a reply along with the documents dated July 21, 2016. The Assessing Authority has issued another notice under Section 143 (2) of the Act dated July 6, 2016 due to change of incumbent. The Assessee Company was directed to attend or file written reply at the office in Indore on July 14, 2016. A reply was submitted by the Assessee Company on July 13, 2016 submitting the documents as mentioned in notice dated May 13, 2016. A discussion was held with the Assessing Authority on July 21, 2016 and the information was submitted by the Assessee Company dated July 25, 2016. The matter is currently pending.

#### **PROCEEDING FOR AY 2015-16**

An action was initiated under Section 133 A of the Income Tax Act, 1961 (hereinafter referred to as the '**Act**') and the Deputy Commissioner of Income Tax Act, 1961 (hereinafter referred to as the '**Assessing Authority**') vide letter dated January 23, 2015 on inspection of books of accounts of the Company found 2 items in Hard Disk Master Copy incriminating in nature and required for further verification and investigation as well as finalisation of assessment considering the nature of books of account/document/loose papers/ hard disc. Those books of accounts/hard disc were impounded under Section 133 A (3)(ia) of the Act. A statement of Raj Kumar Gupta's father Mr. Puranchand Suhane was recorded on January 23, 2015. During the survey proceedings an excess stock valuing Rs. 4,42,08,200/- and excess cash in hand amounting to Rs. 8,92,464/- were found aggregating to **Rs. 4,51,00,664/-**. These excess stock and cash were offered by Company to tax as income for AY 2015-16. The matter is currently pending.

#### **Proceedings against Our Company for economic offence/securities laws/ or any other law**

Nil

#### **Penalties in Last Five Years**

Nil

#### **Pending Notices against our Company**

Nil

#### **Past Notices to our Company**

Nil

#### **Disciplinary Actions taken by SEBI or stock exchanges against Our Company**

Nil



**Defaults including non payment or statutory dues to banks or financial institutions**

Nil

**Details of material fraud against the Company in last five years and action taken by the Companies.**

Nil

#### **LITIGATIONS FILED BY OUR COMPANY**

**Criminal Litigation**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law**

Nil

#### **LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY**

##### **LITIGATIONS AGAINST OUR DIRECTORS**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Past Penalties imposed on our Directors**

Nil

**Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law**

Nil

**Directors on list of willful defaulters of RBI**

Nil

#### **LITIGATION FILED BY DIRECTORS OF OUR COMPANY**

**Criminal Litigation**

Nil

**Civil Proceedings**



Nil

**Taxation Matters**

Nil

**LITIGATIONS INVOLVING PROMOTER(S) OF OUR COMPANY LITIGATION AGAINST OUR PROMOTER(S)**

**Criminal Litigations KALYAN SINGH PANWAR Vs. RAJ KUMAR GUPTA S/O PROPRIETOR AGRO PHOS (INDIA) PRIVATE LIMITED**

An agreement was made between Kalyan Singh Panwar (hereinafter referred to as the 'Complainant') and the Raj Kumar Gupta (Promoter and Director of the Company) (hereinafter referred to as the 'Accused') for work on crane machine number M.P. 41H.A./6077 and payment of Rs. 50,000/- upon completion of work. An amount of Rs. 20,000/- was paid in cash by the Accused and a cheque of Rs. 30,000/- was drawn on the Complainant bearing cheque number 044459 dated June 4, 2014. The cheque was bounced due to insufficient funds upon encashment dated July 6, 2014. A demand notice was sent by the Complainant through his counsel dated September 29, 2014 which was received by the Accused on October 1, 2014. The amount was not deposited within 15 days of receipt of notice by the Accused. The Complainant filed a complaint bearing number 4376/2015 before the court of Judicial Magistrate First Class, Dewas, (Madhya Pradesh) (hereinafter referred to as the 'Court') under Section 200 of the Code of Criminal Procedure, 1973 (Cr.P.C.) and Section 138 of the Negotiable Instrument Act, 1881. A notice dated February 19, 2016 was issued by the Court to the Accused to appear before the court on April 12, 2016 at 11 am. The matter is currently pending.

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Past Penalties imposed on our Promoters**

Nil

**Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law**

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years**

Nil

**Penalties in Last Five Years**

Nil

**Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in Past**

Nil

**Adverse finding against Promoter for violation of Securities laws or any other laws**

Nil

**LITIGATION FILED BY OUR PROMOTERS**

**Criminal Litigation**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**LITIGATIONS INVOLVING OUR GROUP COMPANIES****LITIGATIONS AGAINST OUR GROUP COMPANIES****Criminal Litigation**

Nil

**Civil Proceedings**

Nil

**Taxation Matters****INCOME TAX PROCEEDINGS FOR MAHADHAN PHOSPHATE PRIVATE LIMITED****1. For AY 2009-10**

Income Tax Department issued a notice dated December 29, 2010 under Section 143 (1)(a) of the Income Tax Act, 1961 (hereinafter referred to as the 'Act') to Mahadhan Phosphate Pvt. Ltd. (hereinafter referred to as 'Assessee Company') for an outstanding amount of Rs. 11,640/-. Another notice under Section 245 was issued to the Assessee Company dated December 9, 2015. The matter is currently pending.

**2. For AY 2012-13**

Income Tax Department issued a notice dated February 21, 2013 under Section 143 (1)(a) of the Income Tax Act, 1961 (hereinafter referred to as the 'Act') to Mahadhan Phosphate Pvt. Ltd. (hereinafter referred to as 'Assessee Company') for an outstanding amount of Rs. 430/-. Another notice under Section 245 was issued to the Assessee Company dated December 9, 2015. The matter is currently pending.

**Past Penalties imposed on our Group Companies**

Nil

**Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law**

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies**

Nil

**Adverse finding against Group Companies for violation of Securities laws or any other laws**

Nil

**LITIGATION FILED BY OUR GROUP COMPANIES**



## **Criminal Litigation**

Nil

## **Civil Proceedings**

Nil

## **Taxation Matters**

Nil

## **LITIGATION INVOLVING OUR SUBSIDIARIES**

As on date of this Prospectus, our Company does not have any subsidiary Company.

## **OTHER MATTERS**

Nil

## **DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES:**

Nil

## **OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY:**

### **Madhya Pradesh State through Arakshi Kendra (Police Station) v. Abhishek & Prem Kumar**

Abhishek Kalekar (hereinafter referred to as the ‘**accused**’) is the Supervisor of Agro Phos India Limited (hereinafter referred to as the ‘**Company**’) and Prem Kumar (hereinafter referred to as the ‘**accused**’) is the Contractor of the Company. Ramesh Paul (hereinafter referred to as the ‘**deceased**’) was an employee of the Company. On August 13, 2015, Ramesh Paul met with an accident while working on ‘Goli machine.’ Due to uprooting of left arm in the accident he was hospitalised wherein he was declared dead. Madhya Pradesh state through Arakshi Kendra (hereinafter referred to as the ‘**Complainant**’) filed a Complaint dated September 3, 2015 under Section 304-A of the Indian Penal Code before Judicial Magistrate First Class, Dewas (hereinafter referred to as the ‘**Court**’) bearing Complaint number 3659/2015. The court vide its Judgment dated June 14, 2016 held that the offence was not proved by the prosecution beyond reasonable doubt and hence acquitted them. Both the accused were on bail and have submitted fresh bail bond in compliance of Section 437-A of the Criminal Procedure Code. The matter is currently pending.

## **MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as disclosed in the chapter titled “Management Discussion and Analysis of Financial Condition and results of operations” on page 303 of this Prospectus, there has been n material developments.

### **Outstanding dues to small scale undertakings or any other creditors**

As of April 30, 2016, our Company had 142 creditors, to whom a total amount of Rs. 2287.56 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated August 18, 2016, considered creditors to whom the amount due exceeds Rs. 5 lakhs by our company for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

| <b>Name of Party</b>           | <b>Amount (Rs in lakhs)</b> |
|--------------------------------|-----------------------------|
| Act Infraport Ltd., Gandhidham | 7.26                        |

| Name of Party  | Amount (Rs in lakhs) |
|--|----------------------|
| Adani Hazira Prot Pvt Ltd                                | 29.43                |
| Adheeshaa Phosphates                                     | 11.26                |
| Anil Acid & Chemicals, New Delhi                         | 126.87               |
| B. Roshan Lal Chemicals Pvt. Ltd.                        | 87.69                |
| D.D.& Company, Indore                                    | 64.12                |
| Garg Transport Co  | 20.04                |
| Great India Transport                                    | 13.16                |
| Gulf Fert International Fze, Dubai                       | 62.96                |
| Indian Phosphate Ltd.                                    | 8.58                 |
| Indian Potash Ltd. (Trading)                             | 321.30               |
| Intertrade Services, New Delhi                           | 164.95               |
| Lala Logistic  | 22.48                |
| M.R.Consultants & Engineers                              | 21.29                |
| Maksud Alam ( Contractor )                               | 5.18                 |
| Maruti Services ( Prem Singh )                           | 8.79                 |
| National Road Transport Carrier                          | 5.51                 |
| Payable against FLC (to Sanmit International Fze) - 9015 | 201.02               |
| Payable against FLC (to Sun International Fze) - 8915    | 201.12               |
| Premier Hygine & Chemicals Industries                    | 6.65                 |
| Premlata Maheswari                                       | 5.22                 |
| R.S.M.M.Ltdudaipur (Bg)                                  | 40.59                |
| Ralin Polymers Pvt. Ltd.                                 | 48.99                |
| Sachin Plastic Industries                                | 15.29                |
| Sanmit International Fze                                 | 638.92               |
| Sn Logistics   | 19.43                |
| Sumit Coal Corporation                                   | 12.88                |
| Suresh Chandra Purnman Jain                              | 7.92                 |
| Upl Limited, Jhagadia                                    | 22.54                |



## GOVERNMENT AND OTHER STATUTORY APPROVALS

*Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of manufacturing and trading of chemicals and fertilizers, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, see chapter “Key Industry Regulations and Policies” on page 209 of this Prospectus.*

The Company has its registered office at:

M-87, Trade Centre 18M, South Tukoganj Indore Madhya Pradesh 452001 India.

The Company has manufacturing units at following places:

**Unit I** – 135A-138A, Industrial Area, Meghnagar, Jhabua, Madhya Pradesh, India

**Unit II** – 13-A2, A. B. Road, Industrial Estate No. 1, Dewas Ho (Industrial Area), Dewas, Madhya Pradesh – 455001.

The Company has following Branch Offices:

**Branch I** - Plot No 65, Agasthi Apartment, Near Jaimat School, Dighori Chowk, Nagpur - 440009 Maharashtra, India

**Branch II** - 24, Bhanpuri Industrial Area, Raipur, Chhattisgarh, India

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

### APPROVALS FOR THE ISSUE

#### *Corporate Approvals:*

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on August 18, 2016, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extraordinary General Meeting held on August 27, 2016 authorized the Issue.

#### *In- principle approvals from the Stock Exchange*

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated October 17, 2016 bearing reference no. NSE/LIST/90288.

#### *Agreements with NSDL and CDSL*



1. The Company has entered into an agreement dated September 22, 2016 with the Central Depository Services (India) Limited (“**CDSL**”) and the Registrar and Transfer Agent, who in this case is, Bigshare Services Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated October 05, 2016 with the National Securities Depository Limited (“**NSDL**”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“**ISIN**”) is INE740V01019.

#### **INCORPORATION AND OTHER DETAILS**

1. The Certificate of Incorporation dated September 19, 2002 issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh, in the name of “Agro Phos (India) Private Limited”.
2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company issued on March 1, 2004 by the Registrar of Companies, Madhya Pradesh and Chhattisgarh in the name of “Agro Phos (India) Limited”.
3. The Corporate Identification Number (CIN) of the Company is U24123MP2002PLC015285.

#### **APPROVALS/LICENSES RELATED TO BUSINESS OF OUR COMPANY**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

| Sr. No. | Description  | Authority  | Registration No./Reference No./License No.                                    | Date of Issue  | Date of Expiry    |
|---------|--|--|---|--|-------------------|
| 1.      | Certificate of Importer-Exporter Code (IEC) for Unit II  | Foreign Trade Development Officer, Office of Jt. Director General of Foreign Trade Ministry of Commerce, Government of India | IEC Number:1104004593   | October 25, 2004   | Perpetual         |
| 2.      | Registration Certificate of Establishment (under Rule 3(3) of Madhya Pradesh Shops and Establishments Act, 1958) | Inspector, Shops and Establishment, Indore Division, Indore  | Registration Number : 43650/JMD/S/2013<br>Renewal Letter Number: 3335/2014-17 | April 26, 2013   | December 31, 2017 |
| 3.      | License under Section 12 (1) of the Contract Labour (Regulation and Abolition) Act, 1970                         | Licensing Officer, Government of Madhya Pradesh  | 349   | March 11, 2016   | December 31, 2016 |
| 4.      | License to work a Factory for <b>Unit I</b> (under Factories Act, 1948)  | Joint Chief Inspector of Factories, Madhya Pradesh   | 106/15000/JBA/2M (i)  | March 15, 2016   | December 31, 2016 |
| 5.      | License to work a Factory for <b>Unit II</b> (under Factories Act, 1948)   | Joint Chief Inspector of Factories, Madhya Pradesh   | 188/12533/DWS/2m(I)/H   | March 10, 2016   | December 31, 2016 |
| 6.      | New Fertilizer License for <b>Branch I</b> (under Fertilizer Control Order, 1985)                                | Chief Quality Control Officer, Commissionerate of Agriculture, Pune, Department of Agriculture, Government of Maharashtra    | LCFD10010314  | March 19, 2015<br>Date of effectiveness: February 23, 2015 | February 22, 2018 |

|     |  |   |                                     |  |  |
|-----|--|---|-------------------------------------|--|--|
| 7.  | Authorisation letter for sale of fertilizer (under Fertilizer Control Order, 1985) for <b>Branch II</b>                    | Additional Director Agriculture, Directorate of Agriculture, Chhattisgarh, Raipur         | E-6/Urv/Reg./2013-14/10393          | February 16, 2005<br><br>Renewed on April 22, 2014 | February 15, 2017                                      |
| 8.  | Certificate of Registration under Madhya Pradesh Udyog Nivesh Samvardhan Sahayata Yojna, 2010 for <b>Unit I</b>            | Office of the General Manager, District Trade & Industries Centre, Jhabua, Madhya Pradesh | DTIC/JHABUA/IIPAS-REGN/2015/001     | January 21, 2015                                   | NA   |
| 9.  | Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit for Chemical Fertilizer (manufacturing )     | District Industries Centre, Jhabua, Madhya Pradesh  | EM Number Part I – 23-024-21-02325  | January 16, 2015                                   | Valid for a period of two years from the date of issue |
| 10. | Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit  | District Industries Centre, Jhabua, Madhya Pradesh  | EM Number Part II – 23-024-21-02469 | March 17, 2015                                     | NA   |
| 11. | Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit for Single Super Phosphate – 1 lac M.T./Year | District Industries Centre, Jhabua, Madhya Pradesh  | EM Number – 23-024-12-01269         | December 9, 2010                                   | NA   |

|     |  |  |   |                                    |   |
|-----|--|--|---|------------------------------------|---|
| 12. | Udyog Aadhaar Memorandum   | Ministry of Micro, Small and Medium Enterprises (MSME) | Aadhaar Number – 241919602489<br>UAN MP23B0001691 | Date of Commencement April 1, 2004 | NA  |
| 13. | Permission for Sale of NPK – mixture of fertilizer   | Director of Agriculture, G.S., Gandhinagar             | IQ/QC-5/Ferti.Prmt/35937-971/2015                 | October 12, 2015                   | September 30, 2016  |
| 14. | NOC for sale of fertilizers as specified in Part A of Schedule – I of Fertilizer (Control) Order, 1985               | Director of Agriculture, G.S., Gandhinagar             | IQ/QC-5/Ferti.Prmt/35972-36006/2015               | October 12, 2015                   | September 30, 2016  |
| 15. | Certificate of Registration (under Rule 35 of the Standards of Weights & Measures (Packaged Commodities) Rules, 1977 | Assistant Controller Weights & Measures, Ujjain        | 03/09 Ujjain                                      | September 1, 2009                  | Until suspension of activities or returned for cancellation |

#### **TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

| <b>Sr. No.</b> | <b>Authorisation granted</b>   | <b>Issuing Authority</b>                                | <b>Registration No./Reference No./License No.</b> | <b>Date of Issue</b> | <b>Validity</b> |
|----------------|--|---|---|----------------------|-----------------|
| 1.             | Permanent Account Number (PAN)   | Income Tax Department, Government of India              | AAECA3241N  | September 19, 2002   | Perpetual       |
| 2.             | Tax Deduction Account Number (TAN)   | Income Tax Department, Government of India              | BPLA02375C  | September 2, 2004    | Perpetual       |
| 3.             | Certificate of Registration for unit I (under Madhya Pradesh VAT Act, (2002) ) | Commercial Tax Department, Government of Madhya Pradesh | 23689079612                                       | May 9, 2013          | Perpetual       |

| Sr. No. | Authorisation granted  | Issuing Authority  | Registration No./Reference No./License No. | Date of Issue  | Validity  |
|---------|--|--|--|--|---|
| 4.      | Certificate of Registration Central Sales Tax for Unit II (Under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957) | Office of Assistant Commissioner, Commercial Tax -9, Indore<br>Commercial Tax Department,<br>Government of Madhya Pradesh  | 23920904227                                | July 23, 2004  | Until revoked or Suspended.   |
| 5.      | Certificate of Registration (under Section 7 (1)/7 (2) of Central Sales Tax Act, 1956)   | Commercial Tax Department, Indore<br>Circle – 9,<br>Government of Madhya Pradesh   | 23689079612                                | June 20, 2013  | NA  |
| 6.      | Certificate of Registration for <b>Unit I</b> (under Rule 9 of Central Excise Rules, 2002)   | Assistant Commissioner, Customs, Central Excise and Service Tax, Ratlam, Ministry of Finance, Department of Revenue.   | AAECA3241NME003                            | Amended RC issued on: March 4, 2015                        | Until revoked or Suspended.   |
| 7.      | Certificate of Registration for <b>Unit II</b> (under Rule 9 of the Central Excise Rules, 2002)  | Deputy Commissioner/ Assistant Commissioner Customs, Central Excise and Service Tax.   | AAECA3241NXM002                            | September 16, 2004   | Until the registrant carries on the activity or until revoked or suspended. |
| 8.      | Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)                             | Central Excise Officer, Office of the Assistant Commissioner Customs & Central Excise Division – Indore, Central Board of Excise and Customs, Ministry of Finance, Department of Revenue | AAECA3241NST001                            | February 2, 2005<br>Date of Amendment – August 13, 2008    | N.A.  |
| 9.      | Certificate of Registration (under section 23 of Madhya Pradesh Commercial   | Commercial Tax Officer, Indore   | 0109002<br>TIN 23920904227                 | September 6, 2005<br>Date of effectiveness August 25, 2005 | N.A.  |

| Sr. No. | Authorisation granted  | Issuing Authority   | Registration No./Reference No./License No. | Date of Issue                                      | Validity          |
|---------|--|---|--|--|-------------------|
|         | Tax Act, 1994)   |   |  |  |                   |
| 10.     | Certificate of Registration for <b>Branch I</b> (under Section 16 of Maharashtra VAT Act, 2002]              | Department of Sales Tax, Government of Maharashtra                                | TIN 27460648722V                           | Date of Effectiveness March 18, 2008               | NA                |
| 11.     | Certificate of Registration for <b>Branch II</b> (under Section 22 of Chhattisgarh Commercial Tax Act, 1994) | Commercial Tax Department, Chhattisgarh   | TIN 22571406217                            | Date of effectiveness – December 3, 2012           | N.A.              |
| 12.     | License for Sale of Fertilizer (under Fertilizer Control Order, 1985) for <b>Branch I</b>                    | Government of Maharashtra, Department of Agriculture                              | LCFD10010314                               | March 19, 2015<br><br>Valid from February 23, 2015 | February 22, 2018 |
| 13.     | Authorisation letter for sale of fertilizer (under Fertilizer Control Order, 1985) for <b>Branch II</b>      | Additional Director Agriculture, Directorate of Agriculture, Chhattisgarh, Raipur | E-6/Urv/Reg./2013-14/10393                 | February 16, 2005<br><br>Renewed on April 22, 2014 | February 15, 2017 |

## LABOUR RELATED APPROVALS/REGISTRATIONS

The Company has obtained the following approvals/ registrations related to Labour/employment :

| Sr. No. | Description   | Authority   | Registration No./Reference No./License No. | Date of Issue      |
|---------|---|---|--|--------------------|
| 1.      | Employees Provident Fund Registration for <b>(Unit I)</b> (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952) | Employee's Provident Fund Organisation                                      | Establishment Code: MPIND458213            | August 16, 2016    |
| 2.      | Registration for Employees State Insurance for <b>Unit II</b> (under Employees State Insurance Act, 1948)                           | Deputy Director, Sub Regional Office, Employees State Insurance Corporation | Establishment Code: 18000160460000301      | September 15, 2009 |

## OTHER BUSINESS RELATED APPROVALS

| S No. | Description  | Authority  | Registration Number            | Date of Certificate  | Date of Expiry   |
|-------|--|--|--------------------------------|--|--|
| 1.    | Certificate of Registration of International Standards Certifications - ISO 9001:2008 for manufacturer and Government approved supplier of Fertilizer and Pesticides Chemicals | P. C. Management System Pvt. Ltd., New Delhi           | PCMS/QMS/2332-2015             | August 31, 2015  | August 30, 2018<br>Subject to regular surveillance audit on or before July 31, 2016 and July 31, 2017. |
| 2.    | Renewal License Certification for product Zinc sulphate heptahydrate agricultural grade for <b>Unit II</b> Compliance with IS 8249:1994  | Bureau of Indian Standards (BIS), Bhopal Branch Office | License Number: CM/L – 8756705 | February 10, 2016 (Date of effectiveness November 1, 2015) | October 31, 2016   |
| 3.    | Permission to sale   | Directorate  | E-2/Urv/P-4/413-               | April 15,  | April 14, 2018   |





| S No. | Description   | Authority   | Registration Number | Date of Certificate | Date of Expiry |
|-------|---|---|---------------------|---------------------|----------------|
|       | Zincated Single Super Phosphate 16% (Powder/Granulated) for <b>UNIT-I</b> and <b>Unit-II</b>  | of Farmer Welfare and Agriculture Development, Bhopal, Madhya Pradesh                 | 15/413/1169         | 2015                |                |
| 4.    | Office Memorandum: Commencement of production of fortified SSP with 0.15% Boron and its recognition under NBS Scheme beside allowing a window for the fertiliser for uploading relevant data in the FMS/mFMS. | Ministry of Chemicals and Fertilisers, Department of Fertilisers, Government of India | 23011/11/2012-MPR   | January 31, 2014    | NA             |

#### ENVIRONMENTAL APPROVALS

| Sr. No. | Approval for  | Authority                                      | Registration/ Certification number | Date of Issue     | Validity         |
|---------|---|--|------------------------------------|-------------------|------------------|
| 1.      | Consent to Operate for <b>Unit I</b> (under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981     | Madhya Pradesh Pollution Control Board, Dhar   | AW-36544                           | March 25, 2016    | March 12, 2018   |
| 2.      | Consent to Operate for <b>Unit II</b> (under Section 25/26 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 | Madhya Pradesh Pollution Control Board, Ujjain | AW-35372                           | February 15, 2016 | January 31, 2018 |

## INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS

### Trademarks

| Sr No | Description   | Word/Label Mark | Applicant               | Applicant Number | Date of Filing    | Classes | Date of Expiry    | Status     |
|-------|---|-----------------|-------------------------|------------------|-------------------|---------|-------------------|------------|
| 1     |    | Device - Label  | Agro Phos India Limited | 1657249          | February 22, 2008 | 1       | February 22, 2018 | Registered |
| 2     |    | Device - Label  | Agro Phos India Limited | 1358691          | May 20, 2005      | 1       | May 20, 2025      | Registered |
| 3     |   | Device          | Agro Phos India Limited | 2960770          | May 11, 2015      | 1       | NA                | Objected   |
| 4     |  | Device          | Agro Phos India Limited | 2960771          | May 11, 2015      | 35      | NA                | Objected   |

### PENDING APPROVALS:

1. Application dated August 30, 2016 is made to Assistant Commissioner, Employees Provident Fund Organisation to issue certified copy of coverage letter of our establishment under EPF Act and Scheme having code MP/14873 for **Unit II**.
2. Application dated August 27, 2016 is made to Directorate of Farmer Welfare and Agriculture Development, Vidhyanchal Bhawan, Bhopal for renewal of sale permission for zinc Sulphate 21% Fertilisers in Madhya Pradesh.
3. Application dated March 19, 2016 made to Ministry of Chemicals and fertilizers Department of Fertilizers requesting to grant permission for manufacturing of Zinc fortified SSP for Unit-I and Unit-II.

### MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

1. Approval for Storage of Petroleum Class 'C' for **Unit I** issued by Department of Explosives, Government of India.
2. Certificate of Registration under Madhya Pradesh Udyog Nivesh Samvardhan Sahayata Yojna, 2010 for **Unit II**
3. Registration Certificate cum Passbook for environmentally sound recycling of hazardous

wastes for **Unit I** (Zinc Ash/Zinc Skimming @ 1800 MTA) issued by Central Pollution Control Board, Ministry of Environment and Forests, Government of India.

4. Consolidated Consent and Authorization (CC&A) for **Unit I** (under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and Authorization under Rule 3 (c) and Rule 5(5) of the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 under the Environmental Protection Act, 1986) issued by Madhya Pradesh Pollution Control Board, Indore, Dhar.
5. Certificate of Registration under Maharashtra Shops and Establishment Act, 1948 for Branch I
6. Certificate of Registration under Chhattisgarh Shops and Establishment Act, 1958 for Branch II



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on August 18, 2016 and by the shareholders of our Company by a special resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013 passed at the EGM of our Company held on August 27, 2016 at registered office of the Company.

We have received in-principle approval from the Stock Exchange for the listing of our Equity Shares pursuant to letter no NSE/LIST/90288 dated October 17, 2016 .

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

None of our Company, our Directors, our Promoters, relatives of Promoters, our Promoter Group, and our Group Companies has been declared as wilful defaulter(s) by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoters, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other government authority. Neither our Promoters, nor any of our Directors or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

### PROHIBITION BY RBI

Neither our Company, nor our Promoter, or the relatives (as defined under the Companies Act) of our Promoter or Group Entity have been identified as willful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or no proceedings thereof are pending against them.

### ELIGIBILITY FOR THIS ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M)(2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is more than ten crore and upto twenty five crore and we shall hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “NSE EMERGE”)

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred per cent underwritten and that the Book Running Lead Managers to the Issue will underwrite atleast 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 64 of this Prospectus
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in

default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable laws. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

3. In accordance with Regulation 106(O) of the SEBI (ICDR) Regulations, we have not filed any Draft Red Herring Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. However, a copy of the Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required was submitted to at the time of filing the Red Herring Prospectus with Stock Exchange and the Registrar of Companies. Also, we shall ensure that our Book Running Lead Managers submits the copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, the Book Running Lead Managers will ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of market making please refer to the chapter titled “*General Information*” beginning on page 64 of this Prospectus.
5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and
6. Net worth of the Company is positive.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court of competent jurisdiction against the Company.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. The Company has a website, [www.agrophos.com](http://www.agrophos.com)

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **NSE ELIGIBILITY NORMS:**

- a) The Issuer is a Company incorporated under the Companies Act, 1956 and has post issue paid up capital of less than Rs. 25 Crore.
- b) The Company has track record of atleast three years and positive cash accruals (earnings before depreciation and tax) from operations for atleast two financial years preceding the application for listing and Net-worth of the Company is positive.
- c) The Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR).
- d) No petition for winding up is admitted by a Court of competent jurisdiction against the Company.
- e) No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGERS, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED AND INDIAN OVERSEAS BANK 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, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED AND INDIAN OVERSEAS BANK, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED AND INDIAN OVERSEAS BANK, SHALL HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992..**

**“WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE 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 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 PROSPECTUS FILED WITH THE EXCHANGE / 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 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, 2013, 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 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 PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE 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 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. – COMPLIED TO THE EXTENT APPLICABLE**
- 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 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER**

**CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE**

- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.- NOT APPLICABLE, AS IN THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC ISSUE SHALL BE IN DEMAT MODE 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 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. – NOTED FOR COMPLIANCE**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF 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 RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. – CHECKLIST ENCLOSED**
- 16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”**
- 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.”- COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE PROSPECTUS**

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT**



**BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – COMPLIED
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER. –
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION 4 OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE RED HERRING PROSPECTUS. – NOT APPLICABLE
- (6) WE CONFIRM THAT UNDERWRITING AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.
- (7) WE CONFIRM THAT MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.- COMPLIED

**Note:**

The filing of this Prospectus does not, however, absolve our Company from any liabilities under section 34, 35 and 36(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Gwalior, Madhya Pradesh, in terms of Section 26, 30, 32 and 33 of the Companies Act, 2013.

**DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGERS**

Our Company, our Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material



issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website [www.agrophos.com](http://www.agrophos.com) would be doing so at his or her own risk.

### **Caution**

The Book Running Lead Managers accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Book Running Lead Managers and our Company dated August 11, 2016 and Amendment dated October 10, 2016, the Underwriting Agreement dated October 15, 2016 entered into among the Underwriters and our Company and the Market Making Agreement dated October 10, 2016 entered into among the Market Maker, Book Running Lead Managers and our Company.

Our Company and the Book Running Lead Managers shall make all information available 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 collection centres, etc.

The Book Running Lead Managers and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited and Indian Overseas Bank are not an 'associate' of the Company and are eligible to act as Book Running Book Running Lead Managers this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

**Investors who apply 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 Book Running Lead Managers 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.**

### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS**

For details regarding the price information and track record of the past issue handled by M/s Pantomath Capital Advisors Private Limited and Indian Overseas Bank, as specified in Circular reference CIF/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer "Annexure A" to this Prospectus and the website of the Book Running Lead Managers at [www.pantomathgroup.com](http://www.pantomathgroup.com) and [www.iob.in](http://www.iob.in).

### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, 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 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 this 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 Mumbai 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 the Draft Red Herring Prospectus had been filed with NSE for its observations and NSE has given its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE**

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref NSE/LIST/90288 dated October 17, 2016 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

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

#### **FILING**



The Draft Red Herring Prospectus has not been filed with SEBI, nor SEBI has issued any observation on the Offer Document in terms of Regulation 106(M)(3). However, a copy of the Red Herring Prospectus has been filed with SEBI at SEBI Regional Office, Western Regional Office, Unit No 002, Ground Floor SAKAR-I, Near Gandhigram Railway Station opposite Nehru Bridge Ashram Road, Ahmedabad- 380009. A copy of Prospectus, along with the documents required to be filed under Section 26 and Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at 3<sup>rd</sup> Floor, A Block, Sanjay Complex, Jayendra Ganj, Gwalior- 474009 and shall also be filed with SEBI at SEBI Regional Office, Western Regional Office, Unit No 002, Ground Floor SAKAR-I, Near Gandhigram Railway Station opposite Nehru Bridge Ashram Road, Ahmedabad- 380009.

## **LISTING**

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in principle approval from SME Platform of NSE. However application has been made to the SME Platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of NSE has given its in-principal approval for using its name in our Red Herring Prospectus and Prospectus vide its letter dated .October 17, 2016.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of NSE, our Company will forthwith repay, without interest, all moneys received from the Bidders in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of the NSE mentioned above are taken within six Working Days from the Issue Closing Date

## **CONSENTS**

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, the Statutory Auditors, the Peer Reviewed Auditors, the Banker(s) to the Company; and (b) Book Running Lead Managers, Underwriters, Market Maker, Registrar to the Issue, Public Issue Banker, Refund Banker, Legal Advisor to the Issue to act in their respective capacities have been obtained and was filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for registration with the RoC. Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus/ Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus & Prospectus for filing with the RoC.

## **EXPERT TO THE ISSUE**

Except as stated below, our Company has not obtained any expert opinions:

- Report of the Peer Reviewed Auditor on Statement of Tax Benefits.

## **EXPENSES OF THE ISSUE**

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees, etc. For details of



total expenses of the Issue, refer to chapter “*Objects of the Issue*” beginning on page 147 of this Prospectus.

#### **DETAILS OF FEES PAYABLE**

##### **Fees Payable to the Book Running Lead Managers**

The total fees payable to the Book Running Lead Managers will be as per the Mandate Letter issue by our Company to the Book Running Lead Managers, the copy of which is available for inspection at our Registered Office.

##### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated August 11, 2016 and Amendment dated October 10, 2016, a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses 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/ instructions for unblocking of funds 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 and Advertiser, etc. will be as per the terms of their respective engagement letters if any.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and selling commission for this Offer is as set out in the Underwriting Agreement dated October 15, 2016 entered into between our Company and the Book Running Lead Managers. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rule, 2013

#### **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION**

We have not made any previous rights and/or public issues since incorporation, 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.

#### **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 77 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our 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 our Equity Shares since our inception.

#### **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:**

None of the equity shares of our Group Companies are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.

#### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**



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. Therefore, data regarding promise versus performance is not applicable to us.

#### **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **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 Agreement between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three 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 Compliance Officer, giving full details such as the name, address of the bidder, 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/ bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants/ Bidders.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant/ Bidder shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on August 16, 2016 For further details, please refer to the chapter titled “*Our Management*” beginning on page 227 of this Prospectus.

Our Company has appointed Neetu Dubey as Compliance Officer and he may be contacted at the following address:

**Neetu Dubey**

**Agro Phos India Limited**

M-87, Trade Centre 18M,

South Tukoganj

Indore- 452001

Madhya Pradesh, India

**Tel:** 0731- 2529490

**Fax:** 0731- 2529490

**Email:** [cs@agrophos.com](mailto:cs@agrophos.com)

**Website:** [www.agrophos.com](http://www.agrophos.com)

**Corporate Identification Number:** U24123MP2002PLC015285



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 unblocking of funds, *etc.*

#### **CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS**

There has been no change in auditors of the Company during the last three financial years

#### **CAPITALISATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 77 of this Prospectus, our Company has not capitalized its reserves or profits during the last five years.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

#### **PURCHASE OF PROPERTY**

Other than as disclosed in this Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Prospectus.

Except as stated elsewhere in this Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

#### **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.



## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Prospectus, , the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice 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, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the FIPB, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

### **RANKING OF EQUITY SHARES**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 407 of this Prospectus.

### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 260 of this Prospectus.

### **FACE VALUE AND ISSUE PRICE PER SHARE**

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. 22 per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue has been decided by our Company in consultation with the BRLMs and advertised in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard and the Regional newspaper Indore Samachar, each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and has been made available to the Stock Exchange for the purpose of uploading the same on their websites.



At any given point of time there shall be only one denomination of Equity Shares.

## **COMPLIANCE WITH SEBI ICDR REGULATIONS**

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations 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, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 407 of this Prospectus.

## **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated October 05, 2016 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated September 22, 2016 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is 6,000 Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 6,000 Equity Shares.

## **MINIMUM NUMBER OF ALLOTTEES**

Further in accordance with Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by SCSBs shall be unblocked within 4 days of closure of issue.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except**



**pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **JOINT HOLDER**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

#### **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act, 2013 the sole applicant, or the first applicant along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicant, 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 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 of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

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

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

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the BRLMs, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Managers through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one



Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

#### BID/ ISSUE OPENING DATE

| Activity  | Indicative dates               |
|---|--------------------------------|
| Bid Opening Date  | October 27, 2016               |
| Bid Closing Date  | November 07, 2016              |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or before November 11, 2016 |
| Credit of Equity Shares to Demat accounts of Allottees                | On or before November 11, 2016 |
| Initiation of refunds   | On or before November 11, 2016 |
| Commencement of trading of Equity Shares                              | On or before November 16, 2016 |

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLMs. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the Book Running Lead Managers to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

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 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. 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. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Managers is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Prospectus is Indian Standard Time.

Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Issue Period, 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 the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Member.**

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data

### MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvment of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106( R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### MIGRATION TO MAIN BOARD

Our company may migrate to the Main board of NSE from EMERGE Platform on a later date subject to the following:

- a. *If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company*



*shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

*OR*

- b. If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

#### **MARKET MAKING**

The shares issued and transferred through this Issue are proposed to be listed on the NSE EMERGE (SME Exchange) with compulsory market making through the registered Market Maker of the EMERGE Platform of NSE for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on EMERGE Platform of NSE. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 64 of this Prospectus.

#### **ARRANGEMENT FOR DISPOSAL OF ODD LOT**

The trading of the equity shares will happen in the minimum contract size of 6,000 shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on EMERGE Platform of NSE

#### **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

#### **OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

#### **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

#### **APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI'S**

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be



treated on the same basis with other categories for the purpose of Allocation.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 77 of this Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 407 of this Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Managers are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M) (2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital does not is more than ten crore rupees and upto twenty five crores. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the NSEEMERGE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 347 and 357 of this Prospectus.

### Following is the issue structure:

Public Issue of to 58,80,000 Equity Shares for cash at price of Rs. 22 (including a premium of Rs. 12) aggregating to Rs. 1293.60 lakhs. The Issue comprises a net issue to the public of up to 55,68,000 Equity Shares (the "Net Issue"). The Issue and Net Issue will constitute 29.00 % and 27.46 % of the post-Issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of upto 3,12,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion").

| Particulars   | Net issue to Public*  | Market Maker Reservation Portion          |
|---|---|---|
| <b>Number of Equity Shares</b>  | 55,68,000 Equity Shares   | 3,12,000 Equity Shares                    |
| <b>Percentage of Issue Size available for allocation</b>                        | 94.69 % of Issue Size   | 5.31 % of Issue Size                      |
| <b>Basis of Allotment / Allocation if respective category is oversubscribed</b> | Proportionate subject to minimum allotment of 6,000 equity shares and further allotment in multiples of 6,000 equity shares each. For further details please refer to the section titled " <i>Issue Procedure</i> " beginning on page 357 of the Prospectus | Firm allotment                            |
| <b>Mode of Bid cum Application</b>  | All Applicants/Bidders shall make the application (Online or Physical through ASBA Process)   | Through ASBA Process only                 |
| <b>Minimum Bid Size</b>   | <b><i>For QIB and NII</i></b><br>Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application size exceeds Rs 2,00,000<br><b><i>For Retail Individual</i></b><br>6,000 Equity shares  | 3,12,000 Equity Shares                    |
| <b>Maximum Bid Size</b>   | <b><i>For Other than Retail Individual Investors:</i></b><br>For all other investors the maximum application size is the Net Issue to public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable.         | Equity Shares of Face Value of Rs 10 each |



| Particulars              | Net issue to Public*  | Market Maker Reservation Portion   |
|--------------------------|---|--|
|                          | <b>For Retail Individuals:</b><br>6,000 Equity Shares                           |  |
| <b>Mode of Allotment</b> | Compulsorily in Dematerialised mode   | Compulsorily in Dematerialised mode  |
| <b>Trading Lot</b>       | 6,000 Equity Shares   | 6,000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations |
| <b>Terms of payment</b>  | The entire Bid Amount will be payable at the time of submission of the Bid Form |  |

*\*50 % of the shares issued in the Net Issue to Public portion are reserved for applications whose value is below Rs. 2,00,000 and the balance 50 % of the shares are reserved for applications whose value is above Rs. 2,00,000.*

- (1) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

#### WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLMs, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Managers through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

#### BID/ ISSUE OPENING DATE

| Activity  | Indicative dates               |
|---|--------------------------------|
| Bid Opening Date  | October 27, 2016               |
| Bid Closing Date  | November 07, 2016              |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or before November 11, 2016 |
| Credit of Equity Shares to Demat accounts of Allottees                | On or before November 11, 2016 |
| Initiation of refunds   | On or before November 11, 2016 |



| Activity                                 | Indicative dates               |
|--|--------------------------------|
| Commencement of trading of Equity Shares | On or before November 16, 2016 |

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.

## ISSUE PROCEDURE

*All Bidders should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus*

*Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid Cum Application Form.*

*Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by National Stock Exchange of India Ltd. to act as intermediaries for submitting Bid Cum Application Forms are provided on <http://www.nseindia.com> For details on their designated branches for submitting Bid Cum Application Forms, please see the above mentioned NSE website.*

*Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid Cum Application Forms.*

## BOOK BUILDING PROCEDURE

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via book building process wherein 50% of the Net Issue to Public is being issued to the Retail Individual Bidders and the balance shall be issued to QIBs and Non-Institutional Bidders. However, if the aggregate demand from the Retail Individual Bidders is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject to valid bids being received from them at or above the Issue Price.

Subject to the valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum Bid lot, subject to availability of



Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to 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 dematerialised segment of the Stock Exchanges.

### BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus were made available at the offices of the BRLMs, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form were also available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Offer Opening Date.

All Bidders participated in the Offer only through the ASBA process. ASBA Bidders provided bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

| Category   | Colour of Bid Cum Application Forms* |
|--|--------------------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis  | White                                |
| Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis (ASBA ) | Blue                                 |

*\*excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

### WHO CAN BID?

In addition to the category of Bidders set forth under “**General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue**”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:



- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

### Maximum and Minimum Application Size

#### *a) For Retail Individual Bidders:*

The Bid must be for a minimum of 6,000 Equity Shares and in multiples of 6,000 Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

#### *b) For Other Bidders (Non-Institutional Bidders and QIBs):*

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.2,00,000 and in multiples of 6,000 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

### INFORMATION FOR THE BIDDERS

- Our Company has filed the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.
- Our Company has, after registering the Red Herring Prospectus with the RoC, made a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Managers advertised the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- The Price Band as decided by our Company in consultation with the Book Running Lead Managers was Rs. 19/- per Equity Share. The Floor Price of Equity Shares was Rs. 19/- per Equity Share and the Cap Price was Rs. 22/- per Equity Share and the minimum bid lot is of 6,000 Equity Shares. Our Company announced the Price Band before five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- This announcement contained relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the Bid Cum Application Forms available on the websites of the stock exchanges.
- The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by



indicating the change on the websites of the Book Running Lead Managers and at the terminals of the members of the Syndicate.

**The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Forms and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid Cum Application Form is liable to be rejected.**

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single Bid cum application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law.

#### **AVAILABILITY OF RED HERRING PROSPECTUS/ PROSPECTUS AND BID CUM APPLICATION FORM**

Copies of the Bid Cum Application Form and the abridged prospectus were available at the offices of the BRLMs, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid Cum Application Form were also available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

#### **APPLICATIONS BY ELIGIBLE NRI'S/RFPI's ON REPATRIATION BASIS**

Copies of the Bid Cum Application Form and the abridged prospectus were available at the offices of the BRLMs, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid Cum Application Form were also available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

#### **PARTICIPATION BY ASSOCIATED/AFFILIATES OF BOOK RUNNING LEAD MANAGERS AND SYNDICATE MEMBERS**

The BRLMs and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **APPLICATIONS BY ELIGIBLE NRI'S**

NRIs may obtain copies of Bid Cum Application Form from the offices of the BRLMs and the Designated Intermediaries and registered office of our Company. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid Cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid Cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid Cum Application Form meant



for Non-Residents (blue in colour)

#### **BIDS BY FPI INCLUDING FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid Cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid Cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid Cum Application Form for Non-Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCFs, AIFs and FVCIs**



The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public issuing.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public issuing of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

#### **BIDS BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single 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.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid Cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **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. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **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 by Insurance Companies without assigning any reason



thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, 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 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. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid Cum Application Form.
- 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 along with the Bid Cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, 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.
- d) With respect to 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
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid Cum Application Form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

**The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Managers and the Syndicate Members 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 Bidders are advised to ensure that any single Bid from them does not exceed the applicable 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.**

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of 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, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

**The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Managers and the Syndicate Members 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 Bidders are advised to ensure that any single Bid from them does not exceed the applicable 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.**

#### **BIDS BY BANKING COMPANY**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid Cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Circular dated July 1, 2015 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **BIDS BY SCSBs**

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

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMs or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **TERMS OF PAYMENT**



### **Terms of Payment**

The entire Issue price of Rs. 22 per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism for Bidders**

The Bidders shall specify the bank account number in the Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the bid cum application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- a) Our Company has entered into an Underwriting agreement dated October 15, 2016.
- b) A copy of the Red Herring Prospectus has been filed with the RoC in terms of Section 26 and 32 of the Companies Act.
- c) A copy of Prospectus shall be filed with the RoC in terms of Section 26 and 32 of the Companies Act.

### **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company has, after registering the Red Herring Prospectus with the RoC, published a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation. In the pre-Issue advertisement, we stated the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived 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.

## GENERAL INSTRUCTIONS

### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid Cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid Cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid Cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid Cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid Cum Application Forms;
8. Ensure that the name(s) given in the Bid Cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid Cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid Cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid Cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respects;

14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid Cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid Cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid Cum Application Form;
19. Ensure that the Bid Cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid Cum Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid Cum Application Form;
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid Cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid Cum Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid Cum Application Form; and

The Bid Cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Dont's:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid Cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid Cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid Cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);



10. Do not fill up the Bid Cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid Cum Application Forms or on Bid Cum Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit more than five Bid Cum Application Forms per ASBA Account;

The Bid Cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

a) Our Company in consultation with the BRLMs, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, 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 the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.

b) Our Company in consultation with the BRLMs, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders

c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid Cum Application Form duly filled with all the requisite details for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

#### **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 Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

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, etc.



## IMPERSONATION

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

*“Any person who—*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

*shall be liable for action under Section 447.”*

## UNDERTAKINGS BY THE COMPANY

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of NSE where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. That our Promoter's contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares issued through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company 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 exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock Exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

## UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:



1. all monies received out of the issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The Book Running Lead Managers undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

#### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated October 05, 2016 among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated September 22, 2016 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE740V01019.

## PART B

### GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issue and the Issuer, and should carefully read the Red Herring Prospectus before investing in the Issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders in IPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Bidders should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders should carefully read the entire RHP/Prospectus and the Bid Cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

##### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the Red herring Prospectus/ Prospectus.

##### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and

may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer. For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

## 2.3 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

## 2.4 TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built issues**”) or undertake a Fixed Price Issue (“**Fixed Price Issues**”). An issuer may mention Floor Price or Price Band in the DRHP (in case of a Book Built Issue) and a Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Red Herring Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## 2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard

## 2.6 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

- (a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been



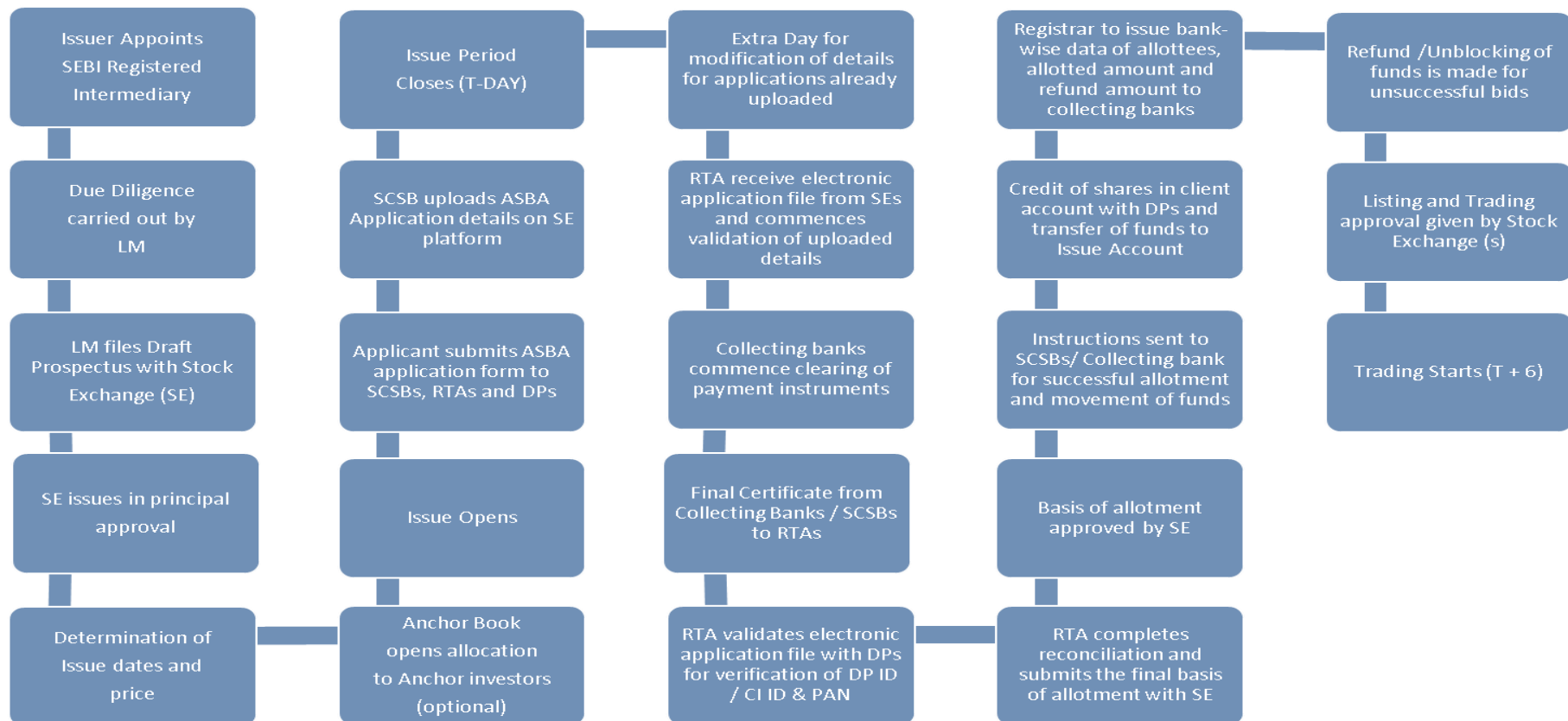
approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **2.7 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

***Each Bidder should check whether it is eligible to apply under applicable law.*** Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the RHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. 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 through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders 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;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. 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;
6. 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);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. 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;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

## SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid Cum Application Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the book running lead managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum

Application Form for various categories of Bidders/Applicants is as follows:

| Category  | Colour of the Bid Cum Application (Excluding downloaded forms from SE website) |
|---|--|
| Resident Indian, Eligible NRIs applying on a non repatriation basis                 | White  |
| Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis | Blue   |
| Anchor Investors (where applicable) & Bidders applying in the reserved category     | Not Applicable   |

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid Cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid Cum Application Form can be found on the reverse side of the Bid Cum Application Form. Specific instructions for filling various fields of the Resident Bid Cum Application Form and Non-Resident Bid Cum Application Form and samples are provided below.

The samples of the Bid Cum Application Form for resident Bidders and the Bid Cum Application Form for non- resident Bidders are reproduced below:



## R Bid Cum Application Form

| <b>COMMON BID CUM APPLICATION FORM</b>  | <b>AGRO PHOS INDIA LIMITED - PUBLIC ISSUE - R</b><br>Registered Office: M-87, Trade Centre 18M, South Tukoganj, Indore- 452001, Madhya Pradesh, India<br>Tel. No.: 0731- 2529490, Fax No.: 0731- 2529490, E-mail: investors@agrophos.com; Website: www.agrophos.com<br>CIN: U2423MP2002PLC015285  | <b>FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>  |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
|---|---|---|---|--|-----------------------------|----------------------|--|-----------|-----------------|-----------|-----------------------------|----------|--|--------------------|--|--|--------------------------|--|--|--|--|--|--------------------------|---------------|--|--|--|--|--------------------------|--|
| <b>To,</b><br><b>The Board of Directors</b><br><b>AGRO PHOS INDIA LIMITED</b>   |   | <b>BOOK BUILT ISSUE</b><br><b>ISIN-INE740V01019</b>   |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| <b>SYNDICATE MEMBER'S STAMP &amp; CODE</b><br><br><b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b><br><br><b>BANK BRANCH SERIAL NO.</b><br><br><b>SCSB / CDP / RTA STAMP &amp; CODE</b><br><br><b>ESCROW BANK / SCSB BRANCH STAMP &amp; CODE</b><br><br><b>SCSB SERIAL NO.</b>  |   | <b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b><br>Mr./Ms./M/s. _____<br>Address _____<br>Email _____<br>Tel. No (with STD code) / Mobile _____<br><b>2. PAN OF SOLE / FIRST BIDDER</b><br>_____  |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br>For NSDL enter 8 Digit DPID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.   |   | <b>6. INVESTOR STATUS</b><br><input type="checkbox"/> Individual(s) - IND<br><input type="checkbox"/> Hindu Undivided Family* - HUF<br><input type="checkbox"/> Non-Resident Indians - NRI<br>(Non-Repatriation basis)<br><input type="checkbox"/> Bodies Corporate - CO<br><input type="checkbox"/> Banks & Financial Institutions - FI<br><input type="checkbox"/> Mutual Funds - MF<br><input type="checkbox"/> National Investment Funds - NIF<br><input type="checkbox"/> Insurance Funds - IF<br><input type="checkbox"/> Insurance Companies - IC<br><input type="checkbox"/> Venture Capital Funds - VCF<br><input type="checkbox"/> Alternate Investment Funds - AIF<br><input type="checkbox"/> Others (Please Specify) - OTH<br><small>*HUF Should apply only through Karta (Application by HUF would be treated on par with individual)</small> |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| <b>4. BID OPTIONS (Only Retail Individual Bidders can BID at "Cut-Off") Price Band Rs. 19 - Rs. 22</b><br><table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures)<br/>(Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) / "Cut-off"</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th>"Cut-Off" (Please (✓) tick)</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> |   | Bid Options   | No. of Equity Shares Bid (In Figures)<br>(Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹) / "Cut-off" |                             |                      |  | Bid Price | Retail Discount | Net Price | "Cut-Off" (Please (✓) tick) | Option 1 |  |                    |  |  | <input type="checkbox"/> | (OR) Option 2  |  |  |  |  | <input type="checkbox"/> | (OR) Option 3 |  |  |  |  | <input type="checkbox"/> | <b>5. CATEGORY</b><br><input type="checkbox"/> Retail Individual Bidder<br><input type="checkbox"/> Non Institutional Bidder<br><input type="checkbox"/> QIB |
| Bid Options   | No. of Equity Shares Bid (In Figures)<br>(Bids must be in multiples of Bid Lot as advertised)   |   |   | Price per Equity Share (₹) / "Cut-off" |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
|   |   | Bid Price   | Retail Discount   | Net Price                              | "Cut-Off" (Please (✓) tick) |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| Option 1  |   |   |   |  | <input type="checkbox"/>    |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| (OR) Option 2   |   |   |   |  | <input type="checkbox"/>    |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| (OR) Option 3   |   |   |   |  | <input type="checkbox"/>    |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| <b>7. PAYMENT DETAILS</b><br>Amount Blocked (₹ in Figures) _____ (₹ in words) _____<br>ASBA Bank A/c No. _____<br>Bank Name & Branch _____  |   | <b>PAYMENT OPTION : Full Payment</b> <input type="checkbox"/>   |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.  |   |   |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| <b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b><br>Date: _____, 2016  | <b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b><br>I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer<br>1) _____<br>2) _____<br>3) _____   | <b>SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>  |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| TEAR HERE   |   |   |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| <b>AGRO PHOS INDIA LIMITED - PUBLIC ISSUE - R</b><br><b>Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA</b>   |   | <b>Bid Cum Application Form No.</b> _____   |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| DPID / CLID _____ PAN of Sole / First Bidder _____  |   | Amount Blocked (₹ in figures) _____ ASBA A/c. No. _____ Stamp & Signature of SCSB Branch _____<br>Bank & Branch _____<br>Received from Mr./Ms./M/s. _____<br>Telephone / Mobile _____ Email _____   |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| TEAR HERE   |   |   |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| <b>AGRO PHOS INDIA LIMITED - PUBLIC ISSUE - R</b>   | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> </thead> <tbody> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Blocked (₹)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> ASBA Bank A/c No.: _____<br>Bank & Branch: _____ |   | Option 1  | Option 2                               | Option 3                    | No. of Equity Shares |  |           |                 | Bid Price |                             |          |  | Amount Blocked (₹) |  |  |                          | <b>Name of Sole / First Bidder</b> _____<br><b>Acknowledgment Slip for Bidder</b><br><b>Bid Cum Application Form No.</b> _____ |  |  |  |  |                          |               |  |  |  |  |                          |  |
|   | Option 1  | Option 2  | Option 3  |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| No. of Equity Shares  |   |   |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| Bid Price   |   |   |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |
| Amount Blocked (₹)  |   |   |   |  |                             |                      |  |           |                 |           |                             |          |  |                    |  |  |                          |  |  |  |  |  |                          |               |  |  |  |  |                          |  |



## NR Bid Cum Application Form

| <b>COMMON BID CUM APPLICATION FORM</b>   | <b>AGRO PHOS INDIA LIMITED - PUBLIC ISSUE - NR</b><br>Registered Office: M-87, Trade Centre 18M, South Tukoganj, Indore- 452001, Madhya Pradesh, India<br>Tel. No.: 0731- 2529490, Fax No.: 0731- 2529490, E-mail: investors@agrophos.com; Website: www.agrophos.com<br>CIN: U2423MP2002PLC015285 | <b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs OR FVCI, ETC APPLYING ON A REPATRIATION BASIS</b>   |                 |   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
|--|---|---|-----------------|---|--|--|--|---------------------------|-----------|-----------------|-----------|----------|--|--|--|--|--------------------------|---------------|--|--|--|--|--------------------------|---------------|--|--|--|--|--------------------------|
| <b>To,</b><br>The Board of Directors<br>AGRO PHOS INDIA LIMITED  | <b>BOOK BUILT ISSUE</b><br>ISIN-INE740V01019  | Bid Cum Application Form No. _____  |                 |   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| <b>SYNDICATE MEMBER'S STAMP &amp; CODE</b><br><br><b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b><br><br><b>BANK BRANCH SERIAL NO.</b>  | <b>BROKER'S / SCSB / CDP / RTA STAMP &amp; CODE</b><br><br><b>ESCROW BANK / SCSB BRANCH STAMP &amp; CODE</b><br><br><b>SCSB SERIAL NO.</b>  | <b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST BIDDER</b><br>Mr./Ms./M/s. _____<br>Address _____<br>Email _____<br>Tel. No (with STD code) / Mobile _____<br><b>2. PAN OF SOLE / FIRST BIDDER</b> _____   |                 |   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| <b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br>For NSDL enter 8 Digit DPID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.  |   | <b>6. INVESTOR STATUS</b><br><input type="checkbox"/> <b>NR</b> Non-Resident Indian(s) (Repatriation basis)<br><input type="checkbox"/> <b>FI</b> FI or Sub Account not a Corporate/ Foreign Individual<br><input type="checkbox"/> <b>FISA</b> FI Sub Account Corporate/Individual<br><input type="checkbox"/> <b>FVCI</b> Foreign Venture Capital Investor<br><input type="checkbox"/> <b>FPI</b> Foreign Portfolio Investor<br><input type="checkbox"/> <b>OTH</b> Others (Please Specify) _____ |                 |   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| <b>4. BID OPTIONS (Only Retail Individual Bidders can BID at "Cut-Off") Price Band Rs. 19 - Rs. 22</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures)<br/>(Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off"</th> <th rowspan="2">"Cut-Off" (Please ✓/tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> |   |   | Bid Options     | No. of Equity Shares Bid (In Figures)<br>(Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹) / "Cut-off" |  |  | "Cut-Off" (Please ✓/tick) | Bid Price | Retail Discount | Net Price | Option 1 |  |  |  |  | <input type="checkbox"/> | (OR) Option 2 |  |  |  |  | <input type="checkbox"/> | (OR) Option 3 |  |  |  |  | <input type="checkbox"/> |
| Bid Options  | No. of Equity Shares Bid (In Figures)<br>(Bids must be in multiples of Bid Lot as advertised)   | Price per Equity Share (₹) / "Cut-off"  |                 |   | "Cut-Off" (Please ✓/tick)              |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
|  |   | Bid Price   | Retail Discount | Net Price   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| Option 1   |   |   |                 |   | <input type="checkbox"/>               |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| (OR) Option 2  |   |   |                 |   | <input type="checkbox"/>               |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| (OR) Option 3  |   |   |                 |   | <input type="checkbox"/>               |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| <b>5. CATEGORY</b><br><input type="checkbox"/> <b>Retail Individual Bidder</b><br><input type="checkbox"/> <b>Non Institutional Bidder</b><br><input type="checkbox"/> <b>QIB</b>  |   |   |                 |   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| <b>7. PAYMENT DETAILS</b> <span style="float: right;"><b>PAYMENT OPTION : Full Payment</b></span><br>Amount Paid (₹ in Figures) _____ (₹ in words) _____<br>ASBA Bank A/c No. _____<br>Bank Name & Branch _____  |   |   |                 |   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.   |   |   |                 |   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| <b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b><br><br>Date: _____, 2016   | <b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b><br>I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer<br>1) _____<br>2) _____<br>3) _____   | <b>SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>  |                 |   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| TEAR HERE  |   |   |                 |   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| <b>AGRO PHOS INDIA LIMITED PUBLIC ISSUE - NR</b>   | <b>Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA</b>  | Bid Cum Application Form No. _____  |                 |   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| PAN of Sole / First Bidder _____<br>DPID / CLID _____<br>Amount Blocked (₹ in figures) _____ ASBA A/c. No. _____<br>Bank & Branch _____<br>Received from Mr./Ms./M/s. _____<br>Telephone / Mobile _____ Email _____  |   |   |                 |   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| TEAR HERE  |   |   |                 |   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |
| <b>AGRO PHOS INDIA LIMITED PUBLIC ISSUE - NR</b><br>No. of Equity Shares _____<br>Bid Price _____<br>Amount Blocked (₹) _____<br>ASBA Bank A/c No.: _____<br>Bank & Branch: _____  | Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA<br>Name of Sole / First Bidder _____<br><b>Acknowledgment Slip for Bidder</b><br>Bid Cum Application Form No. _____  | <b>AGRO PHOS INDIA LIMITED</b> <span style="border: 1px solid black; padding: 2px;">1</span>  |                 |   |  |  |  |                           |           |                 |           |          |  |  |  |  |                          |               |  |  |  |  |                          |               |  |  |  |  |                          |

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

- (a) Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid Cum Application Form/ Application Form may be used to dispatch communications) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid Cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder would be required in the Bid Cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid Cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who:

- *makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or*
- *makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,*

*Shall be liable for action under section 447 of the said Act.*

- (e) **Nomination Facility to Bidder:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST BIDDER

- a) PAN (of the sole/first Bidder) provided in the Bid Cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim ("PAN Exempted Bidders"). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid Cum Application Form, irrespective of

the Bid Amount. Bids by the Bidders whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- c) The exemption for the PAN Exempted Bidders is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Bid Cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- e) Bids by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

#### **4.1.3 FIELD NUMBER 3: BIDDERS DEPOSITORY ACCOUNT DETAILS**

- a) Bidder should ensure that DP ID and the Client ID are correctly filled in the Bid Cum Application Form. The DP ID and Client ID provided in the Bid Cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid Cum Application Form is liable to be rejected.**
- b) Bidder should ensure that the beneficiary account provided in the Bid Cum Application Form is active.
- c) Bidder should note that on the basis of DP ID and Client ID as provided in the Bid Cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the issue.
- d) Bidder are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders’ sole risk.

#### **4.1.4 FIELD NUMBER 4: BID OPTIONS**

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the DRHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) **Minimum Bid Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide

the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs.1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.

- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP or the advertisement regarding the Price Band published by the Issuer.

#### **4.1.4.1 Maximum and Minimum Bid Size**

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.
- b) In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least Rs 10 crores. 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. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Offer Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the issue size.
- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

- j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the issue Price, the number of Equity Shares Bid for by a Bidder at or above the issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

#### **4.1.4.2 Multiple Bids**

(a) Bidder should submit only one Bid Cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid Cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid Cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid Cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid Cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.

(c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the RHP.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidder, such as NRIs, FPIs and FVCIs may not be allowed to

Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.

- (c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid Cum Application Form and Non-Resident Bid Cum Application Form.
- (d) Bidders should ensure that their investor status is updated in the Depository records.

#### **4.1.5 FIELD 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the Bid Cum Application Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid Cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid Cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount issued, if any.
- (b) Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- (c) Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- (d) All Bidders can participate in the Issue only through the ASBA mechanism.
- (e) Please note that, providing bank account details in the space provided in the Bid Cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

##### **4.1.5.1 Payment instructions for Bidders**

- a) Bidders may submit the Bid Cum Application Form either
  - i. in electronic mode through the internet banking facility issued by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid Cum Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid Cum Application Form. The Bid Cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Bidders should ensure that the Bid Cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bid Cum Application Forms can be submitted.
- f) Bidders should submit the Bid Cum Application Form only at the Bidding Centre i.e to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations

- g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that Bid Cum Application Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid Cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit Bid Cum Application Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid Cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid Cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid Cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- l) Upon submission of a completed Bid Cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid Cum Application Form in the ASBA Account maintained with the SCSBs
- m) The Bid Amount may 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 or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid Cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.
- (d) In the event of withdrawal or rejection of the Bid Cum Application Form and for unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the

Bid/Issue Closing Date.

#### **4.1.5.2 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts issued in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

#### **4.1.5.3 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **4.1.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder is required to sign the Bid Cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid Cum Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid/ amount mentioned in the Bid Cum Application Form.
- (d) Bidders must note that Bid Cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

#### **4.1.7 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid Cum Application Form.
- (b) All communications in connection with Bid made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
  - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
  - iii. Bidders may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
  - iv. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
  - v. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders

should contact the relevant Registered Broker

vi. In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.

vii. In case of Bids submitted to the DP, the Bidders should contact the relevant DP.

(c) The following details (as applicable) should be quoted while making any queries -

i. Full name of the sole or First Bidder, Bid Cum Application Form number, Bidder' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.

ii. name and address of the Designated Intermediary, where the Bid was submitted; or

For further details, Bidder may refer to the Red Herring Prospectus and the Bid Cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

(a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.

(b) RII may revise / withdraw their Bid till closure of the Bid/Issue period.

(c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.

(d) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:



## Revision Form – R

|   |   |  |
|---|---|--|
| <b>COMMON<br/>BID<br/>REVISION FORM</b>   | <b>AGRO PHOS INDIA LIMITED - PUBLIC ISSUE - R</b><br>Registered Office: M-87, Trade Centre BSM, South Tukoganj, Indore-452001, Madhya Pradesh, India<br>Tel. No.: 0731- 2529490, Fax No.: 0731- 2529499, E-mail: investors@agrophos.com, Web site: www.agrophos.com<br>CIN: U24123MP2002PLC015285 | <b>FOR RESIDENT INDIANS INCLUDING<br/>RESIDENT QIBs AND ELIGIBLE NRIs APPLYING<br/>ON A NON-REPATRIATION BASIS</b>   |
| <br><b>To,</b><br>The Board of Directors<br>AGRO PHOS INDIA LIMITED   | <b>BOOK BUILT ISSUE</b><br><b>ISIN-INE740V01019</b>   | <b>Bid Cum<br/>Application<br/>Form No.</b>  |
| <b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>  | <b>BROKER'S / SCSB / DP / RTA STAMP &amp; CODE</b>  | <b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST BIDDER</b><br>Mr./Ms./M/s. _____<br>Address _____<br>Email _____<br>Tel. No (with STD code) / Mobile _____  |
| <b>SUB BROKER'S/SUB AGENT'S STAMP &amp; CODE</b>  | <b>ESCROW BANK / SCSB<br/>BRANCH STAMP &amp; CODE</b>   | <b>2. PAN OF SOLE / FIRST BIDDER</b><br>_____  |
| <b>BANK BRANCH SERIAL NO.</b>   | <b>SCSB SERIAL NO.</b>  | <b>3. BIDDERS DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br>For NSDL enter 8 Digit DPID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.               |
| <b>PLEASE CHANGE MY BID</b>   |   |  |
| <b>4. FROM (AS PER LAST BID OR REVISION)</b>  |   |  |
| <b>Bid Options</b>  | <b>No. of Equity Shares Bid (Bids must be in<br/>multiples of Bid Lot as advertised) (In Figures)</b>   | <b>Price per Equity Share (₹) / "Cut-off" (In Figures)</b>   |
|   | 8 7 6 5 4 3 2 1   | Bid Price    Retail Discount, if any    Net Price    "Cut-off"<br>(Please ✓ tick)  |
| Option 1  |   |  |
| (OR) Option 2   |   |  |
| (OR) Option 3   |   |  |
| <b>5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")</b>  |   |  |
| <b>Bid Options</b>  | <b>No. of Equity Shares Bid (in Figures) (Bids must be in<br/>multiples of Bid Lot as advertised)</b>   | <b>Price per Equity Share (₹) / "Cut-off" (In Figures)</b>   |
|   | 8 7 6 5 4 3 2 1   | Bid Price    Retail Discount, if any    Net Price    "Cut-off"<br>(Please ✓ tick)  |
| Option 1  |   |  |
| (OR) Option 2   |   |  |
| (OR) Option 3   |   |  |
| <b>6. PAYMENT DETAILS</b> <b>PAYMENT OPTION : Full Payment</b> <input type="checkbox"/>   |   |  |
| Additional Amount Blocked (₹ in Figures) _____ (₹ in words) _____   |   |  |
| ASBA Bank A/c No. _____   |   |  |
| Bank Name & Branch _____  |   |  |
| _____   |   |  |
| I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF. |   |  |
| <b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b><br><br>Date: _____, 2016  | <b>7 B. SIGNATURE OF ASBA BANK ACCOUNT<br/>HOLDER(S) (AS PER BANK RECORDS)</b><br>I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer.<br>1) _____<br>2) _____<br>3) _____   | <b>SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA<br/>STAMP (Acknowledging upload of Bid in Stock<br/>Exchange system)</b>   |
| TEAR HERE   |   |  |
| <br><b>AGRO PHOS INDIA LIMITED - BID REVISION<br/>FORM - PUBLIC ISSUE - R</b>   |   | <b>Acknowledgement Slip<br/>for Syndicate Member<br/>Broker/SCSB/CDP/RTA</b>   |
| <b>Bid Cum<br/>Application<br/>Form No.</b>   |   | <b>PAN of Sole / First Bidder</b>  |
| <b>DPID /<br/>CLID</b>  |   | <b>Stamp &amp; Signature of SCSB Branch</b>  |
| <b>Additional Amount Blocked (₹ in figures)</b>   |   | <b>ASBA A/c No.</b>  |
| <b>Bank &amp; Branch</b>  |   | <b>Received from Mr./Ms.</b>   |
| <b>Telephone / Mobile</b>   |   | <b>Email</b>   |
| TEAR HERE   |   |  |
| <b>AGRO PHOS INDIA<br/>REVISION FORM -<br/>PUBLIC ISSUE - R</b>   | <b>Option 1    Option 2    Option 3</b><br>No. of Equity Shares<br>Bid Price<br>Additional Amount Blocked (₹)<br>ASBA Bank A/c No.: _____<br>Bank & Branch: _____   | <b>Stamp &amp; Signature of Syndicate Member/<br/>Registered Broker / SCSB / CDP / RTA</b><br><b>Name of Sole / First Bidder</b><br><b>Acknowledgment Slip for Bidder</b><br><b>Bid Cum<br/>Application<br/>Form No.</b> |

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## Revision Form – NR

|   |   |  |          |   |                                       |  |
|---|---|--|----------|---|---------------------------------------|--|
| <b>COMMON<br/>BID<br/>REVISION FORM</b>   | <b>AGRO PHOS INDIA LIMITED - PUBLIC ISSUE - NR</b><br>Registered Office: M-37, Trade Centre 18M, South Tukoganj, Indore-452001, Madhya Pradesh, India<br>Tel. No.: 0731- 2529490; Fax No.: 0731- 2529490; E-mail: investors@agrophos.com, Website: www.agrophos.com<br>CIN: U24123MP2002PLC015285 | FOR NON-RESIDENTS, INCLUDING<br>ELIGIBLE NRIs, FIIs, FPIs OR FVCIs, ETC<br>APPLYING ON AREPATRIATION BASIS   |          |   |                                       |  |
| <br><b>Agro Phos</b>  | To,<br>The Board of Directors<br>AGRO PHOS INDIA LIMITED  | <b>BOOK BUILT ISSUE</b><br>ISIN-INE740V01019   |          |   |                                       |  |
|   |   | Bid Cum<br>Application<br>Form No.   |          |   |                                       |  |
| SYNDICATE MEMBER'S STAMP & CODE   | BROKER'S / SCSB / DP / RTA STAMP & CODE   | <b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST BIDDER</b><br>Mr./Ms./M/s. _____<br>Address _____<br>_____<br>Email _____<br>Tel. No (with STD code) / Mobile _____   |          |   |                                       |  |
| SUB-BROKER'S/SUB-AGENT'S STAMP & CODE   | ESCROW BANK / SCSB<br>BRANCH STAMP & CODE   |  |          |   |                                       |  |
| BANK BRANCH SERIAL NO.  | SCSB SERIAL NO.   |  |          |   |                                       |  |
|   |   |  |          |   |                                       |  |
| <b>2. PAN OF SOLE / FIRST BIDDER</b><br>_____   |   |  |          |   |                                       |  |
| <b>3. BIDDERS DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br>For NSDL enter 8 Digit DPID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.  |   |  |          |   |                                       |  |
| PLEASE CHANGE MY BID  |   |  |          |   |                                       |  |
| <b>4. FROM (AS PER LAST BID OR REVISION)</b>  |   |  |          |   |                                       |  |
| Bid Options   | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)  | Price per Equity Share (₹) / "Cut-off" (In Figures)  |          |   |                                       |  |
|   | 8 7 6 5 4 3 2 1   | Bid Price Retail Discount, if any Net Price "Cut-off" (Please ✓ tick)  |          |   |                                       |  |
| Option 1  |   |  |          |   |                                       |  |
| (OR) Option 2   |   |  |          |   |                                       |  |
| (OR) Option 3   |   |  |          |   |                                       |  |
| <b>5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")</b>  |   |  |          |   |                                       |  |
| Bid Options   | No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)  | Price per Equity Share (₹) / "Cut-off" (In Figures)  |          |   |                                       |  |
|   | 8 7 6 5 4 3 2 1   | Bid Price Retail Discount, if any Net Price "Cut-off" (Please ✓ tick)  |          |   |                                       |  |
| Option 1  |   |  |          |   |                                       |  |
| (OR) Option 2   |   |  |          |   |                                       |  |
| (OR) Option 3   |   |  |          |   |                                       |  |
| <b>6. PAYMENT DETAILS</b>   |   |  |          |   |                                       |  |
| PAYMENT OPTION : Full Payment   |   |  |          |   |                                       |  |
| Additional Amount Paid (₹ in Figures) _____ (₹ in words) _____  |   |  |          |   |                                       |  |
| ASBA Bank A/c No. _____   |   |  |          |   |                                       |  |
| Bank Name & Branch _____  |   |  |          |   |                                       |  |
| _____   |   |  |          |   |                                       |  |
| I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF. |   |  |          |   |                                       |  |
| <b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b><br>_____<br>Date: _____, 2016   |   | <b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b><br>I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer.<br>1) _____<br>2) _____<br>3) _____ |          |   |                                       |  |
|   |   | <b>SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b><br>_____  |          |   |                                       |  |
| TEAR HERE   |   |  |          |   |                                       |  |
| <br><b>AGRO PHOS INDIA LIMITED - BID REVISION FORM - PUBLIC ISSUE - NR</b>  |   | <b>Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA</b>   |          |   |                                       |  |
|   |   | Bid Cum Application Form No.   |          |   |                                       |  |
| DPID / CLID _____   |   | PAN of Sole / First Bidder _____   |          |   |                                       |  |
| Additional Amount Blocked (₹ in figures) _____ ASBA A/c No. _____   |   | Stamp & Signature of SCSB Branch<br>_____  |          |   |                                       |  |
| Bank & Branch _____   |   |  |          |   |                                       |  |
| Received from Mr./Ms. _____   |   |  |          |   |                                       |  |
| Telephone / Mobile _____ Email _____  |   |  |          |   |                                       |  |
| TEAR HERE   |   |  |          |   |                                       |  |
| AGRO PHOS INDIA LIMITED<br>BID REVISION FORM<br>FURTHER PUBLIC ISSUE - NR   | Option 1  | Option 2   | Option 3 | Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA<br>_____ | Name of Sole / First Bidder<br>_____  |  |
|   | No. of Equity Shares  |  |          |   |                                       |  |
|   | Bid Price   |  |          |   |                                       |  |
|   | Additional Amount Blocked (₹) _____   |  |          |   |                                       |  |
|   | ASBA Bank A/c No.: _____<br>Bank & Branch: _____  |  |          |   |                                       |  |
|   |   |  |          |   | <b>Acknowledgment Slip for Bidder</b> |  |
|   |   |  |          |   | Bid Cum Application Form No.          |  |

10 AGRO PHOS INDIA LIMITED

#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid Cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid Cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid Cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid Cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount issued, if any.
- b) Bidder may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the Bidder does not

either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### **4.3 SUBMISSION OF REVISION FORM/ BID CUM APPLICATION FORM /APPLICATION FORM**

#### **4.3.1 Bidders may submit completed Bid Cum Application Form / Revision Form in the following manner:-**

| <b>Mode of Bid</b> | <b>Submission of Bid Cum Application Form</b>   |
|--------------------|---|
| All investors Bids | To the Bid cum Application Collecting Intermediaries as mentioned in the Red herring Prospectus/ Bid Cum Application Form |

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

### **SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

This being book built issue procedure for fixed price issue is not applicable.

### **SECTION 6- ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

#### **6.1 SUBMISSION OF BIDS**

- During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Managers, to register their Bid.
- In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the RHP.

#### **6.2 ELECTRONIC REGISTRATION OF BIDS**

- The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.

- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **6.3 BUILD UP OF THE BOOK**

- a. Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.
- b. Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

### **6.4 WITHDRAWAL OF BIDS**

- a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - 1) the Bids accepted by the Designated Intermediaries,
  - 2) the Bids uploaded by the Designated Intermediaries, and
  - 3) the Bid Cum Application Forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid Cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) 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 Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

### **GROUND OF REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;

- 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;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid Cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid Cum Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- The amounts mentioned in the Bid Cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the RHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid Cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid Cum Application Forms, Bid/Issue Opening Date advertisement and the RHP and as per the instructions in the RHP and the Bid Cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid Cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Where no confirmation is received from SCSB for blocking of funds

- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid Cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid Cum Application Form

For details of instructions in relation to the Bid Cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid Cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
- Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (Rs.) | Cumulative Quantity | Subscription |
|--------------|------------------|---------------------|--------------|
| 500          | 24               | 500                 | 16.67%       |
| 1,000        | 23               | 1,500               | 50.00%       |



| Bid Quantity | Bid Amount (Rs.) | Cumulative Quantity | Subscription |
|--------------|------------------|---------------------|--------------|
| 1,500        | 22               | 3,000               | 100.00%      |
| 2,000        | 21               | 5,000               | 166.67%      |
| 2,500        | 20               | 7,500               | 250.00%      |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

## SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

This being Book Built Issue, this section is not applicable for this Issue.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Issue for Sale of specified securities). However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

### 7.1 BASIS OF ALLOTMENT

Allotment will be made in consultation with the EMERGE Platform of NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- For Bids where the proportionate allotment works out to less than 6,000 equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted 6,000 equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- If the proportionate allotment to an Bidder works out to a number that is not a multiple of 6,000 equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 equity shares.
- If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 6,000 Equity Shares, results in

the actual allotment being higher than the shares issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the issue specified under the Capital Structure mentioned in this RHP.

- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:
- i. As the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. The balance net issue of shares to the public shall be made available for allotment to
    - individual bidders other than retails individual investors and
    - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
  - iii. The unsubscribed portion of the net issue to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE- the Designated Stock Exchange in addition to Book Running Lead Managers and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## 7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working

Days of the Bid/Issue Closing Date.

## **8.2 GROUNDS FOR REFUND**

### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the RHP/Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the RHP.

### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this issue document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

## **8.3 MODE OF REFUND**

Within 6 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bids.

### **8.3.1 Mode of making refunds**

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

## **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

| Term  | Description  |
|---|--|
| Acknowledgement Slip  | The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.  |
| Allotment/ Allot/ Allotted  | Unless the context otherwise requires, issue / allotment of Equity Shares pursuant to the Issue to successful Applicants.  |
| Allottee(s)   | Successful Bidders(s) to whom Equity Shares have been allotted/transferred.  |
| Allotment Advice  | Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.  |
| ASBA / Application Supported by Blocked Amount                        | An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account   |
| Application Supported by Blocked Amount Form/Bid Cum Application Form | An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus/ Prospectus.  |
| ASBA Account  | An account maintained with an SCSB and specified in the Bid Cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid Cum Application Form  |
| ASBA form/ Bid Cum Application Form                                   | An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus/ Prospectus.   |
| ASBA Application Location(s) / Specified Cities                       | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Indore   |
| Banker(s) to the Issue  | The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public issue Account will be opened and in this case being ICICI Bank Limited and IndusInd Bank Limited  |
| Basis of Allotment  | The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “Issue Procedure” beginning on page 357 of this Prospectus.  |
| Bid   | An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid Cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid Cum Application Form |
| Bid Amount  | The highest value of optional Bids indicated in the Bid Cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity   |

| Term                                   | Description  |
|--|--|
|  | Shares Bid for by such Retail Individual Bidder and mentioned in the Bid Cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue   |
| Bid/ Issue Closing Date                | The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which has been notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and of the Regional newspaper Indore Samachar, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date has also been notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations |
| Bid/ Issue Opening Date                | The date on which the Syndicate, the Designated Branches and the Registered Brokers started accepting Bids, which has been notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and of the Regional newspaper Indore Samachar, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.       |
| Bid/ Issue Period                      | The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders submitted their Bids, including any revisions thereof.  |
| ASBA Form                              | The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus  |
| Bidder                                 | Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid Cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant   |
| Book Building Process                  | Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made  |
| Book Running Lead Managers or BRLMs    | The book running lead managers to the Issue  |
| Broker Centres                         | Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid Cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of NSE.  |
| Business Day                           | Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)  |
| CAN or Confirmation of Allocation Note | The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/transferred , after approval of Basis of Allotment by the Designated Stock Exchange.   |
| Cap Price                              | The higher end of the Price Band, above which the Issue Price will not   |

| Term                                      | Description  |
|---|--|
|   | be finalised and above which no Bids will be accepted  |
| Client ID                                 | Client Identification Number maintained with one of the Depositories in relation to demat account.   |
| Collecting Depository Participant or CDPs | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI  |
| Cut-off Price                             | Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.   |
| Controlling Branch/Designated Branch      | Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time   |
| DP  | Depository Participant   |
| DP ID                                     | Depository Participant's Identification Number   |
| Depositories                              | Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL  |
| Demographic Details                       | The demographic details of the Bidders such as their address, PAN, occupation and bank account details   |
| Designated Branches                       | Such branches of the SCSBs which may collect the Bid Cum Application Forms used by Bidders/Applicants (exc Anchor Investor) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>  |
| Designated Locations                      | Such locations of the CDPs where Bidders can submit the Bid Cum Application Forms to Collecting Depository Participants.<br>The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid Cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time |
| Designated Date                           | The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus/Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.   |
| Designated Intermediary(ies)              | Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid Cum Application Forms from the Bidders, in relation to the Issue  |
| Designated RTA                            | Such centres of the RTAs where Bidder submitted the Bid cum  |

| Term   | Description  |
|--|--|
| Locations  | Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time  |
| Designated Stock Exchange                                    | The designated stock exchange as disclosed in the Red herring prospectus/ Prospectus of the issuer   |
| Designated CDP Locations                                     | Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid Cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time |
| Discount   | Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.   |
| Draft Red Herring Prospectus or DRHP                         | This Draft Red Herring Prospectus dated September 15, 2016 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue   |
| Employees  | Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the Red Herring Prospectus/ Prospectus  |
| Equity Shares  | Equity Shares of the Issuer  |
| FCNR Account   | Foreign Currency Non-Resident Account  |
| First/sole Bidder  | Bidder whose name shall be mentioned in the Bid Cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names   |
| FII(s)   | Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India  |
| Fixed Price Issue / Fixed Price Process / Fixed Price Method | The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made   |
| Floor Price  | The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted   |
| FPIs   | Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014  |
| FPO  | Further Public Offering  |
| Issuer/Company   | The Issuer proposing the initial public Offering /further public Offering as applicable  |
| Maximum RII Allottees  | The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot  |

| Term                                | Description  |
|-------------------------------------|--|
| MICR                                | Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf   |
| Mutual Fund(s)                      | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time   |
| Mutual Funds Portion                | 5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the DRHP/RHP/Prospectus and Bid Cum Application Form  |
| NEFT                                | National Electronic Fund Transfer  |
| NRE Account                         | Non-Resident External Account  |
| NRI                                 | NRIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares   |
| NRO Account                         | Non-Resident Ordinary Account  |
| Net Issue                           | The Issue less reservation portion   |
| Non-Institutional Investors or NIIs | All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)   |
| Non-Institutional Category          | The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DRHP/RHP/Prospectus and the Bid Cum Application Form   |
| Non-Resident                        | A person resident outside India, as defined under FEMA and includes FIIs and FPIs  |
| OCB/Overseas Corporate Body         | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| Issue                               | Public issue of equity shares of the issuer  |
| Other Investors                     | The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)   |
| Issue Price                         | The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus/ Prospectus. The Issue Price has been decided by our Company in consultation with the BRLMs on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus   |
| PAN                                 | Permanent Account Number allotted under the Income Tax Act, 1961   |
| Price Band                          | Price band of a minimum price of Rs.19 per Equity Share (Floor Price) and the maximum price of Rs.22 per Equity Share (Cap Price) including revisions thereof.   |

| Term  | Description   |
|---|---|
|   | The Price Band and the minimum Bid Lot size for the Issue has been decided by our Company in consultation with the BRLMs and has been advertised at least five Working Days prior to the Bid/Issue Opening Date, in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard and edition of the regional newspaper Indore Samachar, each with wide circulation  |
| Pricing date                                | The date on which our Company in consultation with the BRLMs, will finalise the Issue Price   |
| Prospectus                                  | The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information   |
| Public Issue Account                        | Account opened with the Banker to the Issue i.e. ICICI Bank Limited and IndusInd Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.  |
| Qualified Institutional Buyers or QIBs      | Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.   |
| RTGS  | Real Time Gross Settlement  |
| Red Herring Prospectus or RHP               | The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be issued and the size of the Issue, including any addenda or corrigenda thereto.<br>The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date |
| Refund Account(s)                           | The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.   |
| Refund Bank(s) / Refund Banker(s)           | Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited   |
| Refund through electronic transfer of funds | Refunds through NECS, direct credit, RTGS or NEFT, as applicable  |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI  |
| Registrar /Registrar to the Issue           | Registrar to the Issue, in this case being Bigshare Services Private Limited having registered office at E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai– 400 072, India  |
| Reserved Category /                         | Categories of persons eligible for making Bids under reservation  |

| Term                                  | Description   |
|---------------------------------------|---|
| Categories                            | portion.  |
| Revision Form                         | Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid Cum Application Forms or any previous Revision Form(s)  |
| Reservation Portion                   | The portion of the issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009  |
| RoC                                   | The Registrar of Companies  |
| SEBI                                  | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992   |
| SEBI ICDR Regulations, 2009           | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009   |
| SCSB/ Self Certified Syndicate Banker | Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which issue the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries</a> or at such other website as may be prescribed by SEBI from time to time  |
| Specified Locations                   | Bidding centres where the Syndicate accepted Bid Cum Application Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time   |
| Stock Exchanges / SE                  | The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed  |
| Syndicate or Members of the Syndicate | The BRLMs and the Syndicate Members   |
| Syndicate Agreement                   | Agreement dated October 10, 2016 entered into amongst the BRLMs, the Syndicate Members, our Company in relation to the procurement of Bid Cum Application Forms by Syndicate  |
| Syndicate Members                     | Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Nirmal Bang Securities Private Limited and Choice Equity Broking Private Limited   |
| Underwriter                           | Pantomath Capital Advisors Private Limited and Indian Overseas Bank   |
| Underwriting Agreement                | The agreement dated October 15, 2016 entered into between the Underwriter and our Company   |
| Working Day                           | “Working Day” means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/Issue Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of |



| Term | Description  |
|------|--|
|      | Stock Exchanges, excluding Sundays and bank holidays |

## **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 Foreign Exchange Management Act, 1999 (“**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 of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2016 (“**FDI Policy 2016**”), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. Further, DIPP has issued Press note 5, dated June 24, 2016 which introduces few changes in FDI Policy 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2016 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“**RBI**”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2016, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (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 and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act**



**and the applicable laws of the jurisdiction where those offers and sale occur. Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Red Herring Prospectus or otherwise in respect of the Bonds, in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Red Herring Prospectus or otherwise in respect of the Bonds. Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions of the Bonds and the information contained in the Red Herring Prospectus.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager 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. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II to the Companies Act and the SEBI Regulations, the main provisions of our Articles relating, inter alia, 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 our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

| Sr. No | Particulars   |                                  |
|--------|---|----------------------------------|
| 1.     | No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto. | <b>Table F Applicable.</b>       |
|        | <b>Interpretation Clause</b>  |                                  |
| 2.     | In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:   |                                  |
|        | (a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.  | <b>Act</b>                       |
|        | (b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.  | <b>Articles</b>                  |
|        | (c) "Auditors" means and includes those persons appointed as such for the time being of the Company.  | <b>Auditors</b>                  |
|        | (d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.  | <b>Capital</b>                   |
|        | (e) "The Company" shall mean AGRO PHOS INDIA LIMITED  | <b>Company</b>                   |
|        | (f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.   | <b>Executor or Administrator</b> |
|        | (g) "Legal Representative" means a person who in law represents the estate of a deceased Member.  | <b>Legal Representative</b>      |
|        | (h) Words importing the masculine gender also include the feminine gender.  | <b>Gender</b>                    |
|        | (i) "In Writing" and "Written" includes printing  | <b>In Writing and Written</b>    |

| Sr. No | Particulars  |  |
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|        | lithography and other modes of representing or reproducing words in a visible form.  |  |
|        | (j) The marginal notes hereto shall not affect the construction thereof.   | <b>Marginal notes</b>                  |
|        | (k) "Meeting" or "General Meeting" means a meeting of members.   | <b>Meeting or General Meeting</b>      |
|        | (l) "Month" means a calendar month.  | <b>Month</b>                           |
|        | (m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.  | <b>Annual General Meeting</b>          |
|        | (n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.                            | <b>Extra-Ordinary General Meeting</b>  |
|        | (o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.  | <b>National Holiday</b>                |
|        | (p) "Non-retiring Directors" means a director not subject to retirement by rotation.   | <b>Non-retiring Directors</b>          |
|        | (q) "Office" means the registered Office for the time being of the Company.  | <b>Office</b>                          |
|        | (r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.   | <b>Ordinary and Special Resolution</b> |
|        | (s) "Person" shall be deemed to include corporations and firms as well as individuals.   | <b>Person</b>                          |
|        | (t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting on Poll and includes attorney duly constituted under the power of attorney. | <b>Proxy</b>                           |
|        | (u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.   | <b>Register of Members</b>             |
|        | (v) "Seal" means the common seal for the time being of the Company.  | <b>Seal</b>                            |
|        | (w) "Special Resolution" shall have the meanings assigned to it by Section 114 of the Act.   | <b>Special Resolution</b>              |
|        | (x) Words importing the Singular number include where the context admits or requires the plural number and vice versa.   | <b>Singular number</b>                 |
|        | (y) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.  | <b>Statutes</b>                        |
|        | (z) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.                                       | <b>These presents</b>                  |
|        | (aa) "Variation" shall include abrogation; and "vary" shall include abrogate.  | <b>Variation</b>                       |
|        | (bb) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.  | <b>Year and Financial Year</b>         |

| Sr. No | Particulars  |  |
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|        | Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.   | <b>Expressions in the Act to bear the same meaning in Articles</b> |
|        | <b>CAPITAL</b>   |  |
| 3.     | a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.   | <b>Authorized Capital.</b>   |
|        | b) The minimum paid up Share capital of the Company shall be Rs.1,00,000/- or such other higher sum as may be prescribed in the Act from time to time.   |  |
| 4.     | 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 47 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 64 of the Act. | <b>Increase of capital by the Company how carried into effect</b>  |
| 5.     | 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.   | <b>New Capital same as existing capital</b>                        |
| 6.     | The Board shall have the power to issue a part of authorized 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.  | <b>Non Voting Shares</b>   |
| 7.     | Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.   | <b>Redeemable Preference Shares</b>                                |
| 8.     | The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights   | <b>Voting rights of preference shares</b>                          |

| Sr. No | Particulars  |   |
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|        | attached to his Preference Shares.   |   |
| 9.     | <p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions- shall take effect:</p> <p>(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;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) 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;</p> <p>(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 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 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. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p> | <b>Provisions to apply on issue of Redeemable Preference Shares</b> |
| 10.    | <p>The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized 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.</p>  | <b>Reduction of capital</b>   |
| 11.    | 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 convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment   | <b>Debentures</b>   |

| Sr. No | Particulars   |   |
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|        | of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. 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.  |   |
| 12.    | The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.  | <b>Issue of Sweat Equity Shares</b>                 |
| 13.    | The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.   | <b>ESOP</b>   |
| 14.    | Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.  | <b>Buy Back of shares</b>                           |
| 15.    | Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; 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. | <b>Consolidation, Sub-Division And Cancellation</b> |
| 16.    | Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.  | <b>Issue of Depository Receipts</b>                 |
| 17.    | Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.  | <b>Issue of Securities</b>                          |
|        | <b>MODIFICATION OF CLASS RIGHTS</b>   |   |
| 18.    | (a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate   | <b>Modification of rights</b>                       |

| Sr. No     | Particulars   |  |
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|            | <p>general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>  |  |
|            | (b) The rights conferred upon the holders of the Shares including Preference Share, 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, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.  | <b>New Issue of Shares not to affect rights attached to existing shares of that class.</b> |
| <b>19.</b> | Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered 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. | <b>Shares at the disposal of the Directors.</b>  |
| <b>20.</b> | The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.   | <b>Power to issue shares on preferential basis.</b>  |
| <b>21.</b> | The shares in the capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.   | <b>Shares should be Numbered progressively and no share to be subdivided.</b>              |
| <b>22.</b> | An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the  | <b>Acceptance of Shares.</b>   |

| Sr. No     | Particulars  |   |
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|            | Register shall for the purposes of these Articles, be a Member.  |   |
| <b>23.</b> | Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.   | <b>Directors may allot shares as full paid-up</b>             |
| <b>24.</b> | The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him, accordingly.  | <b>Deposit and call etc.to be a debt payable immediately.</b> |
| <b>25.</b> | Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.   | <b>Liability of Members.</b>                                  |
| <b>26.</b> | Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.  | <b>Registration of Shares.</b>                                |
|            | <b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>  |   |
| <b>27.</b> | The Board shall observe the restrictions as regards allotment of shares to the public and as regards return on allotments contained in Sections 39 of the Act.   |   |
|            | <b>CERTIFICATES</b>  |   |
| <b>28.</b> | (a) 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 provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for 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 | <b>Share Certificates.</b>                                    |

| Sr. No | Particulars   |   |
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|        | <p>amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, if any, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p> |   |
| 29.    | <p>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 is 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</p>   | <p><b>Issue of new certificates in place of those defaced, lost or destroyed.</b></p> |

| Sr. No     | Particulars  |  |
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|            | <p>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.50/- 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.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p> |  |
| <b>30.</b> | (a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.   | <b>The first named joint holder deemed Sole holder.</b>  |
|            | (b) The Company shall not be bound to register more than three persons as the joint holders of any share.  | <b>Maximum number of joint holders.</b>  |
| <b>31.</b> | Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise 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 the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.   | <b>Company not bound to recognise any interest in share other than that of registered holders.</b> |
| <b>32.</b> | If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.  | <b>Installment on shares to be duly paid.</b>  |
|            | <b>UNDERWRITING AND BROKERAGE</b>  |  |
| <b>33.</b> | Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring or agreeing to procure subscriptions (whether absolutely or conditionally)  | <b>Commission</b>  |

| Sr. No | Particulars  |                                       |
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|        | for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.   |                                       |
| 34.    | The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.  | <b>Brokerage</b>                      |
|        | <b>CALLS</b>   |                                       |
| 35.    | (1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.<br>(2) A call may be revoked or postponed at the discretion of the Board.<br>(3) A call may be made payable by installments. | <b>Directors may make calls</b>       |
| 36.    | Fifteen 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.   | <b>Notice of Calls</b>                |
| 37.    | A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.  | <b>Calls to date from resolution.</b> |
| 38.    | Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.  | <b>Calls on uniform basis.</b>        |
| 39.    | The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.  | <b>Directors may extend time.</b>     |
| 40.    | If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the  | <b>Calls to carry interest.</b>       |

| Sr. No     | Particulars  |  |
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|            | Board to demand or recover any interest from any such member.  |  |
| <b>41.</b> | 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.  | <b>Sums deemed to be calls.</b>  |
| <b>42.</b> | On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. | <b>Proof on trial of suit for money due on shares.</b>                 |
| <b>43.</b> | Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.  | <b>Judgment, decree, partial payment motto proceed for forfeiture.</b> |
| <b>44.</b> | (a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice  | <b>Payments in Anticipation of calls may carry interest</b>            |

| Sr. No | Particulars   |   |
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|        | <p>in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>   |   |
|        | <b>LIEN</b>   |   |
| 45.    | <p>The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any 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 to be exempt from the provisions of this clause.</p>   | <b>Company to have Lien on shares.</b>  |
| 46.    | <p>For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall 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 lieu thereof to the purchaser or purchasers concerned.</p> | <b>As to enforcing lien by sale.</b>    |
| 47.    | <p>The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares</p>  | <b>Application of proceeds of sale.</b> |

| Sr. No | Particulars   |  |
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|        | at the date of the sale.  |  |
|        | <b>FORFEITURE AND SURRENDER OF SHARES</b>   |  |
| 48.    | If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force. | <b>If call or installment not paid, notice may be given.</b>               |
| 49.    | The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.<br>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.  | <b>Terms of notice.</b>  |
| 50.    | If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.   | <b>On default of payment, shares to be forfeited.</b>                      |
| 51.    | When any shares have been 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.   | <b>Notice of forfeiture to a Member</b>                                    |
| 52.    | Any shares 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 thereof or to any  | <b>Forfeited shares to be property of the Company and may be sold etc.</b> |

| Sr. No | Particulars   |  |
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|        | other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.   |  |
| 53.    | 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 as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so. | <b>Members still liable to pay money owing at time of forfeiture and interest.</b> |
| 54.    | The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in 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.  | <b>Effect of forfeiture.</b>   |
| 55.    | A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have 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 shares.   | <b>Evidence of Forfeiture.</b>   |
| 56.    | The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.  | <b>Title of purchaser and allottee of Forfeited shares.</b>                        |
| 57.    | Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (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 duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.  | <b>Cancellation of share certificate in respect of forfeited shares.</b>           |
| 58.    | In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.  | <b>Forfeiture may be remitted.</b>   |
| 59.    | Upon any sale after forfeiture or for enforcing a lien in   | <b>Validity of sale</b>  |

| Sr. No     | Particulars   |  |
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|            | 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.   |  |
| <b>60.</b> | The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.  | <b>Surrender of shares.</b>  |
|            | <b>TRANSFER AND TRANSMISSION OF SHARES</b>  |  |
| <b>61.</b> | (a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.<br>(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.  | <b>Execution of the instrument of shares.</b>  |
| <b>62.</b> | The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.<br>The instrument of transfer shall be in a common form approved by the Exchange;  | <b>Transfer Form.</b>  |
| <b>63.</b> | The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the | <b>Transfer not to be registered except on production of instrument of transfer.</b> |

| Sr. No     | Particulars   |  |
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|            | right to any shares in the Company has been transmitted by operation of law.  |  |
| <b>64.</b> | Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—<br>(a) any transfer of shares on which the company has a lien. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;  | <b>Directors may refuse to register transfer.</b>                                    |
| <b>65.</b> | If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply. | <b>Notice of refusal to be given to transferor and transferee.</b>                   |
| <b>66.</b> | No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.   | <b>No fee on transfer.</b>   |
| <b>67.</b> | The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security 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.     | <b>Closure of Register of Members or debenture holder or other security holders.</b> |
| <b>68.</b> | The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.  | <b>Custody of transfer Deeds.</b>  |
| <b>69.</b> | Where an application of transfer 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.  | <b>Application for transfer of partly paid shares.</b>                               |
| <b>70.</b> | For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier 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.   | <b>Notice to transferee.</b>   |
| <b>71.</b> | (a) On the death of a Member, the survivor or survivors,  | <b>Recognition of legal</b>  |

| Sr. No | Particulars  |   |
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|        | <p>where the Member was a joint holder and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>  | <b>representative.</b>  |
| 72.    | <p>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 fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of 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 72 of the Act.</p> | <b>Titles of Shares of deceased Member</b>  |
| 73.    | <p>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 56 of the Act.</p>   | <b>Notice of application when to be given</b>   |
| 74.    | <p>Subject to the provisions of the Act and these Articles, any person becoming entitled to any 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 presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon</p>  | <b>Registration of persons entitled to share otherwise than by transfer. (transmission clause).</b> |

| Sr. No     | Particulars  |   |
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|            | producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.  |   |
| <b>75.</b> | Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.   | <b>Refusal to register nominee.</b>   |
| <b>76.</b> | Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.   | <b>Board may require evidence of transmission.</b>  |
| <b>77.</b> | 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 or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same 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 or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit. | <b>Company not liable for disregard of a notice prohibiting registration of transfer.</b> |
| <b>78.</b> | In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.  | <b>Form of transfer Outside India.</b>  |
| <b>79.</b> | No transfer shall be made to any minor, insolvent or person  | <b>No transfer to insolvent etc.</b>  |

| Sr. No     | Particulars  |  |
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|            | of unsound mind.   |  |
|            | <b>NOMINATION</b>  |  |
| <b>80.</b> | <p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Act shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Act read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>  | <b>Nomination</b>                            |
| <b>81.</b> | <p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p> | <b>Transmission of Securities by nominee</b> |
|            | <b>DEMATERIALIZATION OF SHARES</b>   |  |

| Sr. No | Particulars  |  |
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| 82.    | Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.  | <b>Dematerialisation of Securities</b>                                       |
|        | <b>JOINT HOLDER</b>  |  |
| 83.    | Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.  | <b>Joint Holders</b>   |
| 84.    | (a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.  | <b>Joint and several liabilities for all payments in respect of shares.</b>  |
|        | (b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;   | <b>Title of survivors.</b>   |
|        | (c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and  | <b>Receipts of one sufficient.</b>   |
|        | (d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.   | <b>Delivery of certificate and giving of notices to first named holders.</b> |
|        | <b>SHARE WARRANTS</b>  |  |
| 85.    | The Company may issue warrants subject to and in accordance with provisions 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. | <b>Power to issue share warrants</b>   |
| 86.    | (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.   | <b>Deposit of share warrants</b>   |

| Sr. No | Particulars  |  |
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|        | <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>   |  |
| 87.    | <p>(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.</p> <p>(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.</p> | <b>Privileges and disabilities of the holders of share warrant</b> |
| 88.    | 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.  | <b>Issue of new share warrant coupons</b>                          |
|        | <b>CONVERSION OF SHARES INTO STOCK</b>   |  |
| 89.    | <p>The Company may, by ordinary resolution in General Meeting.</p> <p>a) convert any fully paid-up shares into stock; and</p> <p>b) re-convert any stock into fully paid-up shares of any denomination.</p>  | <b>Conversion of shares into stock or reconversion.</b>            |
| 90.    | The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.  | <b>Transfer of stock.</b>  |
| 91.    | The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.  | <b>Rights of stock holders.</b>                                    |
| 92.    | Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.   | <b>Regulations.</b>  |
|        | <b>BORROWING POWERS</b>  |  |
| 93.    | Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise  | <b>Power to borrow.</b>  |

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|            | or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting 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 specified purpose.   |   |
| <b>94.</b> | Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.  | <b>Issue of discount etc. or with special privileges.</b>               |
| <b>95.</b> | The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be. | <b>Securing payment or repayment of Moneys borrowed.</b>                |
| <b>96.</b> | Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.   | <b>Bonds, Debentures etc. to be under the control of the Directors.</b> |
| <b>97.</b> | If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled   | <b>Mortgage of uncalled Capital.</b>                                    |

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|             | capital in trust for the person in whose favour such mortgage or security is executed.   |  |
| <b>98.</b>  | Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.   | <b>Indemnity may be given.</b>   |
|             | <b>MEETINGS OF MEMBERS</b>   |  |
| <b>99.</b>  | All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.  | <b>Distinction between AGM &amp; EGM.</b>  |
| <b>100.</b> | (a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members  | <b>Extra-Ordinary General Meeting by Board and by requisition</b>                    |
|             | (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. | <b>When a Director or any two Members may call an Extra Ordinary General Meeting</b> |
| <b>101.</b> | No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.   | <b>Meeting not to transact business not mentioned in notice.</b>                     |
| <b>102.</b> | The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.                                    | <b>Chairman of General Meeting</b>   |
| <b>103.</b> | No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.  | <b>Business confined to election of Chairman whilst chair is vacant.</b>             |
| <b>104.</b> | a) The Chairperson may, with the consent of any meeting  | <b>Chairman with consent may</b>   |

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|                         | <p>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.</p> <p>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.</p> <p>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.</p> <p>d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>   | <b>adjourn meeting.</b>  |
| <b>105.</b>             | In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.  | <b>Chairman's casting vote.</b>                                      |
| <b>106.</b>             | Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.   | <b>In what case poll taken without adjournment.</b>                  |
| <b>107.</b>             | The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.  | <b>Demand for poll not to prevent transaction of other business.</b> |
| <b>VOTES OF MEMBERS</b> |   |  |
| <b>108.</b>             | No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.  | <b>Members in arrears not to vote.</b>                               |
| <b>109.</b>             | Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares. | <b>Number of votes each member entitled.</b>                         |
| <b>110.</b>             | On a poll taken at a meeting of the Company a member  | <b>Casting of votes by a</b>   |

| <b>Sr. No</b> | <b>Particulars</b>   |   |
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|               | entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.  | <b>member entitled to more than one vote.</b>           |
| <b>111.</b>   | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.  | <b>Vote of member of unsound mind and of minor</b>      |
| <b>112.</b>   | Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.  | <b>Postal Ballot</b>                                    |
| <b>113.</b>   | A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.   | <b>E-Voting</b>   |
| <b>114.</b>   | <p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p> | <b>Votes of joint members.</b>                          |
| <b>115.</b>   | Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles and as per provisions of the Act.  | <b>Votes may be given by proxy or by representative</b> |
| <b>116.</b>   | A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.                 | <b>Representation of a body corporate.</b>              |
| <b>117.</b>   | (a) A member paying the whole or a part of the amount  | <b>Members paying money in</b>                          |

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|             | remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.  | <b>advance.</b>  |
|             | (b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.  | <b>Members not prohibited if share not held for any specified period.</b>  |
| <b>118.</b> | Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.  | <b>Votes in respect of shares of deceased or insolvent members.</b>        |
| <b>119.</b> | No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment. | <b>No votes by proxy on show of hands.</b>                                 |
| <b>120.</b> | The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.   | <b>Appointment of a Proxy.</b>   |
| <b>121.</b> | An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.  | <b>Form of proxy.</b>  |
| <b>122.</b> | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which  | <b>Validity of votes given by proxy notwithstanding death of a member.</b> |

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|        | the proxy is used.   |  |
| 123.   | No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.  | <b>Time for objections to votes.</b>                                       |
| 124.   | Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.   | <b>Chairperson of the Meeting to be the judge of validity of any vote.</b> |
|        | <b>DIRECTORS</b>   |  |
| 125.   | Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution   | <b>Number of Directors</b>   |
| 126.   | A Director of the Company shall not be bound to hold any Qualification Shares in the Company.  | <b>Qualification shares.</b>   |
| 127.   | <p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement.</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p> | <b>Nominee Directors.</b>  |
| 128.   | The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible  | <b>Appointment of alternate Director.</b>                                  |

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|   | to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director. |  |
| <b>129.</b>                                 | Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.  | <b>Additional Director</b>   |
| <b>130.</b>                                 | Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.                    | <b>Directors power to fill casual vacancies.</b>                       |
| <b>131.</b>                                 | Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.   | <b>Sitting Fees.</b>   |
| <b>132.</b>                                 | The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.                  | <b>Travelling expenses Incurred by Director on Company's business.</b> |
| <b>PROCEEDING OF THE BOARD OF DIRECTORS</b> |   |  |
| <b>133.</b>                                 | (a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.<br>(b) A director may and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.   | <b>Meetings of Directors.</b>  |
| <b>134.</b>                                 | a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.<br>b) Subject to Section 203 of the Act and rules made there | <b>Chairperson</b>   |

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|        | under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.   |   |
| 135.   | Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.  | <b>Questions at Board meeting how decided.</b>  |
| 136.   | The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.  | <b>Continuing directors may act notwithstanding any vacancy in the Board</b>            |
| 137.   | Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. | <b>Delegation of Powers to committee.</b>   |
| 138.   | 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.   | <b>Committee Meetings how to be governed.</b>   |
| 139.   | a) A committee may elect a Chairperson of its meetings.<br>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.  | <b>Chairperson of Committee Meetings</b>  |
| 140.   | a) A committee may meet and adjourn as it thinks fit.<br>b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.  | <b>Meetings of the Committee</b>  |
| 141.   | Subject to the provisions of the Act, 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 such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them  | <b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b> |

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|             | had been terminated by virtue of any provisions 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.   |  |
|             | <b>RETIREMENT AND ROTATION OF DIRECTORS</b>   |  |
| <b>142.</b> | Subject to the provisions of Section 161 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. | <b>Power to fill casual vacancy</b>          |
|             | <b>POWERS OF THE BOARD</b>  |  |
| <b>143.</b> | The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However 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.  | <b>Powers of the Board</b>                   |
| <b>144.</b> | Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say   | <b>Certain powers of the Board</b>           |
|             | (1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.   | <b>To acquire any property , rights etc.</b> |
|             | (2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.  | <b>To take on Lease.</b>                     |
|             | (3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought  | <b>To erect &amp; construct.</b>             |

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|        | advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.  |  |
| (4)    | At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share 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 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. | <b>To pay for property.</b>                    |
| (5)    | To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.  | <b>To insure properties of the Company.</b>    |
| (6)    | To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.   | <b>To open Bank accounts.</b>                  |
| (7)    | To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.   | <b>To secure contracts by way of mortgage.</b> |
| (8)    | To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.   | <b>To accept surrender of shares.</b>          |
| (9)    | To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.   | <b>To appoint trustees for the Company.</b>    |
| (10)   | To institute, conduct, defend, compound or abandon   | <b>To conduct legal</b>                        |

| Sr. No | Particulars  |  |
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|        | any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.   | <b>proceedings.</b>                                  |
|        | (11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.   | <b>Bankruptcy &amp; Insolvency</b>                   |
|        | (12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.  | <b>To issue receipts &amp; give discharge.</b>       |
|        | (13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name. | <b>To invest and deal with money of the Company.</b> |
|        | (14) 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 as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;                   | <b>To give Security by way of indemnity.</b>         |
|        | (15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.   | <b>To determine signing powers.</b>                  |
|        | (16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.   | <b>Commission or share in profits.</b>               |
|        | (17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.  | <b>Bonus etc. to employees.</b>                      |
|        | (18) To set aside out of the profits of the Company such   | <b>Transfer to Reserve Funds.</b>                    |

| Sr. No | Particulars   |   |
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|        | <p>sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power 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.</p> |   |
|        | <p>(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, 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 to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts 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 fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>  | <p><b>To appoint and remove officers and other employees.</b></p> |
|        | <p>(20) At any time and from time to time by power of</p>   | <p><b>To appoint Attorneys.</b></p>                               |

| Sr. No | Particulars  |  |
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|        | attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them. |  |
|        | (21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose 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.   | <b>To enter into contracts.</b>                        |
|        | (22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.   | <b>To make rules.</b>                                  |
|        | (23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.   | <b>To effect contracts etc.</b>                        |
|        | (24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.   | <b>To apply &amp; obtain concessions licenses etc.</b> |
|        | (25) To pay and charge to the capital account of the Company any commission or interest lawfully payable   | <b>To pay commissions or interest.</b>                 |

| Sr. No | Particulars  |   |
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|        | there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.  |   |
|        | (26) To redeem preference shares.  | <b>To redeem preference shares.</b>                     |
|        | (27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.  | <b>To assist charitable or benevolent institutions.</b> |
|        | (28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.<br>(29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.  |   |
|        | (30) 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 181 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. |   |
|        | (31) 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>(32) 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>(33) 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  |   |

| Sr. No | Particulars  |   |
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|        | <p>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.</p> <p>(34) 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.</p> <p>(35) 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.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 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.</p> <p>(37) 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.</p> <p>(38) 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.</p> |   |
|        | <b>MANAGING AND WHOLE-TIME DIRECTORS</b>   |   |
| 145.   | <p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is</p>  | <p><b>Powers to appoint Managing/ Whole time Directors.</b></p> |

| Sr. No | Particulars  |   |
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|        | appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.   |   |
| 146.   | The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.  | <b>Remuneration of Managing or Whole time Director.</b>               |
| 147.   | <p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole time Director or Whole time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and</p> | <b>Powers and duties of Managing Director or Whole-time Director.</b> |

| Sr. No | Particulars  |  |
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|        | especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.  |  |
|        | <b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>  |  |
| 148.   | <p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p> | <b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b> |
|        | <b>THE SEAL</b>  |  |
| 149.   | <p>(a) The Board, if so resolved, may or may not provide a Common Seal for the purposes of the Company and if provided have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>   | <b>The seal, its custody and use.</b>  |
| 150.   | The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf and except in the presence of any one directors and of the secretary or such other person as the Board may appoint for the purpose; and those director and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.  | <b>Deeds how executed.</b>   |
|        | <b>Dividend and Reserves</b>   |  |
| 151.   | (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all  | <b>Division of profits.</b>  |

| Sr. No | Particulars  |  |
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|        | <p>dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p> |  |
| 152.   | The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.  | <b>The company in General Meeting may declare Dividends.</b> |
| 153.   | <p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>   | <b>Transfer to reserves</b>                                  |
| 154.   | Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.   | <b>Interim Dividend.</b>                                     |
| 155.   | 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.   | <b>Debts may be deducted.</b>                                |
| 156.   | No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.   | <b>Capital paid up in advance not to earn dividend.</b>      |
| 157.   | All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during   | <b>Dividends in proportion to amount paid-up.</b>            |

| Sr. No                | Particulars  |   |
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|                       | any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.  |   |
| <b>158.</b>           | The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.  | <b>Retention of dividends until completion of transfer under Articles .</b>   |
| <b>159.</b>           | 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 or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.   | <b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b> |
| <b>160.</b>           | A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.   | <b>Effect of transfer of shares.</b>  |
| <b>161.</b>           | Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.  | <b>Dividend to joint holders.</b>   |
| <b>162.</b>           | a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.<br>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. | <b>Dividends how remitted.</b>  |
| <b>163.</b>           | Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.   | <b>Notice of dividend.</b>  |
| <b>164.</b>           | No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.   | <b>No interest on Dividends.</b>  |
| <b>CAPITALIZATION</b> |  |   |
| <b>165.</b>           | (1) The Company in General Meeting may, upon the recommendation of the Board, resolve:<br>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and<br>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the  | <b>Capitalization.</b>  |

| Sr. No      | Particulars   |                                 |
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|             | <p>members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>   |                                 |
| <b>166.</b> | <p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise 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 thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(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 questions or difficulties that may arise in regard to any issue including distribution</p> | <b>Fractional Certificates.</b> |

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|        | of new equity shares and fractional certificates as they think fit.  |  |
| 167.   | <p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p> | <b>Inspection of Minutes Books of General Meetings.</b>          |
| 168.   | <p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>  | <b>Inspection of Accounts</b>                                    |
|        | <b>FOREIGN REGISTER</b>  |  |
| 169.   | The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.   | <b>Foreign Register.</b>   |
|        | <b>DOCUMENTS AND SERVICE OF NOTICES</b>  |  |
| 170.   | Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.  | <b>Signing of documents &amp; notices to be served or given.</b> |
| 171.   | Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.  | <b>Authentication of documents and proceedings.</b>              |
|        | <b>WINDING UP</b>  |  |
| 172.   | <p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p>  |  |

| Sr. No      | Particulars  |  |
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|             | <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>   |  |
|             | <b>INDEMNITY</b>   |  |
| <b>173.</b> | <p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p> | <b>Directors' and others right to indemnity.</b> |
| <b>174.</b> | <p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p>  | <b>Not responsible for acts of others</b>        |

| Sr. No | Particulars  |  |
|--------|--|--|
|        |  |  |
|        | <b>SECRECY</b>   |  |
| 175.   | (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained. | <b>Secrecy</b>                             |
|        | (b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.   | <b>Access to property information etc.</b> |

## **SECTION IX – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of was attached to the copy of the Red Herring Prospectus and was delivered to the RoC for registration and also the documents were made available for inspection referred to hereunder, at the Registered Office of our Company located at M-87, Trade Centre 18M, South Tukoganj Indore- 452001 Madhya Pradesh, India from date of filing the Red Herring Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### **Material Contracts**

1. Issue Agreement dated August 11, 2016 between our Company and the BRLMs and Amendment to the Issue Agreement dated October 10, 2016.
2. Agreement dated August 11, 2016 between our Company and Bigshare Services Private Limited, Registrar to the Issue and Amendment dated October 10, 2016.
3. Underwriting Agreement dated October 15, 2016 between our Company and Underwriter viz. BRLMs.
4. Market Making Agreement dated October 10, 2016 between our Company, Market Maker and the Lead Manager.
5. Agreement dated August 11, 2016 amongst our Company, the BRLMs, Public Issue Bank and the Registrar to the Issue and Amendment dated October 10, 2016.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated October 05, 2016.
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated September 22, 2016
8. Syndicate Agreement dated October 10, 2016 among our Company, the BRLMs and Syndicate Member viz. Choice Equity Broking Private Limited
9. Syndicate Agreement dated October 10, 2016 among our Company, the BRLMs and Syndicate Members viz. Nirmal Bang Securities Private Limited.

#### **Material Documents**

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Resolution of the Board dated August 18, 2016 authorizing the Issue
3. Special Resolution of the shareholders passed at the EGM dated August 27, 2016 authorizing the Issue.
4. Statement of Tax Benefits dated August 30, 2016 issued by our Peer Reviewed Auditor M/s. Rajendra Goyal & Co, Chartered Accountants.
5. Report of the Peer Reviewed Auditor, . M/s. Rajendra Goyal & Co., Chartered Accountants dated November 08, 2016, on the Restated Financial Statements for the period ended April 30, 2016 and for the financial year ended as on March 31, 2016, 2015, 2014, 2013, 2012 of our Company.
6. Consents of Directors, Company Secretary and Compliance Officer, Statutory Auditors, Peer Reviewed Auditors, Legal Advisor to the Issue, the Book Running Lead Managers, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue to act in their respective capacities.



7. Copy of approval from NSE Limited *vide* letter dated October 17, 2016, to use the name of NSE in this offer document for listing of Equity Shares on NSEEMERGE.

None of the contracts or documents mentioned in the Red Herring Prospectus/ Prospectus has been amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



### DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

**Signed by all the Directors of our Company**

| Name and Designation   | Signature |
|--|-----------|
| <b>Raj Kumar Gupta</b><br><i>Chairman &amp; Managing Director</i><br>DIN: 00244925       | Sd/-      |
| <b>Vishnu Kant Gupta</b><br><i>Whole Time Director</i><br>DIN: 05233476                  | Sd/-      |
| <b>Abhay Gupta</b><br><i>Additional Director</i><br>DIN: 07595771                        | Sd/-      |
| <b>Vijay Singh Bharkatiya</b><br><i>Additional Independent Director</i><br>DIN: 00017285 | Sd/-      |
| <b>Mukesh Kumar Jhavar</b><br><i>Additional Independent Director</i><br>DIN: 00527049    | Sd/-      |
| <b>Vani Gupta</b><br><i>Additional Independent Director</i><br>DIN: 07590997             | Sd/-      |

Signed by Chief Financial Officer and Company Secretary and Compliance officer of the Company.

**Prashant Jain**  
Chief Financial Officer

**Neetu Dubey**  
Company Secretary and  
Compliance Officer

**Place: Indore**  
**Date: November 09, 2016**

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

| Sr. No | Issue Name                       | Issue Size (Cr) | Issue Price (Rs.) | Listing date       | Opening price on listing date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|--------|----------------------------------|-----------------|-------------------|--------------------|-------------------------------|---|---|--|
| 1.     | Yash Chemex Limited              | 2.51            | 23.00             | June 20, 2016      | 23.85                         | 18.26% (3.90%)  | 9.13% (6.58%)   | Not Applicable   |
| 2.     | Titaanium Ten Enterprise Limited | 2.74            | 15.00             | July 14, 2016      | 16.00                         | 15.33% (0.75%)  | 13.33% (0.50%)  | Not Applicable   |
| 3.     | Commercial Syn Bags Limited      | 7.66            | 24.00             | July 14, 2016      | 28.80                         | 49.58% (0.75%)  | 113.75% (0.50%)   | Not Applicable   |
| 4.     | Shiva Granito Export Limited     | 5.04            | 12.00             | September 06, 2016 | 13.95                         | -18.33% (-3.01%)  | Not Applicable  | Not Applicable   |
| 5.     | Sprayking Agro Equipment Limited | 1.86            | 21                | September 14, 2016 | 24.00                         | 6.19% (-2.46%)  | Not Applicable  | Not Applicable   |
| 6.     | Narayani Steels Limited          | 11.52           | 32                | September 14, 2016 | 33.45                         | 2.03% (-2.46%)  | Not Applicable  | Not Applicable   |
| 7.     | Nandani Creation Limited         | 4.04            | 28                | October 10, 2016   | 33.60                         | Not Applicable  | Not Applicable  | Not Applicable   |
| 8.     | DRA Consultants Limited          | 2.96            | 10                | October 13, 2016   | 12.00                         | Not Applicable  | Not Applicable  | Not Applicable   |
| 9.     | Gretex Industries Limited        | 3.96            | 20                | October 14, 2016   | 24.00                         | Not Applicable  | Not Applicable  | Not Applicable   |
| 10.    | Sakar Health Care Limited        | 14.85           | 50                | October 14, 2016   | 52.80                         | Not Applicable  | Not Applicable  | Not Applicable   |



Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then last trading price has been considered.
5. As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

### SUMMARY STATEMENT OF DISCLOSURE

| Financial year | Total no. of IPO | Total funds raised (Rs. Cr) | Nos of IPOs trading at discount on 30 <sup>th</sup> Calendar day from listing date |                |               | Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date |                |               | Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date |                |               | Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day from listing date |                |               |
|----------------|------------------|-----------------------------|--|----------------|---------------|---|----------------|---------------|---|----------------|---------------|--|----------------|---------------|
|                |                  |                             | Over 50%   | Between 25-50% | Less than 25% | Over 50%  | Between 25-50% | Less than 25% | Over 50%  | Between 25-50% | Less than 25% | Over 50%   | Between 25-50% | Less than 25% |
| 13-14          | *1               | 6.855                       | -  | -              | -             | -   | 1              | -             | -   | -              | -             | -  | 1              | -             |
| 14-15          | **5              | 56.844                      | -  | -              | -             | -   | -              | 5             | -   | -              | -             | -  | 2              | 3             |
| 15-16          | ***9             | 54.01                       | -  | -              | 1             | 2   | 2              | 4             | -   | -              | 2             | 4  | 3              | -             |
| 16-17          | ****13##         | 71.64                       | -  | -              | 1             | 1   | 2              | 5             | -   | -              | -             | -  | -              | -             |

\*The scripts of Si. Vi. Shipping Corporation Limited was listed on March 6, 2014.

\*\*The scripts of Women's Next Loungeries Limited, Ultracab (India) Limited, Momai Apparels Limited, Jet Infraventure Limited and Supreme(India) Impex Limited were listed on April 21, 2014, October 10, 2014, October 16, 2014, November 25, 2014, and March 31, 2015 respectively.

\*\*\*The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

\*\*\*\*The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited and Sakar Health Care Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016 and October 14, 2016 respectively.

##The Scripts of Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultants Limited, Gretex Industries Limited and Sakar Health Care Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 30 Days, 30 Days, 30 Days and 30 Days respectively from the date of listing.

## Annexure A

### DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY INDIAN OVERSEAS BANK

| Sr. No | Issue Name                | Issue Size (Cr) | Issue Price (Rs.) | Listing date     | Opening price on listing date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|--------|---------------------------|-----------------|-------------------|------------------|-------------------------------|---|---|--|
| 1.     | Nandani Creation Limited  | 4.04            | 28                | October 10, 2016 | 33.60                         | Not Applicable  | Not Applicable  | Not Applicable   |
| 2.     | Gretex Industries Limited | 3.96            | 20                | October 14, 2016 | 24.00                         | Not Applicable  | Not Applicable  | Not Applicable   |

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

#### Note:-

- The BSE Sensex and CNX Nifty are considered as the Benchmark Index
- Prices on BSE/NSE are considered for all of the above calculations
- In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
- In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then last trading price has been considered.
- As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.



### SUMMARY STATEMENT OF DISCLOSURE

| Financial year | Total no. of IPO | Total funds raised (Rs. Cr) | Nos of IPOs trading at discount on 30 <sup>th</sup> Calendar day from listing date |                |               | Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date |                |               | Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date |                |               | Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day from listing date |                |               |
|----------------|------------------|-----------------------------|--|----------------|---------------|---|----------------|---------------|---|----------------|---------------|--|----------------|---------------|
|                |                  |                             | Over 50%   | Between 25-50% | Less than 25% | Over 50%  | Between 25-50% | Less than 25% | Over 50%  | Between 25-50% | Less than 25% | Over 50%   | Between 25-50% | Less than 25% |
| 16-17          | *2#              | 8.00                        |  |                |               |   |                |               |   |                |               |  |                |               |

\*The scripts Nandani Creation Limited and Gretex Industries Limited were listed on October 10, 2016 and October 13, 2016 respectively.

#The Scripts of Nandani Creation Limited and Gretex Industries Limited 30 Days respectively from the date of listing.