**RED HERRING PROSPECTUS**
Dated: May 24, 2018
Read with section 32 of the Companies Act, 2013
**100% Book Built Issue**

# SHREEOSWAL SEEDS AND CHEMICALS LIMITED

Our Company was originally formed as a partnership firm under the Indian Partnership Act, 1932 in the name of "M/s Oswal Seeds and Chemicals" pursuant to a deed of partnership dated July 29, 2002. M/s Oswal Seeds and Chemicals, was thereafter converted from a partnership firm to a public limited company under Section 366 of the Companies Act, 2013 with the name of "ShreeOswal Seeds and Chemicals Limited" and received a fresh certificate of incorporation from the Registrar of Companies, Central Registration Centre, on December 01, 2017 and Corporate Identification Number of our Company is U01111MP2017PLC044596.

**Registered Office**: "Oswal House", Opposite Balkavibairagi College Nasirabad Highway, Village Kanwati, Neemuch- 458441 , Madhya Pradesh, India
**Tel. No**. +91 7423 297006; **Fax No**.: +91 7423 297511; **E-mail**: info@oswalseeds.com ; **Website** . www.oswalseeds.com;
**Contact Person**: Anjali Bamboria, Company Secretary and Compliance Officer

**PROMOTERS OF OUR COMPANY: ANIL KUMAR NAHATA AND SANJAY KUMAR BAIGANI**

## THE ISSUE

**INITIAL PUBLIC OFFER CONSISTING OF FRESH ISSUE OF UPTO 45,76,000* EQUITY SHARES OF FACE VALUE OF RS.10- EACH FULLY PAID FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF RS. [•] PER EQUITY SHARE) AGGREGATING UP TO RS. [•] LAKHS** (THE "ISSUE"), OF WHICH UPTO 2,32,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [•]/- PER EQUITY SHARE, AGGREGATING RS. [•] 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 UPTO 43,44,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [•]/- PER EQUITY SHARE, AGGREGATING RS. [•] LAKHS IS HEREINAFTER REFERED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.02% AND 28.49% 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 WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER BUSINESS STANDARD, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER BUSINESS STANDAD AND HINDI ALSO BEING THE REGIONAL LANGUAGE IN THE PLACE WHERE OUR REGISTERED OFFICE IS LOCATED, EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE", REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and the terminals of the Syndicate Members (defined herein below).

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 **236** of this Red Herring Prospectus. A copy will be delivered for registration to the Registrar as required under Section 32 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 228 OF THIS RED HERRING 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 [•] times the face value and the Cap Price is [•] times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated in "Basis for Issue Price" on page 104 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 Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 19 of this Red Herring Prospectus.

## COMPANY'S ABSOLUTE RESPONSIBILITY

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

## LISTING

The Equity Shares of our Company issued through this Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ('NSE EMERGE'). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received In principle approval dated April 24, 2018 from NSE EMERGE for using its name in the Issue document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

| BOOK RUNNING LEAD MANAGER | REGISTRAR TO THE ISSUE |
|---|---|
| **PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**<br>406-408, Keshava Premises, Behind Family Court,<br>Bandra Kurla Complex, Bandra East,<br>Mumbai – 400 051<br>**Tel**: +91-22 6194 6700<br>**Fax**: +91-22 2659 8690<br>**Website:**www.pantomathgroup.com<br>**Email:** ipo@pantomathgroup.com<br>**Investor Grievance Id:** ipo@pantomathgroup.com<br>**Contact Person: Hardik Bhuta/ Unmesh Zagade**<br>**SEBI Registration No**:INM000012110 | **BIGSHARE SERVICES PRIVATE LIMITED**<br>1st Floor Bharat Tin Works Building,<br>Opp Vasant Oasis,Makwana Road, Marol, Andheri East, Mumbai 400059, Maharashtra, India<br>**Tel:** +91 22 62638200<br>**Fax:** +91 22 62638299<br>**Email:** ipo@bigshareonline.com<br>**Website:** www.bigshareonline.com<br>**Investor Grievance Id**:<br>investor@bigshareonline.com<br>**Contact Person:** Nilesh Chakle<br>**SEBI Registration Number:** INR000001385 |

## BID/ ISSUE PROGRAMME

| BID/ISSUE OPENS ON: JUNE 07, 2018 | BID/ISSUE CLOSES ON: JUNE 12, 2018 |
|---|---|

*Number of shares may need to be adjusted for lot size upon determination of offer price
**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 of America 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 Red Herring Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

**Company Related Terms**

| Term | Description |
|---|---|
| "ShreeOswal Seeds and Chemicals Limited", or "the Company" ,or "our Company" or "we", "us", "our", or "Issuer" or the "Issuer Company" | ShreeOswal Seeds and Chemicals Limited, a public limited company incorporated under the provisions of the Companies Act, 2013. |
| "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 Bharat Kumar Agrawal & Co., Chartered Accountants |
| Audit Committee | The committee of the Board of Directors constituted pursuant to board resolution dated January 08, 2018 as the Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013. |
| Banker to our Company | Such banks which are disclosed as banker to the Company in the chapter titled '*General Information*' beginning on page 70 of this Red Herring Prospectus. |
| "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 |
| Chairman | The Chairman of our Company, namely Sanjay Kumar Baigani |
| Chief Financial Officer (CFO) | The Chief Financial Officer of our Company, namely Ashok Dhakar |
| Company Secretary and Compliance Officer | The Company Secretary and Compliance Officer of our Company being Anjali Bamboria |
| 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 unless otherwise specified in the context thereof. |
| Equity Shareholders | Persons/Entities holding Equity Shares of our Company |
| Group Companies | Such companies as are included in the chapter titled "*Our Group Companies"* beginning on page number 180 of this Red Herring Prospectus |
| ISIN | ISIN International Securities Identification Number. In this case being INE00IK01011 |
| "Memorandum of Association" or "Memorandum" or "MOA" | The Memorandum of Association of our Company, as amended from time to time |
| Nomination and Remuneration Committee | The Nomination and Remuneration Committee of our Company as constituted pursuant to board resolution dated January 8, 2018 |
| Peer Reviewed Auditor | The Peer Reviewed Auditor of our Company means an independent auditor having a valid Peer Review Certificate, in our case being M/s R T Jain & Co LLP, Chartered Accountants |
| "Promoter" or "our Promoter" | Promoter of our Company being Sanjay Kumar Baigani and Anil Kumar Nahata |

| Term | Description |
|---|---|
| Promoter Group | Included such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled "*Our Promoter and Promoter Group*" beginning on page 176 of this Red Herring Prospectus. |
| Registered Office | The Registered office of our Company situated at 'Oswal House' Opposite Balkavibairagi College, Nasiradabad Highway, Kanwati Neemuch – 458441, Madhya Pradesh, India. |
| RoC / Registrar of Companies | The Registrar of Companies, 3rd Floor, 'A' Block, Sanjay Complex Jayendra Ganj, Gwalior, Madhya Pradesh, India. |
| Shareholders | Shareholders of our Company |
| Stakeholders Relationship Committee | The Stakeholders Relationship Committee constituted pursuant to board resolution dated January 8, 2018. |

## 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 |
| Allotment/ Allot/ Allotted | Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders |
| 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 |
| 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 Red Herring 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/ 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 will be opened and in this case being ICICI 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 236 of this Red Herring 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 |

| Term | Description |
|---|---|
| | 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 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 cum Application 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 |
| Bid Cum Application Collecting Intermediaries | 1. a SCSB with whom the bank account to be blocked, is maintained<br>2. a syndicate member (or sub-syndicate member) If any<br>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') if any<br>4. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)<br>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) |
| Bid Lot | [●] Equity shares and in multiples of [●] Equity Shares thereafter |
| Bid/ Issue Closing Date | The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Hindi also being the regional language in the place where our Registered Office is located, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be 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 shall start accepting Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Hindi also being the regional language in the place where our Registered Office is located, 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. |

| Term | Description |
|---|---|
| Bid/ Issue Period | The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. |
| Bidder | Any prospective Resident Indian investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied |
| Bidding/collecting Centre | Centres at which the Designated Intermediaries shall accept the ASBA 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 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 BRLM | The Book Running Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited |
| 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 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 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. |
| Cut-off Price | Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. 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. |
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| 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 http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time |
| Demographic Details | The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details |

| Term | Description |
|---|---|
| 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 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 following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the respective Offered Shares. |
| Designated Intermediary(ies) | Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Issue |
| Designated RTA Locations | Such centres of the RTAs where Bidder can submit the Bid cum 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 (www.nseindia.com) 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 (www.nseindia.com) and updated from time to time |
| Draft Red Herring Prospectus or DRHP | This Draft Red Herring Prospectus dated March 26, 2018 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 |
| 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 |
| 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 |
| 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. |
| General Information Document/GID | 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 and included in "Issue Procedure" on page 236 of this Red Herring Prospectus |
| Listing Agreement | The Equity Listing Agreement to be signed between our |

| Term | Description |
|---|---|
| | Company and the Emerge Platform of National Stock Exchange of India Limited. |
| Market Making Agreement | Market Making Agreement dated March 09, 2018 between our Company, Book Running Lead Manager and Market Maker. |
| Market Maker | Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limitedwho 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 upto 2,32,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] 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 |
| Emerge Platform of NSE/ SME Exchange | The Emerge Platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations |
| NSE | National Stock Exchange of India Limited |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of upto 43,44,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company |
| Net Proceeds | Proceeds of the Fresh Issue less our Company's share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see "Objects of the Issue" on page 95 of Red Herring Prospectus. |
| Non Institutional Bidders | All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs |
| Non-Resident | A person resident outside India, as defined under FEMA and includes FIIs and FPIs |
| Issue | The Initial Public Issue of upto 45,76,000Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs. [●] comprising the Fresh Issue. |
| Issue Agreement | The agreement dated March 09, 2018 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue |
| Issue Price | The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus. In case of Eligible employees, shall mean the Issue Price net of the Employee Discount. |

| Term | Description |
|---|---|
| Issue Proceeds | The proceeds of the Issue that is available to our Company. For further information about use of Issue Proceeds, see "Objects of the Issue" on page 95 of this Red Herring Prospectus. |
| 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 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 |
| Other Investors | Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| 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 of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including revisions thereof.<br>The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be 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 Hindi also being the regional language in the place where our Registered Office is located, each with wide circulation |
| Pricing date | The date on which our Company in consultation with the BRLM, will finalise the Issue Price |
| Prospectus | The Prospectus to be 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 Banker to the Issue i.e. ICICI 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. |
| Public Issue Account Agreement/ Banker to the Issue Agreement | Agreement entered on March 09, 2018 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid Amount on the terms and conditions thereof. |
| Qualified Institutional Buyers or QIBs | Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009. |

| Term | Description |
|---|---|
| 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, 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 |
| Registered Broker | Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of 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 http://www.nseindia.com/membership/dynaContent/find_a_broker.htm |
| Registrar /Registrar to the Issue | Registrar to the Issue, in this case being Bigshare Services Private Limited. |
| 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 | 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 |
| Reserved Category / Categories | Categories of persons eligible for making Bids under reservation portion. |
| 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 |

| Term | Description |
|---|---|
| | http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries 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 (www.sebi.gov.in) and updated from time to time |
| Sub-Syndicate members | The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect Bid cum Application Forms and Revision Forms Syndicate Agreement a dated March 09, 2018 entered into amongst the BRLM |
| Syndicate Agreement | Agreement dated March 09, 2018 entered into amongst the BRLM, 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, Pantomath Stock Brokers Private Limited |
| Syndicate or Members of the Syndicate | The BRLM and the Syndicate Members |
| TRS or Transaction Registration Slip | The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid |
| Underwriter | Pantomath Capital Advisors Private Limited |
| Underwriting Agreement | The agreement dated March 09, 2018 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 |

## Industry Related and Technical Terms

| TERM | DESCRIPTION |
|---|---|
| ADB | Asian Development Bank |
| ANUGA | Allgemeine Nahrungs Und Genußmittel Ausstellung |
| APMC Act | Agriculture Produce Marketing Committee Act |
| CPI | Consumer Price Index |
| CRWCL | Central Railside Warehouse Company Limited |
| CSO | Central Statistics Office |

| TERM | DESCRIPTION |
|---|---|
| DAC | Department of Agriculture and Cooperation |
| DIPP | Department of Industrial Policy and Promotion |
| E-NAM | The Electronic National Agriculture Market |
| GAV | Gross Value Added |
| GDP | Gross Domestic Product |
| GHP | Good Hygienic Practices |
| GMP | Good Manufacturing Practices |
| GMV | Gross Merchandise Value |
| GraMs | Grameen Agricultural Markets |
| GST | Goods And Services Tax |
| HACCP | Hazard Analysis and Critical Control Points |
| IBC | Insolvency And Bankruptcy Code |
| IBEF | India Brand Equity Foundation |
| ICAR | Indian Council of Agricultural Research |
| IIP | Index Of Industrial Production |
| IMF | International Monetary Fund |
| KVKs | Krishi Vigyan Kendras |
| M-SIPS | Modified Special Incentive Package Scheme |
| MSP | Minimum Support Price |
| MT | Million Tonnes |
| NBFCs | Non-Banking Financial Company |
| NSC | National Seed Corporation |
| NSSF | National Small Savings Fund |
| OMO | Open Market Operations |
| PACS | Primary Agricultural Credit Society |
| PKVY | Paramparagat Krishi Vikas Yojana |
| PMKSY | Pradhan Mantri Krishi Sinchai Yojana |
| PMP | Phased Manufacturing Programme |
| SAMPADA | Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters |
| SAUs | State Agricultural Universities |
| SFCI | State Farms Corporation of India |
| SHC | Soil Health Cards |
| SSC | State Seed Corporation |
| TQM | Total Quality Management |
| UNIDO | United Nations Industrial Development Organisation |
| WEO | World Economic Outlook |

## CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS

| Abbreviation | Full Form |
|---|---|
| AGM | Annual General Meeting. |
| A.Y. /AY | Assessment Year |

| Abbreviation | Full Form |
|---|---|
| A/C | Account |
| AIF | Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. |
| AOA | Articles of Association |
| AS/ Accounting Standards | Accounting Standards issued by the Institute of Chartered Accountants of India. |
| ASBA | Applications Supported by Blocked Amount. |
| BIFR | Board for Industrial and Financial Reconstruction |
| BRLM | Book Running Lead Manager |
| CAGR | Compound Annual Growth Rate. |
| CAN | Confirmation of Allocation Note. |
| CC | Cash Credit |
| CDSL | Central Depository Services (India) Limited. |
| CENVAT | Central Value Added Tax. |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number. |
| Client ID | Client identification number of the Bidder's beneficiary account. |
| CS | Company Secretary |
| CSR | Corporate Social Responsibility |
| DB | Designated Branch. |
| Depositories | NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); 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 |
| DIN | Director's Identification Number. |
| DIPP | Department of Industrial Policy & Promotion |
| DP | Depository Participant. |
| DP ID | Depository Participant's Identification Number. |
| EBIDTA | Earnings before interest, depreciation, tax, amortization and extraordinary items |
| ECM | Electronic Clearing System |
| EGM | Extraordinary General Meeting of the shareholders. |
| EPFA | The Employees Provident Funds and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings per Equity Share. |
| FCNR Account | Foreign Currency Non Resident Account. |
| FEMA Regulations | Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations issued thereunder. |
| FBT | Fringe Benefit Tax. |
| FDI | Foreign Direct Investment. |
| FII | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India. |

| Abbreviation | Full Form |
|---|---|
| FPI | Foreign Portfolio Investors (as defined under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time] registered with SEBI under applicable laws in India. |
| FIPB | Foreign Investment Promotion Board. |
| FIs | Financial Institutions. |
| FVCI | Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000. |
| FY | Financial Year. |
| GAAP | Generally Accepted Accounting Principles. |
| GBS | Gross Budgetary Support. |
| GDP | Gross Domestic Product. |
| GIR Number | General Index Registry Number. |
| GoI / Government | Government of India. |
| HNI | High Net Worth Individual. |
| HUF | Hindu Undivided Family. |
| ICAI | Institute of Chartered Accountants of India. |
| ICDS | Income Computation and Disclosure Standards |
| IMF | International Monetary Fund. |
| Ind AS | Indian Accounting Standards |
| INR | Indian National Rupee. |
| IPO | Initial Public Offering. |
| IT Act | Income-tax Act, 1961, as amended. |
| Ltd. | Limited. |
| Merchant Banker | Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulation, 1992. |
| MM | Milli Metre. |
| NR | Non-Resident. |
| NRE Account | Non Resident (External) Account. |
| NRI | Non-Resident Indian. |
| NRO Account | Non Resident (Ordinary) Account. |
| NSDL | National Securities Depository Limited. |
| OCB | Overseas Corporate Body. |
| p.a. | Per annum. |
| P/E Ratio | Price / Earnings Ratio. |
| PAN | Permanent Account Number. |
| PAT | Profit After Tax. |
| PBT | Profit Before Tax. |
| RBI | The Reserve Bank of India. |
| RoNW | Return on Net Worth. |
| R&D | Research & Development. |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended from time to time. |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time. |

| Abbreviation | Full Form |
|---|---|
| SCSB | Self Certified Syndicate Bank. |
| SICA | The Sick Industrial Companies (Special Provisions) Act, 1985. |
| STT | Securities Transaction Tax. |
| SME | Small and Medium Enterprises. |
| SPV | Special Purpose Vehicle. |
| Sq. ft. | Square feet. |
| Sq. mt. | Square metre. |
| TAN | Tax Deduction Account Number. |
| TIN | Taxpayers Identification Number. |
| TRS | Transaction Registration Slip. |
| UoI | Union of India. |
| U.S./ United States/ USA | United States of America. |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America. |
| USD/ US$ | United States Dollar. |
| VAT | Value Added Tax. |
| VCFs | Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be. |
| WDV | Written Down Value. |
| w.e.f. | With effect from. |
| YoY | Year on Year. |

*Notwithstanding the following: -*

i. In the section titled "*Main Provisions of the Articles of Association"* beginning on page 287 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;

ii. In the section titled "*Financial Statements*" beginning on page 183 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;

iii. In the section titled "*Risk Factor*" beginning on page 19 of this Red Herring 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 109 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and

In the chapter titled *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on page 184 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.

## 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 Red Herring 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 183 this Red Herring 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 Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and 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 Red Herring 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 Red Herring 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 Red Herring 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 183 of this Red Herring Prospectus.

### CURRENCY OF PRESENTATION

In this Red Herring 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 stated otherwise, Industry and Market data and various forecasts used throughout this Red Herring Prospectus have been obtained from publically available Information, Industry Sources and Government Publications.

Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified by the Book Running Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based

on various factors, including those discussed in the section *"Risk Factors"* on page 19 of this Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

Further, the extent to which the industry and market data presented in this Red Herring 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 Red Herring 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 the sectors / areas in 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 19 and 183 respectively of this Red Herring 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 Red Herring Prospectus. Neither we, our Directors, Book Running Lead Manager, Underwriter 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 BRLM 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 Red Herring 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 any 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.*

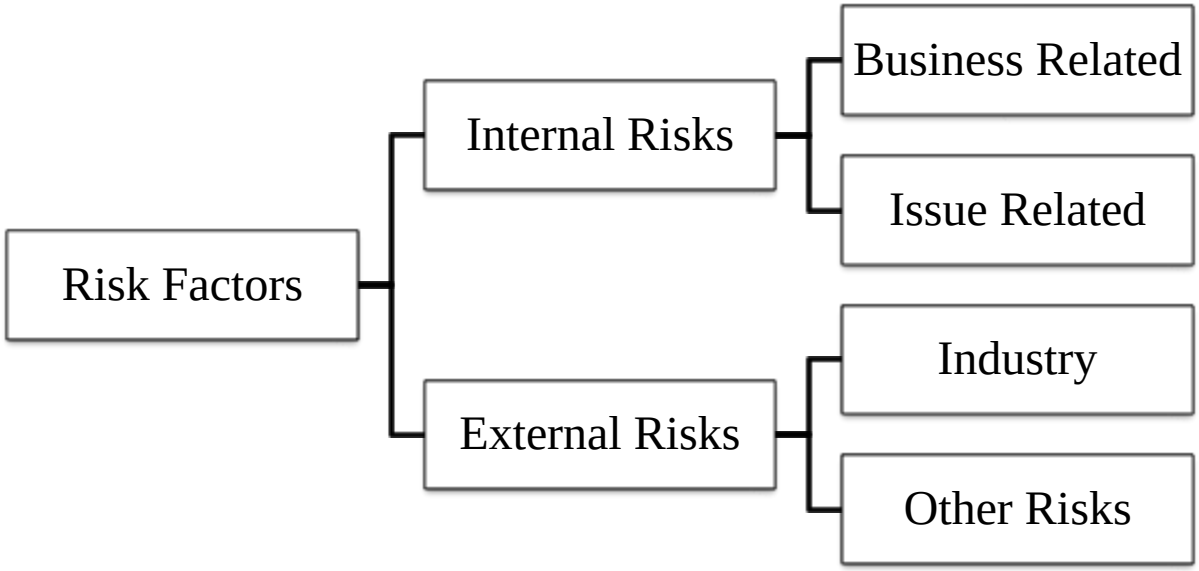
*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act, 2013 and its applicable Companies Act Rules (as amended from time to time) and its applicable Companies Act Rules (as amended from time to time) 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 133, "Our Industry" beginning on page 112 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 184 respectively, of this Red Herring 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; and*
- *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 Red Herring 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 Red Herring 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:*




## INTERNAL RISKS

**Business Related Risks**

1. **Weather conditions, crop diseases and pest attacks could adversely affect the production of our seed products, as well as the demand for our seed products, which may adversely affect our business, financial condition, results of operations and prospects.**

   Our seed production activities and the Indian seeds industry are subject to substantially all the risks faced by the agriculture industry in India. Crop yields depend significantly on the absence of any crop disease or pest attacks and favourable weather conditions such as adequate rainfall and temperature, which vary from location to location. Adverse weather conditions such as windstorms, flood, drought or frost may cause crop failures and reduce harvests, which may adversely affect our operations. However, results of changes in weather and climatic conditions are difficult to predict and may affect crop planning and timing. In addition to factors such as soil quality and the use of fertilisers, weather conditions may also affect the presence of diseases and pests. Any of these factors may adversely affect our production of seeds. We bear the risks associated with bad weather and climatic conditions. Furthermore, if crop diseases and pests develop resistance to our products, this could adversely affect our Seed Growing Farmers' crop yields. Additionally, we cannot assure you that adverse weather patterns in the future or potential crop diseases will not affect our ability to produce the desired quality or quantity of products to meet demand and in turn, their pricing. Any of these factors, or a combination thereof, can adversely affect the quality of our seeds, yield and inventory levels, could increase our cost of operations, strain our operating margins and reduce our operating revenue, which could materially and adversely affect our business, financial condition, results of operations and prospects.

2. **Currently our Company is involved in tax related proceeding; any adverse decision in such proceedings may render us liable to liabilities and penalties and may adversely affect our business and results of operations.**

   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 and Companies see the chapter titled "Outstanding Litigation and Material Developments" on page 203 of this Red Herring Prospectus.

   A classification of legal proceedings is mentioned below:

| 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. In lakhs) |
|---|---|---|---|---|---|---|---|
| **Company** | | | | | | | |
| **By the Company** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| **Against the Company** | **Nil** | **Nil** | **1** | **Nil** | **Nil** | **Nil** | **5.21** |
| **Promoters** | | | | | | | |
| **By the Promoter** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| **Against the Promoter** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| **Group Companies** | | | | | | | |
| **By Group Companies** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| **Against Group Companies** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| **Directors other than promoters** | | | | | | | |
| **By the Directors** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| **Against the Directors** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |
| **Subsidiaries** | | | | | | | |
| **By the Subsidiaries** | **N.A.*** | **N.A.** | **N.A.** | **N.A.** | **N.A.** | **N.A.** | **N.A.** |
| **Against the Subsidiaries** | **N.A.** | **N.A.** | **N.A.** | **N.A.** | **N.A.** | **N.A.** | **N.A.** |

*N.A. = Not Applicable

3. **We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of SHREEOSWAL SEEDS AND CHEMICALS LIMITED from OSWAL SEEDS AND CHEMICALS pursuant to name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.**

   We need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course of our business Pursuant to our conversion from a Partnership firm to a public limited company in the year 2017, we need to take necessary steps for transferring the approvals of our company in the new name.

   Approvals like TAN Allotment Letter are currently not traceable by the company. 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. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Further, a complete series of approvals is required to be obtained , the assignment of the trademark from Sanjay Kumar Baigani (partner in Partnership firm – "Oswal Seeds and Chemicals") is not yet been made by the Company in the name of "Shreeoswal Seeds and Chemicals Limited Additionally, our company has not applied for change of name of the approval/s as mentioned in pending approvals section of Government and Other Statutory Approvals Chapter. For more information, see chapter "Government and Other Statutory Approvals" on page 210 of this Red Herring Prospectus.

4. **We depend on certain brand names and our corporate name and logo that we may not be able to protect and/or maintain. The Company was a partnership firm prior to Incorporation and the logo was registered in the name of partnership firm and assignment of the same is pending for registration which is used for our business purpose.**

   Our ability to market and sell our products depends upon the recognition of our brand names and associated consumer goodwill. Currently, have not assigned the registered trademark for our own or our corporate name and logo under the Trade Marks Act, 1999. Consequently, we do not enjoy the statutory protections accorded to registered trademarks in India for the corporate name and logo of our company. In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our corporate name or logo. As a result, we may be required to invest significant resources in developing new brands or names, which could materially and adversely affect our business, financial condition, results of operations and prospects.

   Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects.

   The material approvals, licences or permits required for our business include trade licence, excise and tax laws, environment laws and shops and establishment licences, among others. See "Government and other Statutory Approvals" on page 210 of this Red Herring Prospectus

5. **We generate our major portion of sales from our operations in certain geographical regions especially in 3 states and any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.**

A major portion of our total sales are made in the states of Maharashtra, Madhya Pradesh and Rajasthan. Our revenue from these states constitutes around 93.30% of our Total Revenue for the year ended 31st March, 2018. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in these states to expand our operations in other parts of India, should we decide to further expand our operations.

6. **Our inability to predict accurately the demand for our products and to manage our production and inventory levels could materially and adversely affect our business, financial condition, results of operations and prospects.**

We are engaged in the business of production, processing and sale of agricultural seeds which has a long production cycle. Because of the length of time necessary to produce commercial quantities of seeds, we are typically required to make production decisions in advance of sales. Demand for our products may also be affected by factors such as irrigation facilities, availability of credit, overall agricultural production, farmers' ability to generate income from their produce. Any negative change in preferences of our end consumers for our products could result in reduced demand for our products.

An accurate forecast of demand for any product is required before hand because an inaccurate forecast may result in an over-supply of products, which may increase costs, negatively impact our cash flow, erode margins substantially and ultimately necessitate write-offs of inventory. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

7. **Our business is seasonal in nature and our revenues, cash flows from operations and other operating results may fluctuate on a seasonal and quarterly basis.**

Our business is seasonal in nature and as a result, our operating results may fluctuate. Both raw material supplies and sales are seasonal, as our business is influenced by the traditional crop seasons in India. Our production as well as the demand for our products may be affected by seasonal factors such as weather conditions, irrigation facilities, availability of credit to farmers and overall agricultural production. Consequently, the results of one reporting period may not be necessarily comparable with the preceding, succeeding or corresponding reporting periods. Thus, we are subject to seasonal factors, which make our operational results very unpredictable.

8. **Our Company requires significant amount 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 primarily on account of high receivables days and inventory levels. Summary of our working capital position is given below:-

| Particulars | March 31, 2018 | November 30, 2017 | For the year ended | | | | |
|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **A. Current Assets** | | | | | | | |
| Inventories | 1,759.28 | 291.87 | 1,491.10 | 1,948.26 | 2,574.25 | 2,550.72 | 1,273.28 |
| Trade Receivables | 493.65 | 971.74 | 619.61 | 134.08 | 85.21 | 21.40 | 29.82 |
| Cash and Cash Equivalents | 68.46 | 71.24 | 398.84 | 60.16 | 184.99 | 31.62 | 32.20 |
| Short Term Loans & Advances | 230.37 | 36.25 | 38.34 | 137.67 | 34.71 | 124.62 | 35.05 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Other Current Assets | 76.99 | 20.07 | - | - | - | - | - |
| **B. Current Liabilities** | | | | | | | |
| Trade Payables | 50.08 | 155.82 | 676.26 | 370.40 | 679.53 | 1,513.65 | 787.36 |
| Other Current Liabilities | 660.52 | 5.29 | 15.87 | 19.53 | 24.24 | 14.40 | 15.77 |
| Short Term Provisions | 11.52 | 30.71 | 42.42 | 2.01 | 3.07 | 3.35 | 1.60 |
| **Inventories as % of total current assets** | 66.92% | 17.62% | 90.04% | 117.65% | 155.45% | 154.03% | 76.89% |
| **Trade receivables as % of total current assets** | 18.78% | 58.68% | 37.42% | 8.10% | 5.15% | 1.29% | 1.80% |

Our Company intends to continue growing by expanding our operations and geographical reach. All these factors may result in increase in the quantum of current assets. 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 or pay out debts, 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 95 of this Red Herring Prospectus.

**9. *Lack of awareness and knowledge among farmers***

All the major developments and the inventions are not able to reach the people at the grassroot level like farmers, who are the main human resource for agriculture, thus lack of knowledge and awareness among them is the basic reason for them not opting for hybrid seeds and choosing naturally grown seeds over them. However, our Company undertake awareness initiatives to update the farmers and also engage agricultural scholars to improve the yield and quality of the seeds.

**10. Any disruption in production at, or shutdown of, our sole processing facility could adversely affect our business, results of operations and financial condition.**

We own and operate only one processing facility situated at Neemuch, Madhya Pradesh. All of our products are processed at this facility only. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, performance below expected levels of output or efficiency, obsolescence, break-ins, and industrial accidents and similar events. Further, our processing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. If our Company experiences delays in production or shutdowns due to any reason 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.

**11. Our operations are hazardous and could expose us to the risk of liabilities, loss of revenue and increased expenses.**

Our operations are subject to various hazards associated with the production of chemical and other products, such as the use, handling, processing, storage and transportation of hazardous materials, as well as accidents such as leakage or spillages of chemicals. Any mishandling of hazardous chemicals and poisonous substances could also lead to fatal accidents. These hazards can cause personal injury and loss of life, severe damage to and destruction of property and equipment, environmental damage and may result in the suspension of operations and the imposition of civil and criminal liabilities. As a result

of past or future operations, claims for damages from our customers along with claims of injury by employees or members of the public due to exposure, or alleged exposure, to the hazardous materials involved in our business may arise. Events like these could result in liabilities, or adversely affect our reputation with suppliers, customers, regulators, employees and the public, which could in turn affect our financial condition and business performance.

12. **The use of pesticides and hazardous substances in our operations may lead loss of nutrients in the seeds produced and may lead to environmental damage and result in increased costs.**

    Seed production requires chemical usage, such as, pesticides and other hazardous substances for increased productivity. Use of this substances also has adverse effect on seeds and may lead to environmental damages. Our Company may be required to pay the costs of damages associated with improper application, accidental release or misuse of these substances. Further, such increased usage of pesticides and like substances may also lead to litigations from third parties. These factors could adversely affect the business operations while damaging brand reputation, consequently leading to effect on financial condition. Using pesticides in increased quantity could also result in loss of nutrients in the seeds which may make them less attractive from that of organic seeds produced.

13. ***Product defects could adversely affect our business.***

    Although seeds undergo extensive quality checks before they are processed, they may still contain defective or undesired characteristics that may be difficult to detect, with the available technology and tools at our dominion, prior to their sale and use. Since our seeds are used by farmers, any quality defects therein would directly affect the earnings of the farmer. Losses claimed by farmers may include the value of lost crops, which could greatly exceed the value of the seeds we sell. If defective or contaminated seeds are sold to a large number of farmers or over a geographically wide area, it may lead to a large-scale crop failure thus substantially increasing our potential liability for claims. The proper usage of seeds and adherence to recommended farm practices as well as the environment during crop period are all beyond our control once we sell the seed to our customer. Irrespective of the quality of the seeds, farmers may claim poor crop yields in one or more seasons as resulting from alleged seed defects, which may not exist or may be exaggerated, and seek to claim damages/compensation from us on that ground. Further, in order to attain the desired levels of crop yield, certain precautions like utilization of the soil application, proper application of fertilizers, timely application of pesticides, timely supply of water etc. have to be followed. Moreover, weather conditions must be favourable. In the event of any errors on the part of the farmers, or adverse weather conditions, they may claim defects in the quality of the seed. However, ascertained product defects cannot be determined in percentage terms though we face claims for product defects. Furthermore, we are subject to government regulations and periodic government inspections. We believe that our processing plants/facilities comply in all material respects with all applicable laws and regulations, we cannot assure that use of our products will not expose us to costly and time-consuming litigations/claims and lead to negative publicity about the quality of our products, further affecting our sales and performance. Any of the aforesaid factors would have a material adverse effect on business, financial condition and results of operations

14. **Our Company faces competition from certified seed players. Our failure to effectively compete may reduce our profitability and results of operations**

    Increased competition may result in decrease in demand or lower prices for our products. Our failure to compete effectively could reduce our profitability and in turn our results of operations. We face substantial competition due to technological advances by our competitors in various facets of the agri-inputs business especially certified seed players. Multinational corporations invest huge amounts of money and considerable resources on Research and Development and technology and are thus able to come out with very effective and highly improved versions of hybrids. Further, the introduction of biotechnology has resulted in the entry of various agro-input companies into the seed industry, thus fostering intense competition in the industry.

The period for developing and commercializing a hybrid can run into several years. If a competitor introduces a product more suited to farmer needs, it could take a long period for us to develop a suitably competing product, which could have a material adverse effect on our business, results of operations and financial condition. Some of our competitors may have, or are subsidiaries of large international corporations that have, significantly greater resources than those available to us. If we are unable to compete effectively, including in terms of pricing or providing quality products, our market share may decline, which could have a material adverse effect on our financial condition and results of operations.

**15. Our Company does not have long-term agreements with any of land vendors for farm lands on which we undertake seed multiplication and is subject to uncertainties in availability which could hamper production, decrease sales and negatively affect its operating results.**

We do not have any long term agreements with any of land vendors for farm lands on which we undertake seed multiplication. We usually enters in to contract farming with farmers. As a result, our vendors can terminate their relationships with us due to a change in preference or any other reason upon relatively short notice, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability in case production process gets hampered due to non-availability of farm land.

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

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

Amount (Rs. in Lakhs)

| Particulars | For the period during December 1, 2017 to March 31, 2018 | For the period ended November 30, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Cash Flow from / (used in) Operating Activities | (595.87) | 510.99 | 692.70 | 443.42 | (631.22) | (506.65) | (68.08) |
| Cash Flow from / (used in) Investing Activities | 16.42 | (316.91) | 3.80 | (89.64) | (20.91) | (12.03) | (105.28) |
| Cash Flow from / (used in) Financing Activities | 576.68 | (521.68) | (357.83) | (478.61) | 805.51 | 518.11 | 197.41 |

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.

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

Modernization and technology up gradation is essential to reduce costs and increase the efficiency. Our technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. In case of a new found technology in the Food grain sector, we may be required to implement new technology employed by us. Further, the cost in upgrading our technology is significant which could substantially affect our finances and operations.

18. **Our Company has unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.**

As on March 31, 2018, our Company had unsecured loans amounting to Rs. 17.43 lakhs from related parties and other parties that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, please refer the chapter titled "*Financial Statements as Restated*" beginning on page 183 of this Red Herring Prospectus.

19. **Changes in customer preferences could affect our business, financial condition, results of operations and prospects.**

Any change in the customer preference can render our old stock obsolete, as changes in customer preference are generally beyond our control. Some or all of our products may become less attractive in light of changing customer preferences or better products by competitors and we may be unable to adapt to such changes in a timely manner. However, any change in customer preferences that decreases demand could affect our business, financial condition, results of operations and prospects.

20. **We may be sensitive to fluctuations in market prices or demand for our products and a decline in prices of our products may materially reduce our profit margins.**

We operate in price sensitive markets where the prices we are able to charge for our products are influenced by factors such as fluctuations in market conditions, the competitive environment, quality issues, government regulation and general supply and demand factors. The prices and demand for related agricultural commodities also influence the prices and demand for our products. Any changes in the international market could influence the market price and demand for our products in India. The competitive market environment may also lead to seed suppliers offering significant discounts to customers in the market. This may cause our market share to decrease, or if we offer similar discounts, our profit margins may decrease. Such competitive pressures may also lead to the supply of products of inferior quality, which could adversely affect the reputation of the Indian seed industry and of our Company.

Demand for our products may also be adversely affected by a general decline in the number of farmers. The agriculture industry typically provides a limited profit margin for farmers, and this could encourage farmers to shift to other more profitable vocations. Furthermore, a general increase in preference for urban lifestyles could also reduce the number of farmers. A general decrease in the number of participants in the agriculture industry could reduce the demand for our products.

21. **Our ability to deliver our products in a timely manner is crucial to our business and results of operations.**

Availability of the seed variety before crop season is crucial for our business. Crop yields depend significantly on the absence of any crop disease or pest attacks and favourable weather conditions such as adequate rainfall and temperature. Adverse weather conditions such as windstorms, flood, drought or

frost may cause crop failures and reduce harvests, which may adversely affect our operations. However, results of changes in weather and climatic conditions are difficult to predict and may affect crop planning and timing. In addition to factors such as soil quality and the use of fertilisers, weather conditions may also affect the presence of diseases and pests. Any of these factors may adversely affect our production of seeds. We also rely on third party transporters for transportation and delivery of our products. Factors such as unavailability of transport services, damage or loss of goods in transit, strikes, natural disasters etc. can interrupt the delivery of our products and affect our business and results of operations.

**22. The use of pesticides and other hazardous substance in our operations may lead to loss of nutrients in the seeds produced and also may lead to environmental damage and result in increased costs.**

Hybrid seed production involves high usage of pesticides and other hazardous substance. We may also have to pay for the costs or damages associated with the improper application, accidental release or the use or misuse of these substances. In these cases, payment of costs or damages could have a material adverse effect on our business, results of operations and financial condition. Seed production involve high usage of pesticides and other hazardous substance, using pesticides in such an increased quantity could lead to loss of nutrients in the seeds which make them less attractive from that of organic seeds produced.

**23. Our inability to maintain the stability of our distribution network and attract additional high-quality dealers may have an adverse effect on our results of operations and financial condition.**

The challenge in the agri-inputs business lies in reaching a geographically dispersed end-user at the right time at the right place with the right product. We rely on our distribution network and dealerships to reach the end customer, that is the farmer, and distribute, market and sell our agri-input products in each of the regions in which we operate. Competition for seed and other agri-inputs dealers is intense. Hence, our business is dependent on maintaining good relationships with our distributors and dealers and ensuring that our distributors and dealers find our products to be commercially remunerative and have continuing demand from farmers. Furthermore, our growth as a business depends on our ability to attract additional high-quality dealerships to our distribution network. There can be no assurance that our current distributors and dealers will continue to do business with us, or that we can continue to attract additional distributors and dealers to our network. If we do not succeed in maintaining the stability of our distribution network and attracting additional high-quality dealers to our distribution network, our market share may decline and our products may not reach the end customers, materially adversely affecting our results of operations and financial condition.

**24. The Company is yet to place orders for 100% of the machinery and equipment required for up gradation and expansion. Any delay in placing orders, procurement of equipment may delay our implementation schedule and may also lead to increase in price of these equipment.**

We are yet to place orders for machinery and equipment worth Rs. 162.95 lakhs as detailed in the chapter titled, "*Objects of the Issue*" beginning on page 95 of this Red Herring Prospectus. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management‘s views of the desirability of current plans, change in supplier of equipment or equipment depending on the contracts bided and actually awarded, among others, which may have an adverse effect on our business and results of operations.

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

Our Company has taken secured loan from banks by creating a charge over our movable or immovable properties in respect of loans/facilities availed by us. The total amounts outstanding and payable by us for secured loans were Rs. 1,225.08 Lakhs as on March 31, 2018. 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 effect on our business, financial condition and results of

operations. For further details please refer to chapter titled Financial Indebtedness in chapter titled "*Financial Indebtedness*" on page 200 of this Red Herring Prospectus.

**26. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.**

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage existing employees along with new employees, expand our distribution network and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the business strategies used by us in the future may be different entirely from those presently in use. No assurance can be given that our analysis of market and other data or the business strategies we use or the business plans that we intend to use in future will be successful under prevalent market conditions.\

**27. Our Company has taken factory and warehouse premises on rent. Any termination of the lease(s) or our failure to renew the same in a favorable, timely manner, or at all, could adversely affect our activities.**

Our factory premise is taken on rent from our subsidiary Company and warehouse premise is taken on rent from third parties. If we are unable to renew these leases or if they are not renewed on favorable conditions, it may affect our operations adversely. Also if we do not comply with certain conditions of the lease agreements, it may lead to termination of the leases. In the event of non-renewal or termination of the leases, we may have to vacate our current manufacturing facility or office premises and shift the same to new premises. There can be no assurance that we shall be able to find a suitable location, or one at present terms and conditions. Any additional burden due to shifting of premises, or increased rental expenses, may adversely affect our business operations and financial conditions. For details on properties taken on lease/rent by us please refer to the heading titled "Land & Property" in chapter titled "*Our Business*" beginning on page 133 of this Red Herring Prospectus.

**28. We have taken guarantees from Promoters and members of Promoter Group in relation to debt facilities provided to us.**

We have taken guarantees from Promoters and members of Promoter Group in relation to our secured debt facilities availed from Union Bank of India amounting to Rs. 1.19 lakhs. 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 200 of this Red Herring Prospectus.

**29. 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 require substantial amount of power facilities. Currently, Company receives power from M P Paschim Kshetra Vidyut Vitaran Co. Ltd. The quantum and nature of power requirements of our industry and the Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involves 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.

**30. 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 subjected to environmental laws, rules and regulations, including but not limited to:

a. The Environment Protection Act, 1986;

b. Air (Prevention and Control of Pollution) Act, 1981;

c. Water (Prevention and Control of Pollution) Act, 1974; and

d. Hazardous Waste (Management and Handling) Rules, 1989.

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.

**31. Our cost of production is exposed to fluctuations in the prices of materials.**

We are exposed to fluctuations in the prices of raw materials as well as their unavailability. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost-effective manner would cause delays in our production and delivery schedules, which may result in the loss of our customers and revenues.

**32. *We have not entered into any definitive agreements with our customers. If our customers choose not to buy the products from us, our business, financial condition and results of operations may be adversely affected and we do business with our customers on purchase order basis.***

We have not entered into any definitive agreements with our customers, and instead we majorly rely on purchase orders to govern the volume, pricing and other terms of sales of our products. However, such orders may be amended or cancelled prior to finalization, and should such an amendment or cancellation take place. Consequently, there is no commitment on the part of the customer to continue to source their requirements from us, and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences.

Any failure to meet our customers' expectations could result in cancellation of orders. There are also a number of factors other than our performance that are beyond our control and that could cause the loss

of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, any of which may have an adverse effect on our business, results of operations and financial condition. Our business is conducted on purchase order basis, depending on the requirements of the client preferences and demand. We do not have long-term contracts with most of our customers and there can be no assurance that we will continue to receive repeat orders from any of them, including our long-standing customers.

Further, even if we were to continue receiving orders from our clients, there can be no assurance that they will be on the same terms, and the new terms may be less favourable to us than those under the present terms.

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

Our insurance policies consist of, among others, standard fire and special perils, burglary policy, etc. 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 product defect/liability risk, loss of profits, losses due to terrorism, etc. Further 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 133 of this Red Herring Prospectus.

**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, unsecured loans, 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 95 of this Red Herring 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. 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 182 of this Red Herring prospectus.

**36. Within the parameters as mentioned in the chapter titled 'Objects of this Issue' beginning on page 95 of this Red Herring 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 Issue Proceeds towards purchasing of plant and machinery, meeting working capital requirements and general corporate purposes. We intend to deploy the Net Issue Proceeds in financial year 2018-19 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the 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 95 of this Red Herring 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 95 of this Red Herring 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. However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. However in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without our Company being authorise to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholder shall provide 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.

**37. Our future funds requirements, in the form of 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 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. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.**

Since, the Issue size is less than Rs.10,000 lakh, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. However in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without our Company being authorise to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholder shall provide 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.

**39. 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, Promoter and our Key Managerial Personnel ("KMP"). 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 KMP 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.

**40. 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, dividend entitlement, if any, loan availed by our Company, etc.**

Our Directors and Key Managerial Personnel ("KMP") 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 KMP 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 81 and163, respectively, of this Red Herring Prospectus.

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

After completion of the Offer, our Promoters and members of the Promoter Group will collectively own upto 69.97 % of our equity share capital. As a result, our Promoters, together with the members of the Promoter Group, will continue 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.

**42. Our operations may be adversely affected in case of industrial accidents at our production facility.**

Usage and handling of machinery or any sharp part of any machinery by labour during any part of production process, handling of materials, etc. may result in accidents and fires, which could cause indirect injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Occurrence of accidents could hamper our production and consequently affect our profitability.

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

Our Company has entered into transactions with our certain related parties. While we believe that all such transactions have been conducted on an arm‘s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter "*Related Party Transactions*" beginning on page 181 of the Red Herring Prospectus.

**44. We may not be successful in implementing our business and growth strategies.**

The success of our business depends substantially on our ability to implement our business and growth 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 customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business and growth strategies would have a material adverse effect on our business and results of operations**.**

**45. The average cost of acquisition of Equity Shares by our Promoters could be lower than the floor price.**

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title "*Capital Structure*" beginning on page 81 of this Red Herring Prospectus.

**Issue related risk**

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

Our Company has issued 1,06,69,000 Equity Shares in the last twelve months which may be at a price lower than the issue price. For further details of Equity Shares issued, please refer to chapter titled, '*Capital Structure*' beginning on page 81 of this Red Herring Prospectus.

**47. 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 will be determined by book built method. This price is be based on numerous factors (For further information, please refer chapter titled "*Basis for Issue Price*" beginning on page 104 of this Red Herring 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.

**48. Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.**

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

## 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.**

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 above Rs. 1,00,000 realised on the sale of shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India even if the securities transaction tax ("STT") has been paid on the transaction as per new Finance Act, 2018. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India, if securities transaction tax has been paid on the transaction. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

**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 Red Herring prospectus.**

As stated in the reports of the Auditor included in this Red Herring Prospectus under chapter "*Financial Statements as restated*" beginning on page 183, the financial statements included in this Red Herring 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 Red Herring 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 Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring 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 Red Herring 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. 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 GoI 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.

**54. 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.

**55. 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.

**56. 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.

**57. 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 th e trading price of our Equity Shares.

**58. 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.

**59. 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 upto 45,76,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. [●] per Equity Share ("Issue Price") aggregating upto Rs. [●] Lakhs, of which upto 2,32,000 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 upto 43,44,000 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 upto 30.02% and 28.49%, respectively of the post Issue paid up equity share capital of the Company.

2. Investors may contact the Lead Manager 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 70 of this Red Herring Prospectus.

3. The pre-issue net worth of our Company was Rs. 1,169.26 lakhs as of March 31, 2018 and Rs. 605.06 lakhs for the year ended March 31, 2017. The book value of Equity Share was Rs 18.95 as at March 31, 2018 and Rs. 9.81 as at March 31, 2017 as per the restated standalone financial statements of our Company. For more information, please refer to section titled "*Financial Statements*" beginning on page 183 of this Red Herring Prospectus.

4. The average cost of acquisition per Equity Share by our Promoter is set forth in the table below:

| Name of the Promoter | No. of Shares held | Average cost of Acquisition (in Rs.) |
|---|---|---|
| Sanjay Kumar Baigani | 53,34,470 | 10.11 |
| Anil Kumar Nahata | 53,34,470 | 10.11 |

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled *"Capital Structure"* beginning on page 81 of this Red Herring Prospectus.

5. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer *"Related Party Transaction"* under chapter titled *"Financial Statements as restated"* beginning on page 183 of this Red Herring 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 234 of this Red Herring 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 81, 176, 163 and 181 respectively, of this Red Herring Prospectus, none of our Promoter, Directors or Key Management Personnel has any interest in our Company.

8. Except as disclosed in the chapter titled "Capital Structure" beginning on page 81 of this Red Herring 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 104 of the Red Herring Prospectus.

11. Our Company was originally formed as a partnership firm under the Indian Partnership Act, 1932 in the name of "M/s Oswal Seeds and Chemicals" pursuant to a deed of partnership dated July 29, 2002. M/s Oswal Seeds and Chemicals, was thereafter converted from a partnership firm to a public limited company under Section 366 of the Companies Act, 2013 with the name of "ShreeOswal Seeds and Chemicals Limited" and received a fresh certificate of incorporation from the Registrar of Companies, Central Registration Centre, on December 01, 2017 and Corporate Identification Number of our Company is U01111MP2017PLC044596.

## SECTION III- INTRODUCTION

## SUMMARY OF 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 Red Herring Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Statements" and related notes beginning on page 19 and 183 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.*

### INTRODUCTION TO AGRICULTURE SECTOR IN INDIA

At 157.35 million hectares, India holds the second largest agricultural land in the world. With 20 agri-climatic regions, all 15 major climates in the world exist in India. India is the largest producer of spices, pulses, milk, tea, cashew and jute; and the second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds. Further, India is second in global production of fruits and vegetables, and is the largest producer of mango and banana. It also has the highest productivity of grapes in the world.

Total food grains production in India reached an all-time high of 275.68 million tonnes (MT) in FY17 (as per 4th Advance Estimates). During 2017-18 crop year, food grain production is expected to reach a record 277.49 million tonnes. Rice and wheat production in the country stood at 110.15 MT and 98.38 MT, respectively as on FY17. Milk production was estimated at 165.4 million tonnes during FY17, while meat production was 7.4 million tonnes. India is among the 15 leading exporters of agricultural products in the world. Agricultural exports from India reached US$ 28.28 billion during April-December 2017.

The Government plans to revamp the old model Agriculture Produce Marketing Committee Act (APMC Act) and carve out the provisions on contract farming into a separate law to form a new Contract Farming Act. The Electronic National Agriculture Market (eNAM) was launched in April 2016 to create a unified national market for agricultural commodities by networking existing Agriculture Produce Marketing Committees (APMCs). Under Union Budget 2018-19, an Agri-Market Infrastructure Fund was announced to develop and upgrade the infrastructure in 22,000 Grameen Agricultural Markets (GrAMs) and 585 APMCs. Minimum wage for unskilled agricultural labour in C-class towns in central sphere has been fixed at US$ 5.28 (Rs 350) per day by the Government, effective from November 2016.

The Government of India has introduced several projects to assist the agriculture sector. They are Pradhanmantri Gram Sinchai Yojana: The scheme aims to irrigate the field of every farmer and improving water use efficiency to achieve the motto `Per Drop More Crop'. Overall the scheme ensures improved access to irrigation. Around 285 new irrigation projects will be undertaken in 2018 to provide irrigation for 18.8 million hectares of land. As per Union Budget 2018-19 the scheme has been allocated US$ 401.6 million. Paramparagat Krishi Vikas Yojana (PKVY): The scheme aims to motivate groups of farmers to take up organic farming.

*(Source: Agriculture in India January 2018 - India Brand Equity Foundation - www.ibef.org)*

### INTRODUCTION TO INDIAN SEED INDUSTRY

Seed is the basic and most critical input for sustainable agriculture. The response of all other inputs depends on quality of seeds to a large extent. It is estimated that the direct contribution of quality seed alone to the total production is about 15 – 20% depending upon the crop and it can be further raised up to 45% with efficient management of other inputs. The developments in the seed industry in India, particularly in the last 30 years, are very significant. A major re-structuring of the seed industry by Government of India

through the National Seed Project Phase-I (1977-78), Phase-II (1978-79) and Phase-III (1990-1991), was carried out, which strengthened the seed infrastructure that was most needed and relevant around those times. This could be termed as a first turning point in shaping of an organized seed industry. Introduction of New Seed Development Policy (1988 – 1989) was yet another significant mile stone in the Indian Seed Industry, which transformed the very character of the seed industry. The policy gave access to Indian farmers of the best of seed and planting material available anywhere on the world. The policy stimulated appreciable investments by private individuals, Indian Corporate and MNCs in the Indian seed sector with strong R&D base for product development in each of the seed companies with more emphasis on high value hybrids of cereals and vegetables and hi-tech products such as Bt. Cotton. As a result, farmer has a wide product choice and seed industry today is set to work with a 'farmer centric' approach and is market driven. However, there is an urgent need for the State Seed Corporations also to transform themselves in tune with the industry in terms of infrastructure, technologies, approach and the management culture to be able to survive in the competitive market and to enhance their contribution in the national endeavour of increasing food production to attain food & nutritional security.

(Source: Indian Seed Sector – Seednet India Portal www.seednet.gov.in)

## GLOBAL ECONOMIC OVERVIEW

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach $61 per barrel by the end of the year.

Even as global growth and commodity prices have surged, inflation has remained remarkably quiescent, remaining below 2 percent in the main advanced regions. Consequently, monetary policies in the US, Eurozone and Japan have remained highly accommodative despite a strong recovery. These unusual settings—rapid growth, ultra-low interest rates—at a late stage in the economic cycle have produced the rarest of combinations: record-high high bond prices and stock market valuations, both at the same time. The consensus forecast calls for these conditions to be sustained in 2018, as companies respond to buoyant demand conditions by stepping up investment, some governments (such as the US) embark on expansionary fiscal policies, while advanced country monetary policies remain stimulative and world trade continues to grow briskly.

What are the risks? Of course, there are the usual geo-political and geo-economic risks: war in the Korean peninsula; political upheaval in the Middle East; aggressive output cuts by Saudi Arabia (and Russia) in advance of the planned listing of the Saudi Arabian oil company, Aramco, which could force oil prices even higher; a final reckoning from China's unprecedented credit surge in the form of capital controls, slowdown in growth, and a sharply depreciating currency with consequences for the global economy (Economic Survey, 2016-17, Chapter 1); and trade tensions that could lead to skirmishes, and then spiral out of control. But perhaps the main risks lie on the macro-finance front in advanced economies. These stem from three, inter-related, sources:

- Asset valuations (price-equity ratios) tend to revert to their mean. And the faster and higher they climb, especially so late in the economic cycle, the greater the risk of sharp corrections.

- Simultaneously high valuations of both bonds and equities tend to be briefly lived because they suffer from an acute tension: if future earnings and economic growth are so bright, justifying high equity prices, interest rates cannot be forever so low.
- And if interest rates rise—or if markets even sense that central banks will need to shift their stance—both bond and equity prices could correct sharply. A plausible scenario would be the following. The IMF is now forecasting that advanced country output gaps will close in 2018 for the first time since the Global Financial Crisis. As this occurs, wages would start rising, eating into profits (which would prick equity valuations); and as inflation rises in tandem, policy makers would be forced into raising rates, deflating bond valuations and further undermining share prices.

What would happen to growth if asset prices correct? Surely, the impact would be far smaller than it was in 2007-09, because advanced countries are far less vulnerable than they were a decade ago. In particular, the leverage tied to these assets is much lower, which would minimize contagious propagation; while banks are much better buffered, with higher levels of capital and core deposits, and lower levels of risky assets.

Even so, there would be some consequences. For one, a large decline in wealth would force advanced country consumers to cut back on their spending, which in turn would lead firms to curtail their investments. And if this happens, monetary and fiscal policies would have much less room for expansionary manoeuvre since interest rates are already low while government debts are high. And the political implications of yet another decline in asset prices, the second in a decade, could also be significant, with effects that are difficult to imagine.

In sum, assessing future risks hinges on two calls: interest rate policy and asset valuations. On policy, extraordinarily low rates have, to paraphrase Paul Krugman, become "an obsession in search of a justification." Initially justified by the dislocations caused by the Global Financial Crisis, then by large output gaps, they are now defended on the grounds that inflation remains weak, even as the slack in product and labor markets is disappearing rapidly. Will the gathering new evidence on closing output gaps and rising employment dispel that obsession?

On valuations, the prognosticator must navigate a narrow strait: steering clear of the "Cry of Wolf" trap (bond prices will finally, finally correct, having defied the prediction of correction in each of the last several years), without succumbing to the siren call of "This Time is Different" (stock valuations are sustainable this time because interest rates will remain at historic lows).

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

## OVERVIEW OF INDIA'S ECONOMIC PERFORMANCE IN 2017-18

### Economic activity

The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP, gross capital formation (Figure 17) and exports.

Similarly, real non-food credit growth has rebounded to 4 percent in November 2017 on a year-on-year basis, while the squeeze on real credit to industry is abating (Figure 18). Moreover, the flow of nonbank resources to the corporate sector, such as bond market borrowing and lending by NBFCs, has increased by 43 percent (April-December 2017 compared to the same period a year ago), substituting in part for weak bank credit. Rural demand, proxied by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).

**Figure 19. Sale of Motorcycles (Seasonally adjusted, in thousands)**

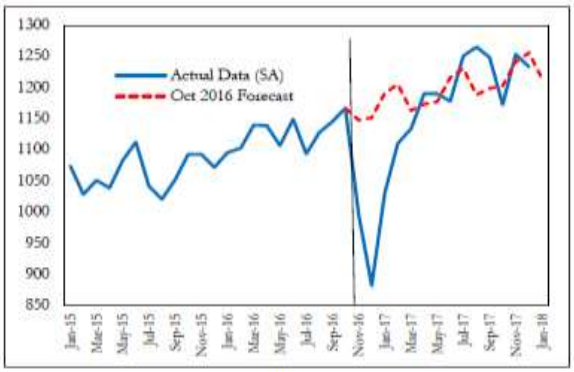
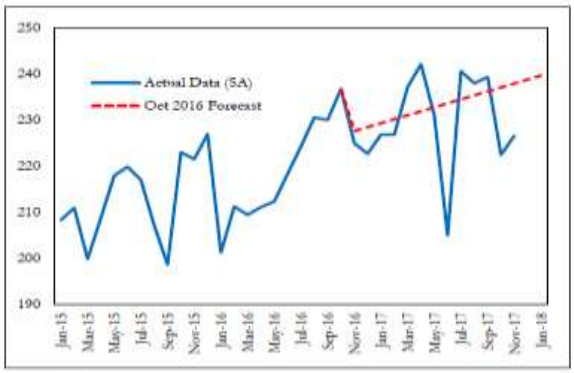



**Figure 20. Sale of Passenger Cars (Seasonally adjusted, in thousands)**

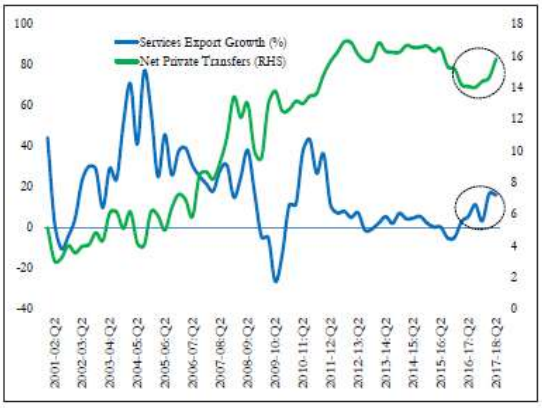



Source: Society for Indian Automobile Manufacturers, Survey calculations.

Perhaps most significantly, the behaviour of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6 percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).

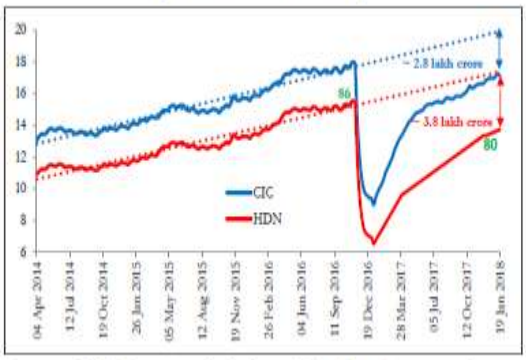
On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about Rs. 2.8 lakh Crores less cash (1.8 percent of GDP) and about Rs. 3.8 lakh Crores less high denomination notes (2.5 percent of GDP).

**Figure 21. Services Export Growth (percent) and Net Private Remittances (in US$ billion)**




Source: RBI, Survey calculations.

**Figure 22. Currency in Circulation (CIC) and High Denomination Notes (HDN) (In Rs. lakh crore)**




Source: RBI, Survey calculations; Numbers in green denote HDN as share of CIC.

A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments at remains strong at 11.7 percent (April to November). Cyclical conditions may also lead to lower tax and non-tax revenues, which act as an automatic stabilizer.

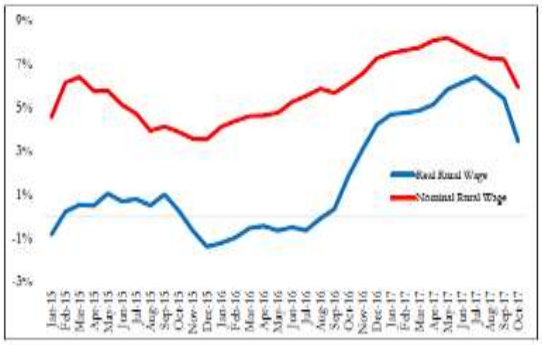
All this said, while the direction of the indicators is positive, their level remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry

is still in negative territory, and the growth in world trade remains less than half its level of a decade ago. Moreover, even though the cost of equity has fallen to low levels, corporates have not raised commensurate amounts of capital, suggesting that their investment plans remain modest (Box 6). In other words, the twin engines that propelled the economy's take-off in the mid-2000s – exports and investment – are continuing to run below take-off speed.

Meanwhile, developments in the agriculture sector bear monitoring. The trend acceleration in rural wages (agriculture and non-agriculture), which had occurred through much of 2016 because of increased activity on the back of a strong monsoon, seems to have decelerated beginning just before the kharif season of 2017-18 (Figure 23) but it is still greater than much of the last three years. Three crop-specific developments are evident. Sowing has been lower in both kharif and rabi, reducing the demand for labor. The acreage for kharif and rabi for 2017-18 is estimated to have declined by 6.1 percent and 0.5 percent, respectively. Pulses and oilseeds have seen an increase in sowing, but this has translated into unusually low farmgate prices (below their minimum support price, MSP), again affecting farm revenues. The so-called TOP perishables (tomatoes, onions, and potatoes) have meanwhile fluctuated between high and low prices, engendering income uncertainty for farmers.

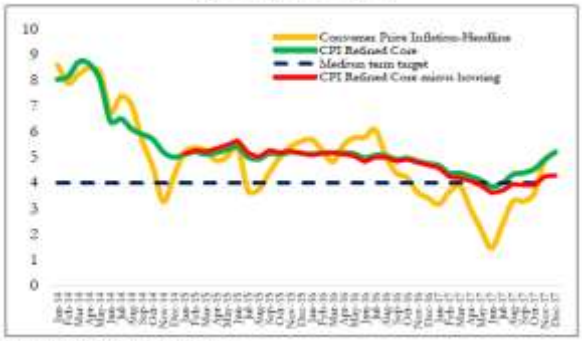
The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole is expected to be close to 6 3/4 percent. Given real GDP growth of 6 percent in the first half, this implies that growth in the second half would rebound to 7.5 percent, aided by favourable base effects, especially in the fourth quarter.

Figure 23. Real and Nominal Rural Wages Growth (percent, 3 month moving average)




Source: Labour Bureau, Survey calculations.

Figure 24. Inflation: CPI and Variants* (percent, year-on-year)




Source: MoSPI, Survey calculations.
*CPI Refined Core is obtained by stripping out the volatile food and fuel components.

Average CPI inflation for the first nine months has averaged 3.2 percent and is projected to reach 3.7 percent for the year as a whole. Thisimplies average CPI inflation in the last quarter of 5 percent, in line with the RBI's forecast. Therefore, the GDP deflator is expected to grow by 3.6 percent for 2017-18, somewhat higher than the CSO's forecast of 2.8 percent. Consequentially, nominal GDP growth is estimated at 10.5 percent, compared with the CSO's 9.5 percent estimate.

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

## OUTLOOK FOR 2018-19

The outlook for 2018-19 will be determined by economic policy in the run-up to the next national election. If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the world economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

Consider the components of demand that will influence the growth outlook. The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26 percent per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices.

Private investment seems poised to rebound, as many of the factors exerting a drag on growth over the past year finally ease off. Translating this potential into an actual investment rebound will depend on the resolution and recapitalization process. If this process moves ahead expeditiously, stressed firms will be put in the hands of stronger ownership, allowing them to resume spending. But if resolution is delayed, so too will the return of the private cape cycle. And if this occurs public investment will not be able to step into the breach, since it will be constrained by the need to maintain a modicum of fiscal consolidation to head off market anxieties.

Consumption demand, meanwhile, will encounter different tugs. On the positive side, it will be helped by the likely reduction in real interest rates in 2018-19 compared to the 2017-18 average. At the same time, average oil prices are forecast by the IMF to be about 12 percent higher in 2018-19, which will crimp real incomes and spending—assuming the increase is passed on into higher prices, rather than absorbed by the budget through excise tax reductions or by the oil marketing companies. And if higher oil prices requires tighter monetary policy to meet the inflation target, real interest rates could exert a drag on consumption.

Putting all these factors together, a pick-up in growth to between 7 and 7.5 percent in 2018-19 can be forecasted, re-instating India as the world's fastest growing major economy. This forecast is subject to upside potential and downside risks. The biggest source of upside potential will be exports. If the relationship between India's exports and world growth returns to that in the boom phase, and if world growth in 2018 is as projected by the IMF, then that could add another ½ percentage point to growth.

Another key determinant of growth will be the implementation of the IBC process. Here timeliness in resolution and acceptance of the IBC solutions must be a priority to kick-start private investment. The greater the delays in the early cases, the greater the risk that uncertainty will soon shroud the entire IBC process. It is also possible that expeditious resolution may require the government to provide more resources to PSBs, especially if the haircuts required are greater than previously expected, the ongoing process of asset quality recognition uncovers more stressed assets, and if new accounting standards are implemented.

Persistently high oil prices (at current levels) remain a key risk. They would affect inflation, the current account, the fiscal position and growth, and force macroeconomic policies to be tighter than otherwise. One eventuality to guard against is a classic emerging market "sudden stall" induced by sharp corrections to elevated stock prices. (Box 9 suggests that India's stock price surge is different from that in other countries but does not warrant sanguine-ness about its sustainability.) Savers, already smarting from reduced opportunities in the wake of demonetization, from depressed gold prices, and from lower nominal interest rates, would feel aggrieved, leading to calls for action. Stock price corrections could also trigger capital outflows, especially if monetary policy unwinds less hesitantly in advanced countries and if oil prices remain high. Policy might then have to respond with higher interest rates, which could choke off the nascent recovery. The classic emerging market dilemma of reconciling the trade-off between macro-stability and growth could then play itself out.

A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable fiscal consolidation. However, setting overly ambitious targets for consolidation—especially in a pre-election year—based on optimistic forecasts that carry a high risk of not being realized will not garner credibility

either. Pragmatically steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

Against this overall economic and political background, economic management will be challenging in the coming year. If the obvious pitfalls (such as fiscal expansion) are avoided and the looming risks are averted that would be no mean achievement.

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

## GLOBAL MANUFACTURING SECTOR

### World manufacturing growth

World manufacturing growth accelerated in the third quarter of 2017, as economic recovery strengthened worldwide. Positive results re- ported in the First half of this year carried over into the third quarter. Steady progress over several consecutive quarters characterizes both industrialized and developing and emerging industrial economies, and prospects for sustained global industrial growth in forthcoming periods are good (Figure 1). For the first time in several years, industrial growth moved back to the positive zone in all of the major economies.

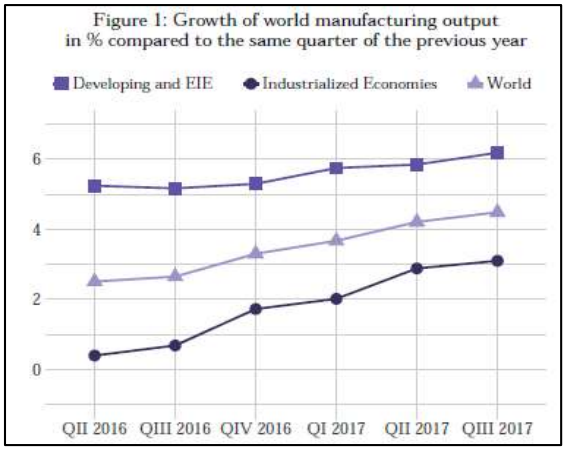
The driving forces behind the positive developments in global manufacturing were improving business conditions, rising consumer spending, promising investment plans directed towards developing economies and healthy external demand support activities. On the other hand, risks for global growth such as concerns where Brexit negotiations will lead to, changes in global trade arrangements or high geopolitical uncertainty have not yet dissipated.

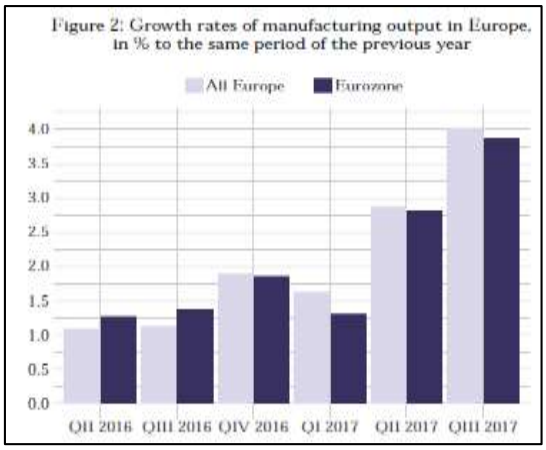
Global manufacturing output rose by 4.5 per cent in the third quarter of 2017 compared to the same period of the previous year .This impressive gain was based on an already strong growth throughout the first half of 2017. The disaggregated data points to the thriving performance of major industrialized economies with a significant share in global manufacturing output, namely the United States, Japan, Germany, the Republic of Korea, Italy as well as Brazil. The manufacturing output of China, the world's largest manufacturer, continued to register a high growth rate in the third quarter.

Industrialized economies as a whole exhibited record-breaking growth at 3.1 per cent in the third quarter of 2017 - the highest manufacturing output growth in a year-by-year comparison in the post-crisis period. Such growth was attributable to Europe's dynamic recovery, where a 4.0 per cent growth was achieved. East Asian industrialized economies experienced a healthy 4.5 per cent year-by-year upward trend and the nearly two-year consecutive slump has all but been forgotten. Relative lower growth was observed in the North America region, where manufacturing output expanded by a mere 1.4 per cent.

A reversal of negative trends in Argentina and Brazil has had a considerable impact on recovery in the Latin America region. Manufacturing output of the region rose by 2.5 per cent in the third quarter of 2017, which also resulted in an accelerated growth rate of developing and emerging industrial economies as a whole at 6.2 per cent. A relatively higher increase was achieved by Asia's developing economies with a 6.5 per cent expansion recorded in the third quarter on a year-to-year basis. The manufacturing production of African regions remained in the positive zone of high growth despite the weak foundation of these countries' manufacturing industries. According to UNIDO's latest estimates, African manufacturing experienced a 6.4 per cent year-to-year gain in the third quarter of 2017.

Entering the second half of the year 2017, recovery in global manufacturing has evolved from being relatively modest to becoming more dynamic. Improvements were recorded in both industrialized economies and developing and emerging industrial economies.

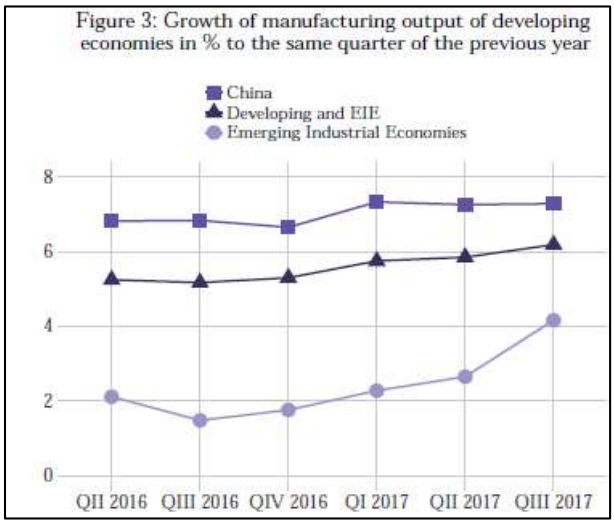


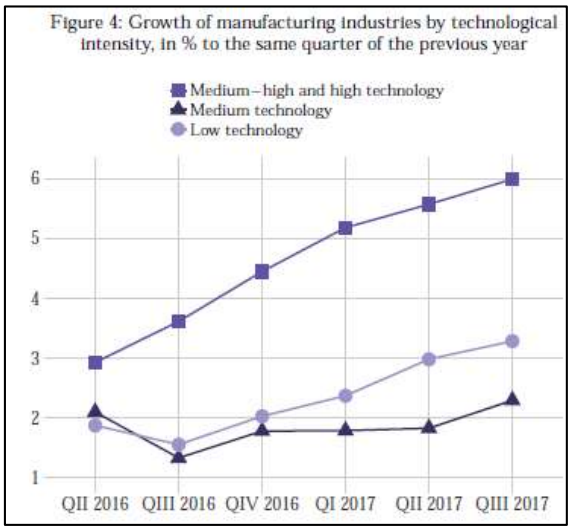




(Source: World Manufacturing Production- Statistics for Quarter III, 2017; United Nations Industrial Development Organisation - www.unido.org)

**Key Findings - Global manufacturing Sector**

Global manufacturing production maintained a positive growth rate in all industries in the third quarter of 2017. Advanced manufacturing such as automation, robotics and digital products have been experiencing a steady expansion at the global level. Shifting from low technology to high technology manufacturing industries plays a key role in promoting innovation in the long term and, moreover, determines the positioning of economies within the global market. Therefore, the competition between advanced and emerging economies in high-tech leadership will be compelling and crucial for both groups. In the wake of the fourth industrial revolution, embracing emerging technologies brings global manufacturing production to a new level. The high growth rate in medium high and high technology industries observed in the third quarter of 2017 led to an increase in high value goods, indicating a high level of consumer confidence (Figure 4). UNIDO data largely support this pro-technology approach.




(Source: World Manufacturing Production- Statistics for Quarter III, 2017; United Nations Industrial Development Organisation - www.unido.org)

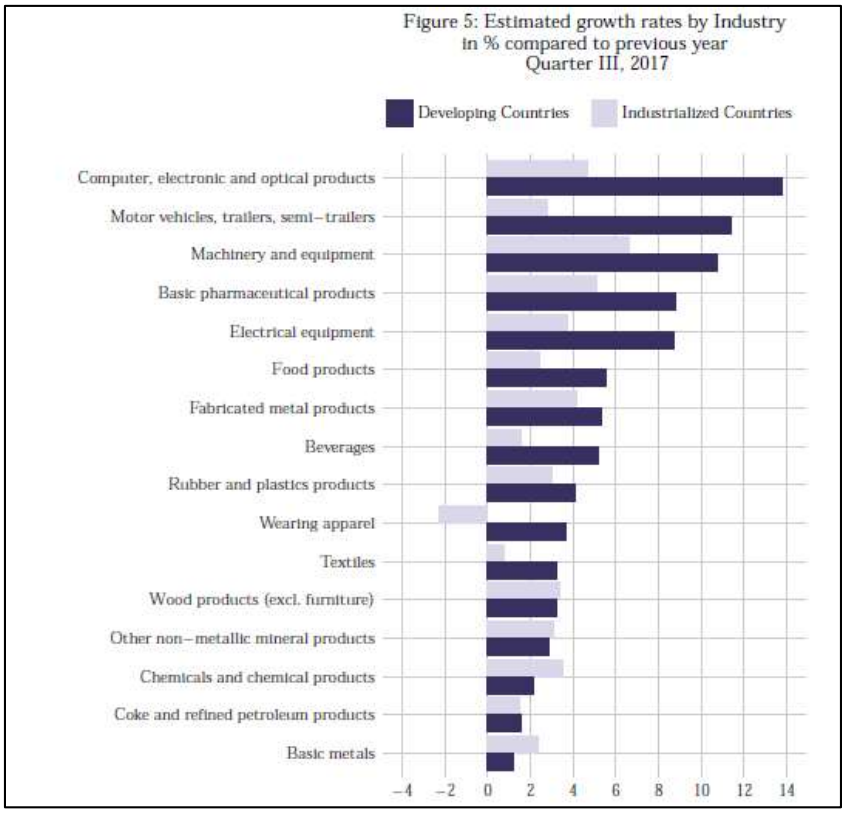
Medium high and high technology manufacturing industries have repeatedly held top positions when looking at year-by-year comparisons - these industries witnessed a 6.0 per cent growth rate, a record-breaking result in the last five years. When reviewing the individual top industries, the manufacturing of computers, electronics and optical products grew by 8.3 per cent, the production of machinery and

equipment rose by 8.0 per cent, the manufacturing of pharmaceutical products by 6.7 per cent (which recorded a visibly accelerated growth rate compared to the results of the previous quarter), the production of electrical equipment by 6.1 per cent and the manufacturing of motor vehicles by 5.9 per cent. The production in all of the above- mentioned industries was dominated by developing and emerging industrial economies compared with industrialized economies (Figure 5).

As regards medium technology manufacturing industries, 2.3 per cent growth was registered worldwide in the third quarter of 2017. The global manufacturing of rubber and plastic products increased by 3.4 per cent in a year-by-year comparison, while the manufacturing of non-metallic mineral products recorded a growth rate of 3.0 per cent. The global manufacturing of basic metals rose at a moderate pace of 1.6 per cent.

In low technology manufacturing industries, overall global production rose by 3.3 per cent in the third quarter of 2017 compared to the same period of the previous year. The global manufacturing of fabricated metal products grew by 4.6 per cent, followed by the manufacturing of furniture with a 4.3 per cent increase. Relatively high growth rates were maintained worldwide in the production of basic consumer goods - the global manufacturing of food products rose by 3.8 per cent, beverages by 3.4 per cent and the global manufacturing of both textile and wearing apparel increased by slightly over 2.5 per cent. The growth rate of the manufacturing of paper products expanded by 2.4 per cent, while coke and refined petroleum products and printing remained below 2.0 per cent.

The growth rates for selected industries are presented below. Additional statistics on the growth rates in the third quarter of 2017 are available in the Statistical Tables.




(Source: World Manufacturing Production- Statistics for Quarter III, 2017; United Nations Industrial Development Organisation - www.unido.org)

## INDIAN MANUFACTURING SECTOR

### Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*.

### Market Size

The Gross Value Added (GVA) at basic constant (2011-12) prices from the manufacturing sector in India grew 7.9 per cent year-on-year in 2016-17, as per the first revised estimates of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

### Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power. Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US$ 72.31 billion during April 2000-September 2017. India has become one of the most attractive destinations for investments in the manufacturing sector.

### Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

**Exchange Rate Used: INR 1 = US$ 0.0155 as on January 04, 2018**

**Notes: * - According to the Global Manufacturing Competitiveness Index published by Deloitte**

(Source: Manufacturing Sector in India - India Brand Equity Foundation www.ibef.org)

## AGRICULTURE SECTOR IN INDIA

### Introduction

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. The share of primary sectors* (including agriculture, livestock, forestry and fishery) is estimated to be 20.4 per cent of the Gross Value Added (GVA) during 2016-17 at current prices.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.

**Market Size**

India's GDP is expected to grow at 7.4 per cent1 in 2018-19. India's food grain production reached 275.68 million tonnes in 2016-17 and is targeted at 274.55 million tonnes in 2017-18. India has been the world's largest producer of milk for the last two decades and contributes 19 per cent of the world's total milk production. India is emerging as the export hub of instant coffee which has led to exports of coffee increase 17 per cent in calendar year 2017 to reach US$ 958.80 million.

India topped the list of shrimp exporters globally in 2016 with exports of US$ 3.8 billion which are expected to double to US$ 7 billion by 2022. Total area in India, sown with rabi crops reached 61.79 million hectares in January2 2018. India is the second largest fruit producer in the world. India's horticulture output reached 300.64 million tonnes in 2016-17 and is expected to reach 305.43 million tonnes in 2017-18.

Agricultural export constitutes 10 per cent of the country's exports and is the fourth-largest exported principal commodity. Agricultural exports from India reached US$ 24.66 billion during April-November 2017 with exports of basmati, buffalo meat reaching US$ 2.61 billion and US4 2.76 billion, respectively. India is the largest producer, consumer and exporter of spices and spice products. Spice exports from India grew by 6 per cent year-on-year between April-September 2017 to US$ 1.37 billion.

Dairy sector in India is expected to grow at 15 per cent CAGR to reach Rs 9.4 trillion (US$ 145.7) billion by 2020. The online food delivery industry grew at 150 per cent year-on-year with an estimated Gross Merchandise Value (GMV) of US$ 300 million in 2016. The sector grew 15 per cent every quarter during January-September 2017.

**Investments**

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$ 1.99 billion and US$ 466.31 million, respectively, during April 2000 to September 2017. The food processing sector attracted FDI of US$ 8 billion in the same period.

**Road Ahead**

India is expected to achieve the ambitious goal of doubling farm income by 2022. 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. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

India's Gross Value Added (GVA) at basic prices increased by 6.1 per cent during the July-September 2017 quarter, driven by agriculture and government spending. GVA from agriculture, forestry and fishing sector grew 1.7 per cent in this July-September 2017 quarter.

The government of India targets to increase the average income of a farmer household at current prices to Rs 219,724 (US$ 3,420.21) by 2022-23 from Rs 96,703 (US$ 1,505.27) in 2015-16.

Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points

(HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) by the food processing industry will offer several benefits.

Exchange rate used: INR 1 = US$ 0.0155 as of January 04, 2018.

*(Source: Agriculture in India January 2018 - India Brand Equity Foundation -* www.ibef.org*)*

## ADVANTAGES IN INDIA

### Robust Demand

A large population and rising urban and rural incomes have aided demand growth. External demand has also been growing especially from key markets like the Middle East. Demand for processed food rising with growing disposable income, urbanisation, young population and nuclear families. Changing lifestyle and increasing expenditure on health and nutritional foods.

### Attractive Opportunities

Increasing demand for agricultural inputs such as hybrid seeds and fertilizers. Promising opportunities in storage facilities; potential storage capacity expansion of 35 million tonnes under the 12th Five Year Plan. Investment opportunities to arise in agriculture, food infrastructure and contract farming. Agrochemicals industries in India present immense growth opportunities.

### Competitive Advantage

India benefits from a large agriculture sector, abundant livestock and cost competitiveness. Lured by the size and returns of the Indian market, foreign firms have strengthened their presence in India. High proportion of agricultural land (157 million hectares). Diverse agro-climatic conditions encourage cultivation of different crops. Leading producer of spices, jute, pulses; second largest producer of wheat, paddy, fruits and vegetables.

### Policy Support

Schemes like Paramparagat Krishi Vikas Yojana helps in developing organic clusters and make available chemical free inputs to farmers. Setting up of National Mission on Food Processing. 100 per cent FDI under automatic route for development of seeds. Promoting rationalisation of tariff and duties relating to food processing sector.

(Source: Agriculture and allied Industries - India Brand Equity Foundation - www.ibef.org)

## INTRODUCTION TO INDIAN SEED INDUSTRY

Seed is the basic and most critical input for sustainable agriculture. The response of all other inputs depends on quality of seeds to a large extent. It is estimated that the direct contribution of quality seed alone to the total production is about 15 – 20% depending upon the crop and it can be further raised up to 45% with efficient management of other inputs. The developments in the seed industry in India, particularly in the last 30 years, are very significant. A major re-structuring of the seed industry by Government of India through the National Seed Project Phase-I (1977-78), Phase-II (1978-79) and Phase-III (1990-1991), was carried out, which strengthened the seed infrastructure that was most needed and relevant around those times. This could be termed as a first turning point in shaping of an organized seed industry. Introduction of New Seed Development Policy (1988 – 1989) was yet another significant mile stone in the Indian Seed Industry, which transformed the very character of the seed industry. The policy gave access to Indian farmers of the best of seed and planting material available anywhere on the world. The policy stimulated appreciable investments by private individuals, Indian Corporate and MNCs in the Indian seed sector with strong R&D base for product development in each of the seed companies with more emphasis on high value hybrids of cereals and vegetables and hi-tech products such as Bt. Cotton. As a result, farmer has a wide product choice and seed industry today is set to work with a 'farmer centric' approach and is market driven. However, there is an urgent need for the State Seed Corporations also to transform themselves in

tune with the industry in terms of infrastructure, technologies, approach and the management culture to be able to survive in the competitive market and to enhance their contribution in the national endeavour of increasing food production to attain food & nutritional security.

(Source: Indian Seed Sector – Seednet India Portal www.seednet.gov.in)

## INDIAN SEED INDUSTRY: CURRENT SCEANRIO

The Indian Seed Improvement Programme is backed up by a strong crop improvement programme in both the public and private sectors. At the moment, the industry is highly vibrant and energetic and is well recognized in the international seed arena. Several developing and neighbouring countries have benefited from quality seed imports from India. India's Seed Programme has a strong seed production base in terms of diverse and ideal agro-climates spread throughout the country for producing high quality seeds of several tropical, temperate and sub-tropical plant varieties in enough quantities at competitive prices. Over the years, several seed crop zones have evolved with extreme levels of specialization.

Similarly, for post-harvest handing, the Indian seed processing/conditioning industry has perfected the techniques of quality up-gradation and maintenance to ensure high standards of physical condition and quality. By virtue of the diverse agro-climates several geographical zones in the country have emerged as ideal seed storage locations under ambient conditions. In terms of seed marketing and distribution, more than about 20000 seed dealers and distributors are in the business.

Over the years, seed quality specifications comparable to international standards have been evolved and are adopted by the Indian Seed Programme in both the public and private sectors. The country has a strong rigorous mechanism for seed quality control through voluntary seed certificate and compulsory labelling monitored by provincial level Seed Law Enforcement Agencies. For seed technology research, India has a national level Directorate under the Indian Council of Agricultural Research as well as Status level research set up in the State Agricultural Universities. The seed industry has three well reputed national level associations apart from several provincial level groups to take care of the interests of the industry.

Thus, the Indian Seed Programme is now occupying a pivotal place in Indian agriculture and is well poised for continued growth in the years to come. National Seeds Corporation, which is the largest single seed organization in the country with such a wide product range, pioneered the growth and development of a sound industry in India. NSC, SFCI, States Seeds Corporations and other seed producing agencies are continuously and gradually expanding all its activities especially in terms of its product range, volume and value of seed handled, level of seed distribution to the un-reached areas, etc. Over the past four decades, these seed producing agencies have built up a hard core of competent and experienced seed producers and seed dealers in various parts of the country and have adequate level of specialization and competence in handling and managing various segments of seed improvement on scientifically sound and commercially viable terms.

(Source: Indian Seed Sector – Seednet India Portal www.seednet.gov.in)

## SUMMARY OF OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled "Forward-Looking Statements" beginning on page 18 of this Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.*

*The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Statement" beginning on pages 19 and 183, respectively.*

### OVERVIEW

Our Company, ShreeOswal Seeds and Chemicals Limited an ISO 22000:2005 certified Company is engaged in the business of production, processing and sale of different kind of agricultural seeds, maize and soyabean.

Our journey of production, processing and sale of agricultural seed began in the year 2002 by our promoters Sanjay Kumar Baigani and Anil Kumar Nahata, as a partnership concern by the name of M/s Oswal Seeds and Chemicals. By gaining an insight of the industry coupled with an foreseeing growth opportunity, we converted our partnership concern into public limited Company in the year 2017. Our Promoters are the guiding force behind the strategic decisions of our Company. They manage and control the major affairs of our business operations. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

Our Company processes various kinds of seeds at its processing unit which is located at Neemuch, Madhya Pradesh. At present, our Company processes 5 varieties of wheat seed, 5 varieties of soya bean seed, 3 varieties of Mustard seed, 1 variety of black gram, 1 variety of corn seeds and 1 Variety of isabgol/psyllium. Majority of our revenue is from the sale of wheat and soyabean seeds. Revenue generated from wheat and soyabean seed is as follows:

***(Amount in Rs Lakhs)***

| Particulars | 2014-15 | 2015-16 | 2016-17 | 01/04/2017 to 30/11/2017 | 01/12/2017 to 31/03/2018 |
|---|---|---|---|---|---|
| Wheat | 1714.54 | 1331.41 | 1812.52 | 1537.67 | 402.15 |
| Soya Bean | 4,262.32 | 2,380.22 | 2,591.84 | 1,879.13 | 1,190.16 |

Our products are marketed under the brand name of OSWAL. The majority of our sales are through our own Brand which contributed 66.00 %, 85.32 %, 95.25 % and 98.56 % respectively to our total sales for

the financial year ended March 31, 2015, 2016, 2017 and 2018 respectively. Revenue generated packaging is as follows:

***(Rs in lakhs; Quantity in quintal)***

| 2014-15 | | 2015-16 | | 2016-17 | | 2017-18 | |
|---|---|---|---|---|---|---|---|
| QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| 46370.48 | 1993.94 | 14715 | 569.21 | 4494.5 | 203.4 | 2500 | 69.04 |

Our Company has a diversified customer base covering states like Bihar, Jharkhand, Maharashtra, Madhya Pradesh, Rajasthan, Uttar Pradesh, and Punjab. We mainly market our product through different revenue channels which includes network of distributors, marketing agents and direct to consumers.

The State wise revenue of our Company for previous three financial years is as follows:

| State | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---|---|---|---|---|
| Bihar | 219.42 | 275.17 | 271.45 | 257.98 |
| Jharkhand | 35.52 | 59.62 | 0.35 | 11.16 |
| Maharashtra | 2,005.74 | 1,144.52 | 1,808.85 | 1,333.22 |
| Madhya Pradesh | 2,079.95 | 1,400.00 | 1,040.12 | 2,185.21 |
| Rajasthan | 1,072.64 | 780.99 | 1,057.72 | 973.63 |
| Uttar Pradesh | 440.34 | 217.72 | 105.75 | 45.91 |
| **Total** | **5,853.62** | **3,878.02** | **4,284.24** | **4,814.31** |

Liaising/Contracting with individual farmers is one of the major step in our production mechanism and our Company enters into contract farming only with the farmers of Madhya Pradesh. Upto March 31, 2018 we have entered into contracts with 752 farmers, thereby giving us an access to around 3809 hectares of land.

Area of contract farming undertaken by our Company in previous three year is as follows:

***(Area in Hectres)***

| 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---|---|---|---|
| 2361.00 | 2226.20 | 2680.80 | 3809.00 |

In Crop production quality of seeds play a vital role and to maintain the quality of our seeds our Company adopts different processes at its own laboratory such as Physical Purity Test, Moisture Test and Germination Test among others. Apart from this our Company also conducts seed production programme among farmers for spreading awareness on the methods to improve the quality and yield of the seeds.

The Company has received capital subsidy Rs 22.00 lakhs and Rs 8.00 lakhs on October 12, 2015 and on December 30, 2015 respectively under the scheme of UDHYOG SANVARDHAN NIDHI, 2012 of Madhya Pradesh Government.

The Company has also applied for capital subsidy of Rs 25.00 lakhs under the scheme of "Krishi Ivana Aadharbhut Suvidha" (Capital Investment Subsidy Scheme – Agriculture Marketing and Infrastructure Grading Standardization). The subsidy under the said scheme is given in two tranches viz - advance and final. The Company has already received first tranche Rs 12.03 lakhs on September 17, 2017. The second tranche of the subsidy is yet to be received by the Company.

Our subsidiary Company ShreeOswal Psyllium Export India Limited, is engaged in the business of manufacturing, processing and sale of psyllium husk and psyllium husk powder. Our Subsidiary also produces by products of psyllium such as cattle feed.

From FY 2012-13 to FY 2017-18, as per our Restated Financial Statements, i) our total revenue has shown growth from Rs. 2254.33 lakhs to Rs. 4,861.01 lakhs, representing a CAGR of 13.66% ii) our EBITDA has

shown growth from Rs. 67.19 lakhs to Rs. 452.57 lakhs, representing a CAGR of 37.40 % iii) our profit after tax has shown growth from Rs. 12.50 lakhs to a profit of Rs. 102.39 lakhs representing a CAGR of 55.94%.

## OUR COMPETITIVE STRENGTHS

1. ***We have developed a diverse portfolio of seed products***

   We have a diverse portfolio of hybrid and research seeds for wheat, corn, black gram, soya bean, isabgol/psyllium and mustard, which allows to cater to a wider market Our product portfolio gives us an edge against dependence on any particular crop(s), and we have an advantage to meet changing farmer needs even in the event of crop-shifting by farmers.

   At present our product portfolio include 5 varieties of wheat seed, 5 varieties of soya bean seed, 3 varieties of Mustard seed, 1 of black gram, 1 variety of isabgol/psyllium and 1 variety of corn seeds

2. ***We have a distribution network across various geographies.***

   We have distribution, sales and marketing networks for our seed products. Generally, we market our seed products to growers through distributors and independent dealers. Presently, we have numbers of distributors covering states like Madhya Pradesh, Rajasthan, Jharkhand, Uttar Pradesh, Bihar, Maharashtra, Punjab and Gujarat. Our widespread domestic presence not only mitigates the risk of dependence on few regions but also helps us to leverage our brand value.

3. ***Our experienced management and dedicated employee base***

   Our operations commenced under the guidance of our Promoters Sanjay Baigani and Anil Nahata, who have successfully managed various phases of expansion and growth of our business and operations. Our Promoters have around 15 years of experience in this industry and has been instrumental in formulating growth strategy for our Company. Their Industry knowledge and understanding also gives us the competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

4. ***Quality certifications***

   Quality plays one of the most vital roles in the success of any organization. Our focus on quality is evident form the fact that our facility is accredited with ISO 22000:2005 quality management system certified. Our Company also has an in house testing laboratory to ensure quality check of our products. Our laboratory also conducts various tests in house for further improvements in seed quality. Various quality check conducted at our in house laboratory includes Physical Purity Test, Moisture Test and Germination among others.

5. ***Established Brand***

   We believe that having recognizable brand is a key attribute in any business, which increases consumer confidence and influences purchase decisions. We believe that we have built strong brand across over several years of our operations. Our products are sold under the brand name of OSWAL. We believe that the recall of our brand has allowed us to maintain a large customer base and facilitated our ability to develop and market new products, as we believe that customers are more likely to rely on a trusted brand.

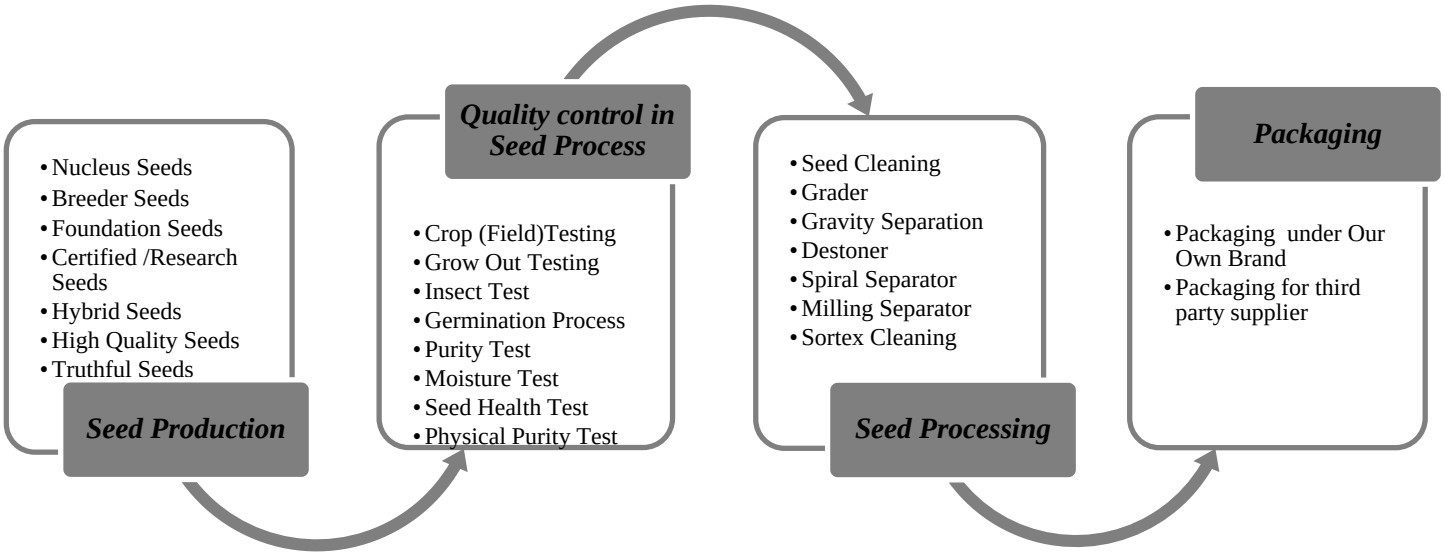
## OUR PRODUCTS

| Name of the Product | Features & Qualities |
|---|---|
| **OSWAL LOK-1 (Wheat)** | ***Features & Qualities***<br>• Matures in 126 to 134 days<br>• Plant height 90 to 100 cm<br>• Number of seeds per wheatgrass 80 to 100 |

| Name of the Product | Features & Qualities |
|---|---|
| | • Less water and resistant to rust |
| **OSWAL TAU-1 (Blackgram)** | ***Features & Qualities***<br>• Matures in 68 to 72 days<br>• Plant height 35 to 40 cm<br>• Less water and resistant to rust |
| **OSWAL Super Star -211 (Soya Bean)** | ***Features & Qualities***<br>• Matures in 80 to 85 days<br>• Less water and resistant to rust |
| **OSWAL Super Star -111 (Soya Bean)** | ***Features & Qualities***<br>• Matures in 90 to 95 days<br>• Less water and resistant to rust |
| **OSWAL JS -9305 (Soya Bean)** | ***Features & Qualities***<br>• Matures in 90 to 95 days<br>• Less water and resistant to rust |
| **OSWAL JS -335 (Soya Bean)** | ***Features & Qualities***<br>• Matures in 95 to 100 days<br>• Less water and resistant to rust |
| **OSWAL JS – 9560 (Soya Bean)** | ***Features & Qualities***<br>• Matures in 80 to 90 days<br>• Less water and resistant to rust |
| **OSWAL Gold Plus (Mustard)** | ***Features & Qualities***<br>• Matures in 115 to 135 days<br>• Plant height 156 to 175 cm<br>• Seeds per plant 14 to 18<br>• Oil Content in seed 38 % to 42 %<br>• Bold and Black Seed<br>• Weight per 1000 seeds 5 to 7 gram |
| **OSWAL OSM-77 (Mustard)** | ***Features & Qualities***<br>• Matures in 115 to 125 days<br>• Plant height 140 to 160 cm<br>• Seeds per plant 15 to 20<br>• Oil Content in seed 38 % to 42 %<br>• Bold and Black Seed<br>• Weight per 1000 seeds 6 to 8 gram |
| **OSWAL OSYM-55 (MUSTARD)** | ***Features & Qualities***<br>• Plant height 120 to 130 cm<br>• Matures in 95 to 105 days<br>• Seeds per plant 20 to 30<br>• Oil Content in seed 38 % to 40 %<br>• Yellow and shining<br>• Weight per 1000 seeds 4 to 5 gram<br>• Oil Content Medium |

| Name of the Product | Features & Qualities |
|---|---|
| **OSWAL ROCHAK(WHEAT)** | ***Features & Qualities***<br>• Plant height 80 to 90 cm<br>• Matures in 130 to 140 days<br>• Seeds per plant 80 to 100 |
| **OSWAL Krishna -11 (Wheat)** | ***Features & Qualities***<br>• Plant height 80 to 90 cm<br>• Matures in 105 to 115 days<br>• Shining<br>• Seeds per plant 90 to 105 |
| **OSWAL Raj 4037 (Wheat)** | ***Features & Qualities***<br>• Plant height 90 to 100 cm<br>• Matures in 126 to 134 days<br>• Seeds per plant 80 to 100<br>• Less water and Rust resistant |
| **OSWAL Super Sharbati 14001 (Wheat)** | ***Features & Qualities***<br>• Plant height 85 to 90 cm<br>• Matures in 110 to 115 days<br>• Seeds per plant 80 to 100<br>• Less water and Rust resistant |
| **OSWAL SUPER POWER 9002(CORN )** | ***Features & Qualities***<br>• Plant height 180 to 210 cm<br>• Matures in 85 to 90 days<br>• Less water and Rust resistant |
| **OSWAL -5001(Isabgol/Psyllium)** | ***Features & Qualities***<br>• Plant height 20 to 30 cm<br>• Matures in 110 to 120 days<br>• Less water and Rust resistant |

## OUR BUSINESS PROCESS



***Seed Production***

**Nucleus Seeds**
Nucleus seed is the initial handful of pure seeds of improved variety or parental lines of hybrid plant. Nucleus seeds being genetically pure do not contain physical impurities. The nucleus seed is produced under strict isolation in order to avoid both genetical and physical contamination. Nucleus seed are managed with great care so that all seed produced from it remains true to the new variety. This is a most important step and is the responsibility of the plant breeder who developed the variety. The nucleus seed is not available to farmers. The next step in the chain from plant breeder to farmer is that the plant breeder develops Breeder Seed.

**Breeder Seeds**
In seed production process, our Company usually procures breeder seeds from agricultural university. Breeder seeds are then delivered to farmers to produce foundation seeds.

**Foundation Seeds**
Foundation seed is the seed produced from growing breeder seed. Our Company provides breeder seeds to the contract farmers who in turn grow them under strict supervision of our breeder. Foundation seed is less expensive than breeder seed and is not as pure as the breeder's seeds. Foundation seed is the seed produced from growing breeder seed.

**Certified Seeds/Research Seeds**
Our Company also produces certified seeds. Certified seed is produced from growing foundation, seeds. Production of this seed is subject to field and seed inspections. It is grown by selected farmers in a way that maintains genetic purity. Production of certified seeds undergoes field and seed inspections by seed certification agency to ensure conformity with standards.

**Truthful Seeds**
Truthful seeds are produced from certified seeds. These Seeds are sold under truthful labels. Field standard and seed standard have to be maintained as per seed act and certified seed stage.

**Hybrid Seeds**
Hybrid seed is seed produced by cross-pollinated plants. The entire hybrid seeds planted by the farmers usually produces similar plants, while the seeds of the next generation from those hybrids will not consistently have the desired characteristics. Hybrids are chosen to improve the characteristics of the resulting plants, such as better yield, greater uniformity, improved colour, disease resistance.

**High Quality Seeds**
In high quality seed different type of chemicals are used such as thiram and corbendizam. These chemicals helps to improve the characteristics of the resulting plants, such as better yield, greater, disease and fungus resistance, etc.

***Quality control in Seed Process***

The seeds received from farmers are tested in laboratory under different parameters such as physical purity test, moisture test, germination test and seed health test among others, if tests are found satisfactory the seeds are purchased and stored in Company's warehouse and storage facility for further processing.

***Seed Processing***

Post production, the seeds are purchased by our Company from farmers and we then processed at our manufacturing facility. The seeds are subjected to various stages of processing which includes cleaning, gravity separation, colour sorting, etc.

**Seed Cleaning and Grading**

Seed cleaning and grading process involves separation of seed mixtures from dust, chaff and undersized seeds. It also involves separation, of seeds based on weight, length, shape and size.

**Gravity Separation**

Gravity separations are used for the removal of impurities, admixture, insect damage and immature kernels. The gravity separator separates seeds size but with difference in specific weight.

**Destoner**

Destoner is used for removal of badly damaged, deteriorated, insect damaged crop seed and stones from good seeds.

**Spiral Separator**

The Spiral separator classifies seed according to its shape and rolling ability. The seed is introduced at the top of the inner spiral. Seeds which are round roll faster down the incline as compared to irregularly shaped seeds. The seeds are then collected separately according to their shape.

**Milling Separator**

Milling Separator frees the grain of coarse impurities such as large kernels, strings, straw, wood, stones and clods of soil, and from fine impurities like sand or broken grains. It is also used to remove low-density particles such as dust, hull fragments or husks, thereby optimizing the cleaning effect.

**Sortex-Colour Separator**

The colour separator is used to separate discoloured seed, greatly of lower quality. Separation based on colour is necessary because the density and dimensions of discoloured seed are the same as those of sound seed, so other machines are not effective for separation.

***Packaging***

Once seeds are processed they are send to government laboratories for further testing. Once they are approved by government laboratory they are packed and sold under the brand name of OSWAL. Apart, from our own brand we also packed the seeds for third party supplier which is sold under the brand name of third party supplier.

## SUMMARY OF FINANCIAL STATEMENTS

## STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS RESTATED

**(Annexure-I)**
**(₹ In Lakhs)**

| Sr. No. | Particulars | As at March 31, 2018 | As at November 30, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| | | | | | | | | |
| | **EQUITY AND LIABILITIES** | | | | | | | |
| **1)** | **Shareholders Funds** | | | | | | | |
| | a. Share Capital | 1,066.90 | 755.31 | 605.06 | 487.49 | 505.09 | 310.28 | 265.57 |
| | b. Reserves & Surplus | 102.36 | - | - | - | - | - | - |
| **2)** | Share Application Money Pending Allotment | - | - | - | - | - | - | - |
| **3)** | **Non Current Liabilities** | | | | | | | |
| | a. Long Term Borrowings | 18.57 | 6.27 | 59.00 | 122.46 | 132.91 | 109.79 | 106.21 |
| | b. Deferred Tax Liabilities | 0.25 | 0.87 | 2.62 | 5.34 | 2.23 | 1.73 | 1.57 |
| | c. Other Long Term Liabilities | - | - | - | - | - | - | - |
| | d. Long Term Provisions | 3.97 | 3.79 | 3.66 | 2.74 | 1.77 | 1.32 | 1.15 |
| **4)** | **Current Liabilities** | | | | | | | |
| | a. Short Term Borrowings | 1,218.54 | 926.62 | 1,329.99 | 1,479.91 | 1,660.31 | 889.42 | 300.72 |
| | b. Trade Payables | 50.08 | 137.48 | 10.24 | 7.55 | 11.17 | 19.41 | 7.93 |
| | c. Other Current Liabilities | 660.52 | 23.63 | 681.89 | 382.38 | 692.61 | 1,508.64 | 795.20 |
| | d. Short Term Provisions | 11.52 | 30.71 | 42.42 | 2.01 | 3.07 | 3.35 | 1.60 |
| | **T O T A L** | **3,132.71** | **1,884.68** | **2,734.88** | **2,489.88** | **3,009.16** | **2,843.94** | **1,479.95** |
| | **ASSETS** | | | | | | | |
| **1)** | **Non Current Assets** | | | | | | | |
| | a. Fixed Assets | | | | | | | |
| | i. Tangible Assets | 262.30 | 259.36 | 268.28 | 256.19 | 155.91 | 130.00 | 110.78 |

| Sr. No. | Particulars | As at March 31, 2018 | As at November 30, 2017 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| | Less: Accumulated Depreciation | 111.50 | 101.78 | 81.29 | 46.48 | 27.55 | 14.42 | 1.18 |
| | ii. Capital Work in Progress | - | - | - | - | 1.63 | - | - |
| | ***Net Block*** | **150.80** | **157.58** | **186.99** | **209.71** | **129.99** | **115.58** | **109.60** |
| | b. Deferred Tax Assets (Net) | - | - | - | - | - | - | - |
| | c. Non-current Investments | 353.16 | 3.17 | - | - | - | - | - |
| | d. Long Term Loans & Advances | - | 332.76 | - | - | - | - | - |
| | e. Other Non Current Assets | - | - | - | - | - | - | - |
| **2)** | **Current Assets** | | | | | | | |
| | a. Inventories | 1,759.28 | 291.87 | 1,491.10 | 1,948.26 | 2,574.25 | 2,550.72 | 1,273.28 |
| | b. Trade Receivables | 493.65 | 971.74 | 619.61 | 134.08 | 85.22 | 21.40 | 29.82 |
| | c. Cash and Cash Equivalents | 68.46 | 71.24 | 398.84 | 60.16 | 184.99 | 31.62 | 32.20 |
| | d. Short Term Loans & Advances | 230.37 | 36.25 | 38.34 | 137.67 | 34.71 | 124.62 | 35.05 |
| | e. Other Current Assets | 76.99 | 20.07 | - | - | - | - | - |
| | **T O T A L** | **3,132.71** | **1,884.68** | **2,734.88** | **2,489.88** | **3,009.16** | **2,843.94** | **1,479.95** |

**STATEMENT OF STANDALONE PROFIT AND LOSS AS RESTATED**

**(Annexure-II)**
**(₹ In Lakhs)**

| Sr. No. | Particulars | For the period from 01.12.17 to 31.3.18 | For the period ended November 30, | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **A** | **INCOME** | | | | | | | |
| | Revenue from Operations | 1,294.26 | 3,520.06 | 4,284.24 | 3,878.02 | 5,853.62 | 3,342.94 | 2,252.71 |
| | Other Income | 36.59 | 10.10 | 15.88 | 9.02 | 6.63 | 7.17 | 1.62 |
| | **Total Income (A)** | **1,330.85** | **3,530.16** | **4,300.12** | **3,887.04** | **5,860.25** | **3,350.11** | **2,254.33** |
| **B** | **EXPENDITURE** | | | | | | | |
| | Cost of materials Consumed | 1,628.40 | 2,845.65 | 3,548.30 | 3,366.27 | 5,317.09 | 3,533.54 | 2,307.30 |
| | Purchase of Stock-in-Trade | - | - | - | - | - | - | - |
| | Changes in inventories of finished goods, traded goods and work-in-progress | -519.26 | 328.22 | 262.42 | 40.20 | 109.93 | -435.87 | -204.56 |
| | Employee benefit expenses | 18.88 | 18.10 | 22.95 | 25.58 | 28.76 | 24.70 | 25.64 |
| | Finance costs | 50.37 | 127.22 | 159.59 | 237.96 | 152.34 | 101.15 | 47.92 |
| | Depreciation and amortisation expense | 9.72 | 20.47 | 34.82 | 18.93 | 13.13 | 13.25 | 1.18 |
| | Other Expenses | 30.52 | 57.93 | 118.77 | 151.58 | 194.18 | 87.70 | 58.76 |
| | **Total Expenses (B)** | **1,218.63** | **3,397.59** | **4,146.85** | **3,840.52** | **5,815.43** | **3,324.47** | **2,236.24** |
| **C** | **Profit before extraordinary items and tax(A-B)** | **112.22** | **132.57** | **153.27** | **46.52** | **44.82** | **25.64** | **18.09** |
| | Extraordinary items | - | - | - | - | - | - | - |
| **D** | **Profit before tax** | **112.22** | **132.57** | **153.27** | **46.52** | **44.82** | **25.64** | **18.09** |
| | *Tax expense :* | | | | | | | |
| | (i) Current tax | 21.70 | 45.71 | 53.59 | 11.20 | 13.34 | 7.78 | 4.02 |
| | (ii) Deferred tax | (0.61) | (1.76) | (2.71) | 3.11 | 0.50 | 0.15 | 1.57 |

| Sr. No. | Particulars | For the period from 01.12.17 to 31.3.18 | For the period ended November 30, | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| | (iii) MAT Credit Entitlement | - | - | - | | - | - | - |
| **E** | **Total Tax Expense** | **21.09** | **43.95** | **50.88** | **14.31** | **13.84** | **7.93** | **5.59** |
| **F** | **Profit for the year/ period (D-E)** | **91.13** | **88.62** | **102.39** | **32.21** | **30.98** | **17.71** | **12.50** |

**STATEMENT OF STANDALONE CASH FLOW AS RESTATED**

**(Annexure-III)**
**(₹ In Lakhs)**

| Particulars | For the period during 01.12.17 to 31.3.18 | For the period ended November 30, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Net Profit before tax as per Profit And Loss A/c | 112.19 | 132.58 | 153.30 | 46.51 | 44.80 | 25.66 | 18.10 |
| **Adjustments for:** | | | | | | | |
| Depreciation & Amortisation Expense | 9.72 | 20.48 | 34.81 | 18.93 | 13.13 | 13.24 | 1.17 |
| Provision for Gratuity | 0.19 | 0.11 | 0.95 | 0.99 | 0.46 | 0.18 | 0.25 |
| Finance Cost | 50.38 | 127.21 | 159.58 | 237.97 | 152.35 | 101.15 | 47.92 |
| Interest Income | (36.59) | (10.10) | (15.88) | (9.01) | (6.63) | (7.17) | (1.62) |
| **Operating Profit Before Working Capital Changes** | **135.89** | **270.29** | **332.77** | **295.39** | **204.11** | **133.07** | **65.83** |
| Adjusted for (Increase)/ Decrease in: | | | | | | | |
| Trade Receivables | 478.10 | (352.13) | (485.53) | (48.87) | (63.81) | 8.42 | 7.29 |
| Short Term Loans and advances | (194.12) | 2.11 | 99.31 | (102.96) | 89.92 | (89.57) | (34.56) |
| Other Current Assets | (56.92) | (20.06) | - | - | - | - | - |
| Inventories | (1,467.41) | 1,199.23 | 457.15 | 626.00 | (23.53) | (1,277.45) | (599.92) |
| Trade Payables | (87.40) | 127.24 | 2.68 | (3.62) | (8.26) | 11.50 | (296.81) |
| Other Current Liabilites | 636.90 | (658.28) | 299.51 | (310.23) | (816.02) | 713.43 | 792.51 |
| Short term Provisions | (40.90) | (57.41) | 48.35 | (0.85) | 0.13 | 1.70 | 1.73 |

| Particulars | For the period during 01.12.17 to 31.3.18 | For the period ended November 30, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Cash Generated From Operations Before Extra-Ordinary Items** | **-595.87** | **510.99** | **754.24** | **454.84** | **-617.46** | **-498.91** | **-63.92** |
| Add:- Extra-Ordinary Items | | | | | | | |
| **Cash Generated From Operations** | **(595.87)** | **510.99** | **754.24** | **454.84** | **(617.46)** | **(498.91)** | **(63.92)** |
| Net Income Tax (paid) / refunded | - | - | (61.55) | (11.43) | (13.76) | (7.75) | (4.17) |
| **Net Cash Flow from/(used in) Operating Activities: (A)** | **(595.87)** | **510.99** | **692.70** | **443.42** | **(631.22)** | **(506.65)** | **(68.08)** |
| | | | | | | | |
| **Cash Flow From Investing Activities:** | | | | | | | |
| Purchase of Fixed Assets (including capital work in progress) | (2.93) | 8.91 | (12.08) | (98.65) | (27.54) | (19.20) | (106.90) |
| Interest Income | 36.59 | 10.10 | 15.88 | 9.01 | 6.63 | 7.17 | 1.62 |
| Investments (made) / sold | (349.99) | (3.17) | - | - | - | - | - |
| Long Term Loans & Advances Given | 332.76 | (332.76) | - | - | - | - | - |
| | | | | | | | |
| **Net Cash Flow from/(used in) Investing Activities: (B)** | **16.42** | **(316.91)** | **3.80** | **(89.64)** | **(20.91)** | **(12.03)** | **(105.28)** |
| | | | | | | | |
| **Cash Flow from Financing Activities:** | | | | | | | |
| Net Increase/(Decrease) in Short Term Borrowings | 291.92 | (403.36) | (149.92) | (180.40) | 770.88 | 588.72 | 300.72 |
| Net Increase/(Decrease) in Long Term Term Borrowings | 12.29 | (52.73) | (63.46) | (10.44) | 23.12 | 3.57 | (267.23) |
| Net Increase/(Decrease) in Share Capital / Partners Capital | 322.84 | 61.62 | 15.14 | (49.80) | 163.86 | 26.97 | 211.84 |
| Interest paid | (50.38) | (127.21) | (159.58) | (237.97) | (152.35) | (101.15) | (47.92) |
| **Net Cash Flow from/(used in) Financing Activities ( C)** | **576.68** | **(521.68)** | **(357.83)** | **(478.61)** | **805.51** | **518.11** | **197.41** |
| | | | | | | | |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | (2.78) | (327.60) | 338.68 | (124.83) | 153.37 | (0.58) | 24.04 |
| Cash & Cash Equivalents As At Beginning of the Year / Period | 71.24 | 398.84 | 60.16 | 184.99 | 31.62 | 32.20 | 8.16 |
| Cash & Cash Equivalents As At End of the Year / Period | **68.46** | **71.24** | **398.84** | **60.16** | **184.99** | **31.62** | **32.20** |

**STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED**

**(Annexure-I)**
**(₹ In Lakhs)**

| Sr. No. | Particulars | As at March 31, 2018 |
|---|---|---|
| | **EQUITY AND LIABILITIES** | |
| **1)** | **Shareholders Funds** | |
| | a. Share Capital | 1,066.90 |
| | b. Reserves & Surplus | 121.53 |
| | c. Minority Interest | 0.05 |
| **2)** | **Share Application Money Pending Allotment** | - |
| **3)** | **Non Current Liabilities** | |
| | a. Long Term Borrowings | 139.26 |
| | b. Deferred Tax Liabilities | 0.24 |
| | c. Other Long Term Liabilities | - |
| | d. Long Term Provisions | 3.97 |
| **4)** | **Current Liabilities** | |
| | a. Short Term Borrowings | 2,341.86 |
| | b. Trade Payables | 740.83 |
| | c. Other Current Liabilities | 684.41 |
| | d. Short Term Provisions | 19.33 |
| | **Total** | **5,118.38** |
| | **ASSETS** | |
| **1)** | **Non Current Assets** | |
| | a. Fixed Assets | |
| | i. Tangible Assets | 344.34 |
| | ii. Intangible Assets | - |
| | Less: Accumulated Depreciation | 112.40 |
| | ii. Intangible Assets under development | - |
| | ii. Capital Work in Progress | - |
| | ***Net Block*** | **231.94** |
| | b. Deferred Tax Assets (Net) | - |
| | c. Non-current Investments | 3.17 |
| | d. Long Term Loans & Advances | - |
| | e. Other Non Current Assets | - |
| **2)** | **Current Assets** | |
| | a. Inventories | 3,281.96 |
| | b. Trade Receivables | 1,107.66 |
| | c. Cash and Cash Equivalents | 94.01 |
| | d. Short Term Loans & Advances | 218.56 |

| Sr. No. | Particulars | As at March 31, 2018 |
|---|---|---|
| | e. Other Current Assets | 181.09 |
| | **Total** | **5,118.38** |

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS AS RESTATED**

**(Annexure-II)**

**(₹ In Lakhs)**

| Sr. No. | Particulars | For the period ended March 31, 2018 |
|---|---|---|
| **A** | **INCOME** | |
| | Revenue from Operations | 7,775.30 |
| | Other Income | 43.27 |
| | **Total Income (A)** | **7,818.57** |
| **B** | **EXPENDITURE** | |
| | Cost of materials Consumed | 7,248.95 |
| | Purchase of Stock-in-Trade | - |
| | Changes in inventories of finished goods, traded goods and work-in-progress | (191.04) |
| | Employee benefit expenses | 43.04 |
| | Finance costs | 249.68 |
| | Depreciation and amortisation expense | 33.47 |
| | Other Expenses | 119.73 |
| | **Total Expenses (B)** | **7,503.84** |
| **C** | **Profit before extraordinary items and tax(A-B)** | **314.73** |
| | Extraordinary items | - |
| **D** | **Profit before tax** | **314.73** |
| | *Tax expense :* | - |
| | (i) Current tax | 87.70 |
| | (ii) Deferred tax | (2.38) |
| **E** | **Total Tax Expense** | **85.33** |
| **F** | **Profit for the year/ period (D-E)** | **229.41** |

**STATEMENT OF CONSOLIDATED CASH FLOW AS RESTATED**

**(Annexure-III)**

**(₹ In Lakhs)**

| Particulars | For the period ended March 31, 2018 |
|---|---|
| **Cash Flow From Operating Activities:** | |
| Net Profit after tax as per Profit And Loss A/c | 229.36 |
| **Adjustments for:** | |
| Depreciation & Amortisation Expense | 33.47 |
| Provision for Tax | 87.70 |
| Provision for Deferred Tax | |
| Provision for Gratuity | 0.31 |
| Finance Cost | 249.68 |
| Share of Profit from Partnership Firm | |
| Interest & Finance Income | (12.81) |
| **Operating Profit Before Working Capital Changes** | **557.49** |
| Adjusted for (Increase)/ Decrease in: | |
| Trade Receivables | (1,107.66) |
| Short Term Loans and advances | (218.56) |
| Other Current Assets | (181.09) |
| Inventories | (3,281.96) |
| Trade Payables | 740.83 |
| Other Current Liabilites | 684.41 |
| Short & Long term Provisions | (64.71) |
| **Cash Generated From Operations** | **(2,871.24)** |
| Net Income Tax (paid) / refunded | - |
| **Net Cash Flow from/(used in) Operating Activities: (A)** | **(2,871.24)** |
| **Cash Flow From Investing Activities:** | |
| Sale/( Purchase) of Fixed Assets (including capital work in progress) | (265.41) |
| Share of Profit from Partnership Firm | 30.46 |
| Interest Income | 12.81 |
| Increase/(decrease) in Minority Interest | 0.05 |
| Investments (made) / sold | (3.17) |
| **Net Cash Flow from/(used in) Investing Activities: (B)** | **(225.26)** |
| **Cash Flow from Financing Activities:** | |
| Net Increase/(Decrease) in Short Term Borrowings | 2,341.86 |
| Net Increase/(Decrease) in Long Term Term Borrowings | 139.26 |
| Net Increase/(Decrease) in Share Capital / Partners Capital | 1,078.15 |
| Distribution of Capital Balance among Partners | |
| Interest paid | (249.68) |

| Particulars | For the period ended March 31, 2018 |
|---|---|
| **Net Cash Flow from/(used in) Financing Activities ( C)** | **3,190.51** |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | 94.01 |
| Cash & Cash Equivalents As At Beginning of the Year / Period | - |
| Cash & Cash Equivalents As At End of the Year / Period | **94.01** |

## THE ISSUE

**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS**

| Particulars | Details of Equity Shares |
|---|---|
| Public Issue of Equity Shares | Upto 45,76,000* Equity Shares of face value of Rs.10/- each fully paid of the Company for cash at price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs |
| **Of which:** | |
| Market Maker Reservation Portion | Upto 2,32,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs [●]/- per Equity Share aggregating Rs. [●]lakhs |
| Net Issue to the Public** | Upto 43,44,000 Equity Shares of face value of Rs.10/- each fully paid of the Company for cash at price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs |
| | *Of which:* |
| | Upto 21,72,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2 lakhs |
| | Upto 21,72,000 Equity Shares of face value of Rs. 10 /- each fully paid of the Company for cash at price of Rs. [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to investors above Rs. 2 lakhs |
| **Pre and Post Issue Equity Shares** | |
| Equity Shares outstanding prior to the Issue | 1,06,69,000 Equity Shares |
| Equity Shares outstanding after the Issue | Upto 1,52,47,000 Equity Shares |
| Use of Proceeds(Objects of the Issue) | For further details please refer chapter titled "Objects of the Issue" beginning on page 95 of this Red Herring Prospectus for information on use of Issue Proceeds |

***Subject to the finalization of basis of allotment***

**Notes:**

The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on February 06, 2018 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 Extraordinary General Meeting held on February 16, 2018.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

**The allocation in the net Issue to the public category shall be made as follows:

a) Minimum fifty percent to retail individual investors; and

b) Remaining to

i. Individual applicants other than retail individual investors; and

ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage

*Note: Number of shares may need to be adjusted for lot size upon determination of issue price.

For further details please refer to section titled 'Issue Information' beginning on page 228 of this Red Herring Prospectus

## GENERAL INFORMATION

Our Company was originally formed as a partnership firm under the Indian Partnership Act, 1932 in the name of "M/s Oswal Seeds and Chemicals" pursuant to a deed of partnership dated July 29, 2002. M/s Oswal Seeds and Chemicals, was thereafter converted from a partnership firm to a public limited company under Section 366 of the Companies Act, 2013 with the name of "ShreeOswal Seeds and Chemicals Limited" and received a fresh certificate of incorporation from the Registrar of Companies, Central Registration Centre, on December 01, 2017 and Corporate Identification Number of our Company is U01111MP2017PLC044596.

Anil Kumar Nahata, Sanjay Kumar Baigani, Kiran Devi Begani, Padma Nahta, Anil Kumar Baigani, Kamlesh Nahata, Rajesh Nahata and Paresh S. Dugad, partners of M/s Oswal Seeds and Chemicals were the initial subscribers to the Memorandum of Association of our Company.

Anil Kumar Nahata and Sanjay Kumar Baigani are the Promoters of the Company and were the partners of the erstwhile partnership firm.

For information on our Company's profile, activities, market, products, etc., market of each segment, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, market, major suppliers and customers, geographical segment, regulatory approvals, etc. wherever applicable, please refer to the chapters titled *"Our Business", "Our Industry", "Financial Statements as Restated", "Management's Discussion and Analysis of Financial Condition and Results of Operation", "Government and Other Statutory Approvals"* beginning on page 133,112,183,184 and 210 respectively of this Red Herring Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

**ShreeOswal Seeds and Chemicals Limited**
"Oswal House", Opposite Balkavibairagi College,
Nasirabad Highway, Village Kanwati,
Neemuch- 458441, Madhya Pradesh, India.
**Tel**: +91 7423-297006
**Fax:** +91 7243-297511
**Email***:* info@oswalseeds.com
**Website:** www.oswalseeds.com
**Corporate Identification Number:** U01111MP2017PLC044596

### REGISTRAR OF COMPANIES

**Registrar of Companies, Madhya Pradesh,**
3rd Floor, 'A' Block, Sanjay Complex
Jayendra Ganj, Gwalior-474009, Madhya Pradesh
**Tel**: 0751-2321907
**Fax:** 0751-2331853
**Email***:* rocgwalior@mca.gov.in
**Website**: www.mca.gov.in

### DESIGNATED STOCK EXCHANGE

**EMERGE Platform of NSE**
**National Stock Exchange of India Limited**
Exchange Plaza, C/1, G Block,
Bandra Kurla Complex
Bandra (East), Mumbai - 400051,
Maharashtra, India

## BOARD OF DIRECTORS OF OUR COMPANY

| Sr. No. | Name | Age (in Years) | DIN | Address | Designation |
|---|---|---|---|---|---|
| 1. | Sanjay Kumar Baigani | 45 | 07921083 | House No. 475 14/2, Vikas Nagar Neemuch-458441 Madhya Pradesh, India. | Chairman and Managing Director |
| 2. | Anil Kumar Nahata | 42 | 07921005 | 94/2, Station Road, Jawahar Marg, Neemuch- 458441 Madhya Pradesh, India | Director & CEO |
| 3. | Kiran Devi Begani | 41 | 07921018 | House No. 475, 14/2 Vikas Nagar, Ward No.29 Neemuch-458441 Madhya Pradesh, India | Director |
| 4. | Padma Nahta | 41 | 07921042 | 94/2 Station Road, Jawahar Marg, Neemuch- 458441 Madhya Pradesh, India | Director |
| 5. | Gopal Lal Agarwal | 56 | 08042715 | H.No.22, Scheme No.30, Neemuch Goma Bai Hospital Road, Sanjivani Colony Ke Samne Neemuch- 458441 Madhya Pradesh, India | Additional Independent Director |
| 6. | Sunil Kumar Agarwal | 58 | 08046616 | S/O Damodar Lal Agarwal Ward No.14, Rani Kheda Darwaja, Nimbahera , Chittorgarh Nimbahera-312601 Rajasthan India | Additional Independent Directors |

For further details of our Directors, please refer to the chapter titled *"Our Management"* beginning on page 163 of this Red Herring Prospectus.

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Anjali Bamboria**
**ShreeOswal Seeds and Chemicals Limited**
"Oswal House", Opposite Balkavibairagi College
Nasirabad Highway, Village Kanwati,
Neemuch- 458441 , Madhya Pradesh,India
**Tel**: +91 7423-297006
**Fax:** +91 7423-297511
**Email***:* cs@oswalseeds.com
**Website:** www.oswalseeds.com

## CHIEF FINANCIAL OFFICER

**Ashok Dhakar**
**ShreeOswal Seeds and Chemicals Limited**
"Oswal House", Opposite Balkavibairagi College
Nasirabad Highway, Village Kanwati,
Neemuch- 458441 , Madhya Pradesh,India
**Tel**: +91 7423-297007
**Fax:** +91 7423-297511
**Email***:* cfo@oswalseeds.com
**Website:** www.oswalseeds.com

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

## STATUTORY AUDITOR

**Bharat Kumar Agarwal & Co**
**Chartered Accountants**
469,Hudco Colony,
Neemuch-458441,
Madhya Pradesh, India
**Tel No.:** +91 7423-404190
**Fax No.:** N.A
**Email:** bhaveshsinhalca@gmail.com
**Contact Person: Bhavesh Sinhal**
**Firm Registration No.:** 012245C
**Membership No.:** 406280

## PEER REVIEWED AUDITOR

**M/s. R. T. Jain & Co.**
2nd Floor, Lotus Building,
59, Mohammed Ali Road,
Mumbai-400 003,
Maharashtra, India.
**Tel:** + 91 22 23465218
**Fax:** + 91 22 23464955
**E-mail:** info@rtjainandco.in
**Contact Person: CA Bankim Jain**
**Firm Registration No.:** 103961W/W100182
M/s. R.T Jain & Co holds a peer reviewed certificate dated September 20, 2011 issued by the Institute of Chartered Accountants of India

## BOOK RUNNING LEAD MANAGER

**Pantomath Capital Advisors Private Limited**
406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East) Mumbai-400051, Maharashtra, India
**Tel:** +91 22 6194 6700
**Fax:** + 91 22 2659 8690
**Email:** ipo@pantomathgroup.com
**Website**: www.pantomathgroup.com
**Contact Person:** Hardik Bhuta/ Unmesh Zagade
**SEBI Registration No:** INM000012110

## REGISTRAR TO THE ISSUE

**Bigshares Services Private Limited**
1st Floor Bharat Tin Works Building,
Opp Vasant Oasis,Makwana Road,
Marol, Andheri East, Mumbai
400059, Maharashtra, India
**Tel:** +91 22 62638200
**Fax:** +91 22 62638299
**Email:** ipo@bigshareonline.com
**Website:** www.bigshareonline.com
**Contact Person:** Nilesh Chakle
**SEBI Registration Number:** INR000001385

## LEGAL ADVISOR TO THE ISSUE

**M.V. Kini, Law Firm**
Kini House,
Near Citi Bank, D.N. Road, Fort
Mumbai – 400001, Maharashtra, India
**Tel:** +91 22 22612527/28/29
**Fax:** +91 22 22612530
**Email:** vidisha@mvkini.com
**Website:** www.mvkini.com
**Contact Person:** Vidisha Krishan

## BANKER TO THE COMPANY

| | |
|---|---|
| **Axis Bank of India**<br>Vijay Talkies Compound,<br>Neemuch-458441,Madhya Pradesh,India<br>**Tel:** 07423 230777/999/015/07423 222010<br>**Fax:**07423 230080<br>**Website:**www.axisbank.com<br>**Contact Person:** Abhishek Joshi | **Union Bank of India**<br>House No 7, Banglow no 40,Gurudwara Chauraha,C.R.P.F Road,<br>Neemuch 458441,Madhya Pradesh,<br>Neemuch-458441,Madhya Pradesh,India<br>**Tel:** 07423 221055<br>**Fax:** 07423 221055<br>**Email:** cbsneemuch@unionbankofindia.com<br>**Website:**www.unionbankofindia.com<br>**Contact Person: Arun Kumar Shrivastav** |

## BANKER TO THE ISSUE

| | |
|---|---|
| **ICICI Bank Limited**<br>Capital Market Division,<br>1st Floor, 122, Mistry Bhavan,<br>Dinshaw Vachha Road, Backbay Reclamation,<br>Churchgate, Mumbai – 400 020,<br>Maharashtra, India<br>**Tel:** +91 22 2266818932/924/932<br>**Fax:** +91 22 22611138<br>**Email:** shweta.surana@icicibank.com<br>**Contact Person:** Shweta Surana<br>**Website:** www.icicibank.com<br>**SEBI Registration Number:** INBI00000004 | **Axis Bank Limited**<br>Vijay talkies Compound,<br>Neemuch-458441,<br>Madhya Pradesh, India<br>**Tel:** +91 07423-230777<br>**Fax:** +91 07423-230080<br>**Email:** neemuch.branchhead@axisbank.com<br>**Contact Person:** Abhishek Kumar Joshi<br>**Website:** www.axisbank.com<br>**SEBI Registration Number:** INBI00000017 |

## SYNDICATE MEMBER

**Pantomath Stock Brokers Private Limited**
406-408, Madhava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051,
Maharashtra, India
**Tel:** +91 22 42577001
**Fax:** +91 22 2659 8690
**Email:** broking@pantomathgroup.com
**Contact Person:** Mahavir Toshniwal
**SEBI Registration Number**: INZ000068338

## DESIGNATED INTERMEDIARIES

### 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/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBsfor- Syndicate-ASBA. For details on Designated Branches of SCSBs collecting the Application Form, please refer to the above-mentioned SEBI link.

### Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the National Stock Exchange of India, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in ) and updated from time to time.

### Registrar to Issue and Share Transfer Agents

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at National Stock Exchange India Limited, as updated from time to time.

### Collecting Depository Participants

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at National Stock Exchange India Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (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.

## INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Pantomath Capital Advisors Private Limited is the sole Book running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Managers is not applicable

## 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. 10,000 Lakhs. Since the Issue size is only of Rs. [●] 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.

## EXPERT OPINION

Except the report of the Peer Reviewed Auditor, M/s. R. T. Jain & Co, on statement of tax benefits and report on restated financials for the year ended March 31, 2017, 2016, 2015, 2014 and 2013 and for the year ended March 31, 2018 as included in this Red herring Prospectus, our Company has not obtained any expert opinion.

## BOOK BUILDING PROCESS

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English National Newspaper, all editions of a widely circulated Hindi National Newspaper and a widely circulated Hindi Newspaper, Hindi being the regional language of Madhya Pradesh, where our registered office is situated at least five working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the BRLM in accordance with the Book Building Process after the Bid/Issue Closing Date. Principal parties involved in the Book Building Process are:-

- Our Company;
- The Book Running Lead Manager in this case being Pantomath Capital Advisors Private Limited, the Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriter. The Syndicate Member(s) will be appointed by the BRLM;
- The Registrar to the Issue and;
- The 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. The allocation in the net Issue to the public category shall be made as follows:

a) Minimum fifty percent to retail individual investors; and

b) Remaining to

i. Individual applicants other than retail individual investors; and

ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

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, please see section entitled "Issue Procedure" on page 236 of this Red Herring Prospectus

**Illustration of Book Building and Price Discovery Process** (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue) Bidders can bid at any price within the price band. For instance, 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 centers 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 Price (Rs.) | Cumulative Bid 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 Book Running Lead Manager 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 and cut-off bids 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 236. of this Red Herring 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 Depositary

Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims

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

**BID / OFFER PROGRAMME**

An indicative timetable in respect of the Issue is set out below:

| Event | Indicative Date |
|---|---|
| Bid/Issue Opened Date | June 07, 2018 |
| Bid/Issue Closed Date | June 12, 2018 |
| Finalization of Basis of Allotment with the Designated Stock Exchange | June 15, 2018 |
| Initiation of Refunds | June 18, 2018 |
| Credit of Equity Shares to Demat Accounts of Allottees | June 19, 2018 |
| Commencement of trading of the Equity Shares on the Stock Exchange | June 20, 2018 |

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. 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 Manager 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 Manager 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.

## UNDERWRITER

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated March 09, 2018 and pursuant to the terms of the underwriting agreement; the obligations of the underwriter are subject to certain conditions specified therein. The underwriter have indicated its intention to underwrite the following number of specified securities being offered through this Issue.

| Name and Address of the Underwriter | Indicative Number of Equity shares to be Underwritten | Amount Underwritten (Rupees In Lakhs) | % of the Total Issue Size Underwritten |
|---|---|---|---|
| **Pantomath Capital Advisors Private Limited**<br>406-408, Keshava Premises Bandra Kurla Complex, Bandra East<br>Mumbai 400051<br>**Tel:** 022-61946700/72<br>**Fax:** 022-26598690<br>**Email:** ipo@pantomathgroup.com<br>**Contact Person:** Madhu Lunawat<br>**SEBI Registration Number**: INM000012110 | Upto 45,76,000 | [●] | 100% |
| **Total** | **Upto 45,76,000** | **[●]** | **100%** |

**Includes upto 2,32,000 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 has entered into an agreement dated March 09, 2018 with the following Market Maker, duly registered with EMERGE Platform of National Stock Exchange of India Limited to fulfil the obligations of Market Making:-

**Pantomath Stock Brokers Private Limited**
406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051,
Maharashtra, India
**Tel:** +91 22 42577001
**Fax:** +91 22 26598690
**Email:** broking@pantomathgroup.com
**Contact Person:** Mahavir Toshniwal
**SEBI Registration Number**: INZ000068338

**Pantomath Stock Brokers Private Limited** registered with EMERGE segment of National Stock Exchange of India Limited 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 fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India Limited 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. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or

as intimated by Exchange from time to time. 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 Issue 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 [●]/- the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be Rs. [●]/- until the same, would be revised by NSE Emerge.
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 [●] Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Offer 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, Pantomath Stock Brokers 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 EMERGE Platform of National Stock Exchange of India Limited 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 shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, 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 Manager 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 Manager 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 is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
10. EMERGE Platform of National Stock Exchange of India Limited 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. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.

11. EMERGE Platform of National Stock Exchange of India Limited 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 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 (including mandatory initial inventory of 5% of the Issue Size) | Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the 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.

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Red Herring 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 |
|---|---|---|---|
| A. | **Authorised Share Capital** | | |
| | 1,80,00,000 Equity Shares of face value of Rs. 10/- each | 1800.00 | |
| B. | **Issued, Subscribed and Paid-Up Share Capital before the Issue** | | |
| | 1,06,69,000 Equity Shares of face value of Rs. 10/- each | 1066.90 | |
| C. | **Present Issue in terms of this Red Herring Prospectus** | | |
| | Issue of Upto 45,76,000 Equity Shares of face value Rs.10 each at a price of Rs. [●]/- per Equity Share | 457.60 | [●] |
| | **Consisting of:** | | |
| | **Reservation for Market Maker** – Upto 2,32,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [●]/- per Equity Share | 23.20 | [●] |
| | **Net Issue to the Public** – 43,44,000 Equity Shares of face value of Rs. 10 each at a price of Rs. [●]/- per Equity Share | 434.00 | [●] |
| | **Of the Net Issue to the Public** | | |
| | **Allocation to Retail Individual Investors** – Upto 21,72,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. [●] per Equity Share will be available for allocation for allotment to Retail Individual Investors applying for a value of up to Rs.2 lakhs | 217.20 | [●] |
| | **Allocation to Other than Retail Individual Investors** – Upto 21,72,000 Equity Shares of face value of Rs. 10 /- each fully paid of the Company for cash at price of Rs. [●] per Equity Share aggregating Rs. [●] lakhs will be available for allocation to investors applying for a value above Rs. 2 lakhs | 217.20 | [●] |
| D. | **Issued, Subscribed and Paid-Up Share Capital after the Issue** | | |
| | Upto 1,52,47,000Equity Shares of face value of Rs. 10 each | 1524.70 | |
| E. | **Securities Premium Account** | | |
| | Before the Issue | | 11.25 |
| | After the Issue | | [●] |

The Issue has been authorised by the Board of Directors of our Company vide a resolution passed at its meeting held on February 06, 2018 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 February 16, 2018.

The Company has only 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 Red Herring 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:

| Particulars of Change | | Date of Shareholders' Meeting | AGM / EGM |
|---|---|---|---|
| From | To | | |
| Rs. 7,00,00,000/- consisting of 70,00,000 Equity shares of Rs. 10 each. | | On Incorporation | -- |
| Rs. 7,00,00,000/- consisting of 70,00,000 Equity shares of Rs. 10 each. | Rs. 18,00,00,000/- consisting of 1,80,00,000 Equity shares of Rs. 10 each. | January 16, 2018 | 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.) |
|---|---|---|---|---|---|---|---|
| On Incorporation | 61,69,000 | 10 | 10 | Other than Cash | Subscription to MOA(i) | 61,69,000 | 6,16,90,000 |
| February 26, 2018 | 45,00,000 | 10 | 10.25 | Other than Cash | Conversion of Unsecured Loan(ii) | 1,06,69,000 | 10,66,90,000 |

(i) Initial Subscribers to Memorandum of Association subscribed 61,69,000 Equity Shares of face value of Rs. 10/- each fully paid at par pursuant to conversion of partnership firm M/s Oswal Seeds and Chemicals into Company under Part I of Chapter XXI of the Companies Act, 2013 on December 01, 2017 as per the details given below:

| Sr. No. | Name of Person | No. of shares Allotted |
|---|---|---|
| 1. | Anil Kumar Nahata | 30,84,470 |
| 2. | Sanjay Kumar Baigani | 30,84,470 |
| 3. | Kiran Devi Begani | 10 |
| 4. | Padma Nahta | 10 |
| 5. | Anil Kumar Baigani | 10 |
| 6. | Kamlesh Nahta | 10 |
| 7. | Rajesh Nahata | 10 |
| 8. | Paresh S. Dugad | 10 |
| | **Total** | **61,69,000** |

(ii) Further allotment of 45,00,000 Equity Shares (Pursuant to conversion of Unsecured loan of Rs.4,61,25,000) of face value of Rs. 10 each fully paid at a premium of Rs 0.25 per share on February 26, 2018 as per the details given below:

| Sr. No. | Name of Person | No. of shares Allotted |
|---|---|---|
| 1. | Anil Kumar Nahata | 22,50,000 |
| 2. | Sanjay Kumar Baigani | 22,50,000 |
| | **Total** | **45,00,000** |

**3.** We have not issued any Equity Shares for consideration other than cash except as mentioned 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 |
|---|---|---|---|---|---|---|---|
| October 26, 2017 | 61,69,000 | 10 | 10 | Shares issued pursuant to conversion of Oswal Seeds and Chemicals (partnership firm) through Subscription to MOA | Nil | Anil Kumar Nahata | 30,84,470 |
| | | | | | | Sanjay Kumar Baigani | 30,84,470 |
| | | | | | | Kiran Devi Begani | 10 |
| | | | | | | Padma Nahta | 10 |
| | | | | | | Anil Kumar Baigani | 10 |
| | | | | | | Kamlesh Nahta | 10 |
| | | | | | | Rajesh Nahata | 10 |
| | | | | | | Paresh S. Dugad | 10 |
| February 26, 2018 | 45,00,000 | 10 | 10.25 | Conversion of Unsecured Loan | Nil | Anil Kumar Nahata | 22,50,000 |
| | | | | | | Sanjay Kumar Baigani | 22,50,000 |

**4.** No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.

**5.** Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

**6.** Except as mentioned below, no shares has been issued below issue price within last one year from the date of this Red Herring Prospectus:

| Date of Allotment | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment | Allottees | No. of Shares Allotted |
|---|---|---|---|---|---|---|
| October 26, 2017 | 61,69,000 | 10 | 10 | Shares issued pursuant to conversion of Oswal Seeds and Chemicals (partnership firm) through | Anil Kumar Nahata | 30,84,470 |
| | | | | | Sanjay Kumar Baigani | 30,84,470 |
| | | | | | Kiran Devi Begani | 10 |
| | | | | | Padma Nahta | 10 |

| Date of Allotment | Number of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Reasons for Allotment | Allottees | No. of Shares Allotted |
|---|---|---|---|---|---|---|
| | | | | Subscription to MOA | Anil Kumar Baigani | 10 |
| | | | | | Kamlesh Nahta | 10 |
| | | | | | Rajesh Nahata | 10 |
| | | | | | Paresh S. Dugad | 10 |
| February 26, 2018 | 45,00,000 | 10 | 10.25 | Conversion of Unsecured Loan | Anil Kumar Nahata | 22,50,000 |
| | | | | | Sanjay Kumar Baigani | 22,50,000 |

**7.** As on the date of this Red Herring Prospectus, our Company does not have any preference share capital.

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

**i. History of Equity Share Capital held by the Promoters:**

As on the date of this Red Herring Prospectus, our promoter Anil Kumar Nahata and Sanjay Kumar Baigani collectively hold 1,06,68,940 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge. The buildup of shareholding of Promoters are as follows:

**1. Anil Kumar Nahata**

| 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 % |
|---|---|---|---|---|---|---|
| October 26, 2017 | 30,84,470 | 10 | 10 | Initial Issue as Subscriber to MOA at consideration otherwise than in cash pursuant to conversion of partnership firm into Company. | 28.91% | 20.23 % |
| February 26, 2018 | 22,50,000 | 10 | 10.25 | Conversion of Unsecured Loan | 21.09% | 14.76% |
| **Total** | **53,34,470** | | | | **50.00 %** | **34.99 %** |

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

**2. Sanjay Kumar Baigani**

| 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 % |
|---|---|---|---|---|---|---|
| October 26, 2017 | 30,84,470 | 10 | 10 | Initial Issue as Subscriber to MOA at consideration otherwise than in cash pursuant to conversion of partnership firm into Company. | 28.91% | 20.23 % |
| February 26, 2018 | 22,50,000 | 10 | 10.25 | Conversion of Unsecured Loan | 21.09% | 14.76% |
| **Total** | **53,34,470** | | | | **50.00 %** | **34.99 %** |

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

**ii. Details of Promoters' 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 Promoter shall be considered as Promoters' Contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

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 20.01 % 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 Promoters Contribution, for a period of three years from the date of allotment in the Issue. Details of the Promoter's Contribution are provided below:

| Promoters | No. of Equity Shares Locked in | Face Value (in `) | Issue/ Acquisition Price | Date of Allotment/Acquisition and when made fully paid-up | Nature of Allotment/ Transfer | Consideration (Cash/other than cash) | Percentage of post-Issue paid-up capital | Source of Promoter's Contribution |
|---|---|---|---|---|---|---|---|---|
| Anil Kumar Nahata | 12,40,000 | 10.00 | 10.25 | February 26, 2018 | Conversion of Unsecure | Other than Cash | 8.13% | Owned Fund |

| Promoters | No. of Equity Shares Locked in | Face Value (in `) | Issue/ Acquisition Price | Date of Allotment/Acquisition and when made fully paid-up | Nature of Allotment/ Transfer | Consideration (Cash/other than cash) | Percentage of post-Issue paid-up capital | Source of Promoter's Contribution |
|---|---|---|---|---|---|---|---|---|
| | | | | | d Loan | | | |
| Sanjay Kumar Baigani | 18,11,000 | 10.00 | 10.25 | February 26, 2018 | Conversion of Unsecured Loan | Other than Cash | 11.88% | Owned Fund |
| **TOTAL** | **30,51,000** | | | | | | **20.01%** | |

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:

a. The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Red Herring 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;

b. The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of this Red Herring Prospectus at a price lower than the Issue Price;

c. Equity Shares issued to our Promoter during the preceeding 1 year upon conversion of a partnership

d. All the Equity Shares of our Company held by the Promoter are dematerialized; and

e. 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.

## 9. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company:-

### i. Summary of Shareholding Pattern as on date of this Red Herring Prospectus:

| Category | Category of Shareholder | No. 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+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) 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 | 5 | 1,06,68,970 | - | - | 1,06,68,970 | 100.00% | 1,06,68,970 | 100.00% | - | 100.00% | - | - | - | - | 100.00% |
| B | Public | 3 | 30 | - | - | 30 | Negligible | 30 | Negligible | - | Negligible | - | - | - | - | Negligible |

| Category | Category of Shareholder | No. 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+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) 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 |
| C | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1 | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **Total** | **8** | **1,06,69,000** | **-** | **-** | **1,06,69,000** | **100%** | **1,06,69,000** | **100%** | **-** | **100%** | **-** | **-** | **-** | **-** | **100.00%** |

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

*Note: PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share 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 EMERGE Platform of National Stock Exchange of India Limited before commencement of trading of such Equity Shares.

***In terms of SEBI Listing Regulations, our Company shall ensure that the Equity Shares held by the Promoter / members of the Promoter Group shall be dematerialised prior to listing of Equity shares.

**10. 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) |
| | **Promoter** | | | | |
| 1. | Anil Kumar Nahata | 53,34,470 | 50.00% | 53,34,470 | 34.99% |
| 2. | Sanjay Kumar Baigani | 53,34,470 | 50.00% | 53,34,470 | 34.99% |
| | **Sub Total (A)** | **1,06,68,940** | **100.00%** | **1,06,68,940** | **69.98%** |
| | **Promoter Group** | | | | |
| 3. | Kiran Devi Begani | 10 | Negligible | 10 | Negligible |
| 4. | Padma Nahta | 10 | Negligible | 10 | Negligible |
| 5. | Anil Kumar Baigani | 10 | Negligible | 10 | Negligible |
| | **Sub Total (B)** | **30** | **Negligible** | **30** | **-** |
| | **Total (A+B)** | **1,06,68,970** | **100.00%** | **1,06,68,970** | **69.98%** |

**11. 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.) |
|---|---|---|
| Anil Kumar Nahata | 53,34,470 | 10.11/- |
| Sanjay Kumar Baigani | 53,34,470 | 10.11/- |

**12.** No person belonging to the category "Public" holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.

**13. 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 Red Herring Prospectus are set forth below:**

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

| Sr. No. | Name of Shareholders | No. of Equity Shares | % of Total Paid-Up Capital |
|---|---|---|---|
| 1 | Anil Kumar Nahata | 53,34,470 | 50.00% |
| 2 | Sanjay Kumar Baigani | 53,34,470 | 50.00% |
| 3 | Kiran Devi Begani | 10 | Negligible |
| 4 | Padma Nahta | 10 | Negligible |
| 5 | Anil Kumar Baigani | 10 | Negligible |
| 6 | Kamlesh Nahta | 10 | Negligible |
| 7 | Rajesh Nahata | 10 | Negligible |
| 8 | Paresh S.Dugad | 10 | Negligible |
| | **Total** | **1,06,69,000** | **100%** |

Note: Our Company had only 8 shareholders as on the date of filing of Red Herring Prospectus

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

| Sr. No. | Name of Shareholders | Number of Equity Shares | % of Total Paid-Up Capital |
|---|---|---|---|
| 1 | Anil Kumar Nahata | 53,34,470 | 50.00% |
| 2 | Sanjay Kumar Baigani | 53,34,470 | 50.00% |
| 3 | Kiran Devi Begani | 10 | Negligible |
| 4 | Padma Nahta | 10 | Negligible |
| 5 | Anil Kumar Baigani | 10 | Negligible |
| 6 | Kamlesh Nahta | 10 | Negligible |
| 7 | Rajesh Nahata | 10 | Negligible |
| 8 | PareshS. Dugad | 10 | Negligible |
| | **Total** | **1,06,69,000** | **100%** |

Note: Ten days prior to the date of filing of Red Herring Prospectus Our Company had only 8 shareholders

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

The status of our Company was "Partnership Firm" two years prior to the date of filing of this Red Herring Prospectus. Our Company has been converted from Partnership Firm M/s. Oswal Seeds and Chemicals to Company in the name and style "Shreeoswal Seeds and Chemicals Limited" dated December 01, 2017.

14. 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, 2016.
15. Neither the Book Running Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Red Herring Prospectus.
16. Under-subscription in the net issue, if any, in any category, would be allowed to be met spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Emerge Platform of National Stock Exchange of India Limited.
17. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
18. 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.
19. There are no Equity Shares against which depository receipts have been issued.
20. Other than the Equity Shares, there are no other class of securities issued by our Company.
21. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Red Herring 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.
22. Except as given below, none of the members of the Promoter Group, the Promoter, our Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of filing of the Red Herring Prospectus with the Stock Exchange.

| Date of Allotment/ Transfer | Name of the Allottees/Transferee | No. of Shares Allotted / Transferred | Face Value | Issue Price | Nature of Allotment |
|---|---|---|---|---|---|
| October 26, 2017 | Anil Kumar Nahata | 30,84,470 | 10 | 10 | Shares issued pursuant to conversion of Oswal Seeds and Chemicals (partnership firm) through Subscription to MOA |
| | Sanjay Kumar Baigani | 30,84,470 | 10 | 10 | |
| | Kiran Devi Begani | 10 | 10 | 10 | |
| | Padma Nahta | 10 | 10 | 10 | |
| | Anil Kumar Baigani | 10 | 10 | 10 | |
| | Kamlesh Nahta | 10 | 10 | 10 | |
| | Rajesh Nahata | 10 | 10 | 10 | |
| | Paresh S .Dugad | 10 | 10 | 10 | |
| February 26, 2018 | Anil Kumar Nahata | 22,50,000 | 10 | 10.25 | Conversion of Unsecured Loan |
| | Sanjay Kumar Baigani | 22,50,000 | 10 | 10.25 | |

23. Our Company, our Promoters, our Directors and the Book Running Lead Manager 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.
24. There are no safety net arrangements for this public issue.
25. 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.
26. 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.
27. As on date of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
28. All the Equity Shares of our Company are fully paid up as on the date of the Red Herring 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.
29. As per RBI regulations, OCBs are not allowed to participate in this Issue.
30. Our Company has not raised any bridge loans against the proceeds of the Issue.
31. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
32. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
33. 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.
34. 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.
35. Our Company has 8 shareholders as on the date of filing of this Red Herring Prospectus.

36. Our Promoters and the members of our Promoter Group will not participate in this Public Issue.
37. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Red Herring 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 during financial years ended March 31 2017, 2016, 2015, 2014 and 2013 and period ended March31, 2018 please refer to paragraph titled "Details of Related Parties Transactions as Restated" in the chapter titled *"Financial Statements as restated"* on page 183 of the Red Herring Prospectus.
39. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated above in this chapter and also in the chapter titled *"Our Management"* beginning on page 163 of the Red Herring Prospectus.

## OBJECTS OF THE ISSUE

**Requirement of Funds**

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be Rs. [●] lakhs (the "**Net Proceeds**").

We intend to utilize the Net Proceeds towards the following objects:

1. Purchase of New Plant & Machinery
2. Funding the working capital requirements of the Company
3. General corporate purposes.

(Collectively, herein referred to as the "**Objects**")

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.

Also, we believe that the listing of Equity Shares will enhance our Company's corporate image, brand name and create a public market for our Equity Shares in India.

### ISSUE PROCEEDS

The details of the proceeds of the Issue are set out in the following table:

*(Rs in lakhs)*

| Particulars | Estimated amount |
|---|---|
| Gross Proceeds for the Issue | [●] |
| (Less) Issue related expenses | [●] |
| **Net Proceeds** | [●] |

### UTILISATION OF NET PROCEEDS

The Net Proceeds are proposed to be used in the manner set out in in the following table:

*(Rs in lakhs)*

| Sr. No. | Particulars | Amount to be financed from Net Proceeds of the Issue(Rs. in lakhs) | Percentage of Gross Proceeds | Percentage of Net Proceeds |
|---|---|---|---|---|
| 1. | Purchase of New Plant & Machinery | 162.95 | [●] | [●] |
| 2. | Funding the working capital requirements of the Company | 625.00 | [●] | [●] |
| 3. | General corporate purposes* | [●] | [●] | [●] |

**To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.*

**Schedule of Implementation and Deployment of Funds**

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Red Herring Prospectus, our Company had not deployed any funds towards the objects of the Issue.

(*Rs. In lakhs*)

| Sr. No. | Particulars | Amount to be funded from the Net Proceeds | Estimated Utilisation of Net Proceeds (Financial Year 2018) | Estimated Utilisation of Net Proceeds (Financial Year 2019) |
|---|---|---|---|---|
| 1. | Purchase of New Plant & Machinery | 162.95 | - | 162.95 |
| 2. | Funding the working capital requirements of our Company | 625.00 | - | 625.00 |
| 3. | General corporate purposes* | [●] | - | [●] |

**To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.*

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

**Means of Finance**

Purchase of new plant and machinery will be funded entirely through net proceeds of the issue. The working capital requirements under our Objects will be met through the Net Proceeds to the extent of Rs. 625.00 lakhs and balance through internal accruals/ net worth and bank finance.

*(Rs in lakhs)*

| Objects of the Issue | Amount Required | IPO Proceeds | Internal Accruals/ Net worth/ | Short Term Bank Loan |
|---|---|---|---|---|
| Purchase of New Plant & Machinery | 162.95 | 162.95 | - | - |
| Funding the working capital requirements of Our Company | 2,564.29 | 625.00 | 939.29 | 1,000.00 |
| General corporate purposes | [●] | [●] | - | - |

Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the Book Running Lead Manager or appraised by any bank, financial institution or any other external agency. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

**Details of the Objects**

1. **Purchase of New Plant & Machinery**

We are currently have a manufacturing facility situated at Neemuch, Madhya Pradesh to process different variety of seeds. We intend to purchase new plant & machinery to increase our existing capacity as well as to improve the quality of the seeds. We propose to utilize an aggregate of Rs. 162.95 lakhs from the net proceeds of the issue towards purchase of new plant & machinery.

**Estimated Cost**

The total estimated cost of New Plant & Machinery is Rs. 162.95 lakhs. The total cost for setting up of additional manufacturing facility has been estimated by our management in accordance with our business plan approved by our Board of Directors pursuant to its meeting dated March 14, 2018 and quotations received from third party suppliers.

The detailed list of plant & machinery to be acquired by the company is:

| Sr. No. | Particulars | Quantity/ Weight/ Area | Amount (Rs. In Lakhs) | Suppliers | Date of Quotation |
|---|---|---|---|---|---|
| 1. | Fowler Westrup Fine Cleaner | 1 | 9.50 | Nimbark Marketing | January 18, 2018 |
| 2. | Destoner Satake | 1 | 8.00 | | |
| 3. | Fowler Westrup Gravity Sepretor | 1 | 8.50 | | |
| 4. | Satake Color Sorter Machine | 1 | 58.00 | | |
| 5. | MTR | 1 | 3.85 | | |
| 6. | Elevators | 8 | 10.00 | | |
| 7. | Local Fabrication (Platform, Tanks, Cyclones, Pipes ) | 25 | 12.50 | | |
| 8. | Blower Plant | 1 | 1.55 | | |
| 9. | Blower Color Sorter | 1 | 0.65 | | |
| 10. | Blower Destoner | 1 | 1.55 | | |
| 11. | Cyclone & Air Lock Fine Cleaner & Blower | 2 | 1.00 | | |
| 12. | CVCF | 1 | 0.70 | | |
| 13. | Ducting & Husk Piping | 1 | 2.50 | | |
| 14. | Air Compressor With Piping | 1 | 6.00 | | |
| 15. | Electricals (Panel & Cable) | NA | 4.00 | | |
| 16. | Cabin Color Sorter | 1 | 0.50 | | |
| 17. | Plant Fabrication | NA | 4.00 | | |
| 18. | AC | 1 | 0.50 | | |
| 19. | Elevator 20' ht with aspirator system. Consists of Blower & Cyclone | 1 | 1.25 | Shree Laxmi Vijay Iron & Brass Factory* | January 29, 2018 |
| 20. | Elevator 16' Long | 7 | 2.80 | | |
| 21. | Round Sieve | 1 | 1.20 | | |
| 22. | C.F.Sieve | 1 | 1.80 | | |
| 23. | MTR with aspirator, cyclone & blower | 2 | 5.60 | | |
| 24. | Destoner with blower & cyclone | 1 | 2.60 | | |
| 25. | Gravity Separator | 1 | 1.50 | | |

| Sr. No. | Particulars | Quantity/ Weight/ Area | Amount (Rs. In Lakhs) | Suppliers | Date of Quotation |
|---|---|---|---|---|---|
| 26. | Structure (Rs.100 per Kg) (ApproxApprox. Wt. 12000 Kg) | 12,000 Kg. | 12.00 | | |
| 27. | Screw Conveyer | 30 Foot | 0.90 | | |
| | **Total** | | **162.95** | | |

* The above quotation Shree Laxmi Vijay Iron & Brass Factory is exclusive of erection charges. Erection charges, lodging and boarding arrangements charges of erection team would be met through internal accruals

No second-hand machinery or material is proposed to be purchased out of the aforesaid objects. The abovementioned Plant & Machinery is proposed to be acquired in a ready-to use condition.

We have not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the machinery at the same costs. The quantity of the machinery is based on the estimates of our management. Our Company shall have the flexibility to deploy the machinery and material at additional manufacturing facility, according to the business requirements of such facility, which are dynamic, which may evolve with the passage of time and based on the estimates of our management.

Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above.

**2. Funding the working capital requirements of our Company**

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth and financing from various banks. As on March 31, 2017 and March 31, 2018, the amount outstanding on our Company's fund based working capital facility was Rs. 1,329.99 lakhs and Rs. 1,218.54 lakhs respectively as per restated standalone financial statements. As on March 31, 2018, our sanctioned working capital facilities comprised of fund based limit of Rs. 2,075.00 lakhs. For further details, please refer to the chapter titled *"Financial Indebtedness"* beginning on page 200 of this Red Herring Prospectus.

Our Company's existing working capital requirement and funding on the basis of Restated Financial Information as of March 31, 2017 and March 31, 2018:

*Amount* (Rs. in lakhs)

| Particulars | March 31, 2017 | March 31, 2018 |
|---|---|---|
| **Current Assets** | | |
| Inventories | | |
| -Raw material | 1,058.77 | 1,135.92 |
| -Finished goods | 432.33 | 623.36 |
| Trade Receivables | 619.61 | 493.65 |
| Cash and Bank Balances | 398.84 | 68.46 |
| Short Term Loans & Advances | 38.34 | 307.37 |
| **Total (A)** | **2,547.89** | **2,628.76** |
| | | |
| **Current Liabilities** | | |
| Trade Payables | 10.24 | 50.08 |
| Other Current Liabilities & Short Term Provisions | 724.31 | 672.04 |
| **Total (B)** | **734.55** | **722.12** |
| | | |
| **Total Working Capital (A)-(B)** | **1,813.34** | **1,906.64** |
| | | |
| Existing Funding Pattern | | |
| Working Capital facilities from Banks | 1,329.99 | 1,218.54 |
| Internal accruals/Net Worth | 483.35 | 688.10 |

**Basis of estimation of working capital requirement**

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated May 15, 2018 has approved the business plan for the Fiscal 2019. The projected working capital requirements for Fiscal 2019 is stated below:

*Amount (Rs. in lakhs)*

| Particulars | March 31, 2019 (Estimated) |
|---|---|
| **Current Assets (A)** | |
| Inventories | |
| -Raw material | 1,221.00 |
| -Finished goods | 697.88 |
| Trade Receivables | 799.49 |
| Cash and Bank Balances | 98.25 |
| Short term Loans & Advances | 405.11 |
| **Total (A)** | **3,221.73** |
| | |
| **Current Liabilities (B)** | |
| Trade Payables | 61.37 |
| Other Current Liabilities & Short term Provision | 596.07 |
| **Total (B)** | **657.44** |
| | |
| **Total Working Capital (A)-(B)** | **2,564.29** |
| | |
| **Funding Pattern** | |

| Particulars | March 31, 2019 (Estimated) |
|---|---|
| IPO Proceeds | 625.00 |
| Working capital facilities from bank | 1000.00 |
| Internal accruals/Net Worth | 939.29 |

**Assumption for working capital requirements**

*(In months)*

| Particulars | Holding Level for March 31, 2017 | Holding Level for March 31, 2018 | Holding Level for March 31, 2019 (Estimated) |
|---|---|---|---|
| **Current Assets** | | | |
| Raw material | 3.58 | 3.05 | 3.00 |
| Finished Goods | 1.21 | 1.51 | 1.50 |
| Trade Receivables | 1.74 | 1.23 | 1.75 |
| **Current Liabilities** | | | |
| Trade Payables | 0.04 | 0.13 | 0.15 |

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

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

| **Assets- Current Assets** | |
|---|---|
| Inventories | **Raw Material-** We have assumed raw material Inventory period of 3.00 months for the fiscal 2018-19 which is slightly lower than FY 2017-18 as we intend to increase our production which would result into faster clearance of our raw material inventory.<br>**Finished Goods-** We have assumed finished goods inventory of 1.50 months for fiscal 2018-19 as against 1.51 months for fiscal 2017-18 as we aim to increase our finished goods turnover and therefore, intend to quickly sell the finished goods. |
| Trade receivables | Since, we are proposing our initial public offering in the financial year 2018-19, we would be able to fund part of our increased estimated working capital requirements from the issue proceeds and therefore, we intend to liberalise our credit policy from 1.23 months in the financial year 2017-18 to 1.75 months in the financial year 2018-19. |
| **Liabilities–Current Liabilities** | |
| Trade Payables | In FY 2018-19, the credit period is expected to be 0.15 month as going forward we to avail better credit terms from the creditors. |

Our Company proposes to utilize Rs. 625.00 lakhs of the Net Proceeds in Fiscal 2019 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2019 will be arranged from existing Bank loans and internal accruals/ networth.

Pursuant to the certificate dated May 16, 2018, M/s Bharat Kumar Agarwal & Co, Chartered Accountants, have verified the working capital requirements for the Financial Years 2017 and 2018 from the Restated

Financial Information and working capital estimates for the financial year 2019 as approved by the Board pursuant to its resolution dated May 15, 2018.

**3. General Corporate Purposes**

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

(i) strategic initiatives

(ii) brand building and strengthening of marketing activities; and

(iii) on-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head "General Corporate Purposes" and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

## 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. [●] Lakhs.

| Expenses | Expenses (Rs. in Lakhs)* | Expenses (% of total Issue expenses) | Expenses (% of Gross Issue Proceeds) |
|---|---|---|---|
| Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc. | [●] | [●] | [●] |
| Regulatory fees | [●] | [●] | [●] |
| Marketing and Other Expenses | [●] | [●] | [●] |
| **Total estimated Issue expenses** | [●] | [●] | [●] |

***As on May 21, 2018 our Company has incurred Rs.34.53 Lakhs towards Issue Expenses out of internal accruals.***

***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 on successful allotment.*

*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 10/- 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.*

## BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance project requirements until the completion of the Issue. Any

amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance project requirements 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 utilization 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 10,000 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 Red Herring 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 authorized 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 Net Proceeds will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel or Group Companies, except in the normal course of business and in compliance with applicable law.

## BASIS FOR ISSUE PRICE

*Since our Company has been incorporated on December 01, 2017 through conversion of partnership firm M/s Oswal Seeds and Chemicals, this chapter has been prepared on the basis of financial information of partnership firm for the period April 01, 2015 to November 30, 2017 and financial information of the company for the period December 01, 2017 to March 31, 2018, restated in accordance with the Indian GAAP and SEBI (ICDR) Regulations. For further details, see chapter titled "Our History and Certain Other Corporate Matters" beginning on page 159 of this Red Herring Prospectus.*

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager, on the basis of an assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer sections titled *"Risk Factors"* and *"Financial Statements"* and chapter titled *"Our Business"* beginning on pages 19, 183, and 133 respectively of this Red Herring Prospectus, to have an informed view before making an investment decision. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS

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

- Diverse portfolio of seed products;
- Strong distribution network across various geographies in India;
- Experienced management and dedicated employee base;
- Accredited with ISO 22000:2005 Quality Certification; and
- Established Brand Image.

For further details, refer to heading *"Our Competitive Strengths"* under chapter titled *"Our Business"* beginning on page 133 of this Red Herring Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated standalone and consolidated financial statements of the Company for Financial Years ending on March 31, 2018, 2017 & 2016 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. **Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20 as adjusted for changes in capital:**

   On the basis of standalone restated financials:

| Year/ Period Ended | Basic & Diluted EPS (Rs.) | Weight |
|---|---|---|
| March 31, 2018 | 2.66* | 3 |
| March 31, 2017 | 1.66 | 2 |
| March 31, 2016 | 0.52 | 1 |
| **Weighted Average** | | **1.97** |

   On the basis of consolidated restated financials:

| Year/ Period Ended | Basic & Diluted EPS (Rs.) | Weight |
|---|---|---|
| March 31, 2018 | 3.48 | N.A** |
| March 31, 2016 | N.A** | N.A** |
| March 31, 2017 | N.A** | N.A** |

| Year/ Period Ended | Basic & Diluted EPS (Rs.) | Weight |
|---|---|---|
| **Weighted Average** | | N.A** |

**EPS for the period from April 01, 2017 to November 30, 2017 pertaining to the Partnership Firm prior to its conversion under Section 366 of Companies Act, 2013 and EPS for the period December 01, 2017 to March 31, 2018 post its conversion into company have been combined and presented as EPS (on standalone basis) for the year ended March 31, 2018.*

***Since our Company became partner in M/s Oswal Psyllium Export (Oswal Psyllium Export was converted into a ShreeOswal Psyllium Export India Limited on February 28, 2018) in the financial year 2017-18, restated consolidated financial statements have been prepared for the period December 01, 2017 to March 31, 2018 only, and therefore, Basic & Diluted EPS for FY 2016-17 and 2015-16 and weighted average EPS on consolidated basis are not applicable.*

**Note:**

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. Restated weighted average number of equity shares has been computed as per AS-20. The face value of each Equity Share is Rs. 10/-. Basic EPS is Net profit attributable to equity shareholders divided by Weighted Average Number of Equity Shares outstanding during the year/ period.

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

| Based on Restated Standalone Financials | | |
|---|---|---|
| **Particulars** | **P/E at the lower end of Price band (no. of times)** | **P/E at the higher end of Price band (no. of times)** |
| P/E ratio based on Basic & Diluted EPS for FY 2016-17 | [●] | [●] |
| P/E ratio based on Weighted Average Basic & Diluted EPS | [●] | [●] |
| **Based on Restated Consolidated Financials** | | |
| **Particulars** | **P/E at the lower end of Price band (no. of times)** | **P/E at the higher end of Price band (no. of times)** |
| P/E ratio based on Basic & Diluted EPS for FY 2016-17 | [●] | [●] |
| P/E ratio based on Weighted Average Basic & Diluted EPS | [●] | [●] |
| **Industry*** | | |
| Highest | 43.48 | |
| Lowest | 16.67 | |
| Average | 30.85 | |

**Industry Composite comprises of Kaveri Seed Company Limited, Mangalam Seeds Limited and Monsanto India Limited.*

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

On the basis of standalone restated financials:

| Year/ Period Ended | RoNW (%) | Weight |
|---|---|---|
| March 31, 2018 | 15.83* | 3 |
| March 31, 2017 | 16.92 | 2 |
| March 31, 2016 | 6.61 | 1 |
| **Weighted Average** | | 14.66 |

On the basis of consolidated restated financials:

| Year/ Period Ended | RoNW (%) | Weight |
|---|---|---|
| March 31, 2018 | 19.95% | N.A** |
| March 31, 2017 | N.A** | N.A** |
| March 31, 2016 | N.A** | N.A** |
| **Weighted Average** | | N.A** |

**RoNW on standalone basis for the period ended March 31, 2018 has been computed by dividing the combined profit after tax for the period April 01, 2017 to November 30, 2017 pertaining to partnership firm prior to its conversion under Section 366 of Companies Act, 2013 and profit after tax for the period December 01, 2018 to March 31, 2018 post its conversion into company with networth of the Company as on March 31, 2018.*

***Since Our Company became partner in M/s Oswal Psyllium Exports (Oswal Psyllium Export was converted into a ShreeOswal Psyllium Export India Limited on February 28, 2018) in the financial year 2017-18, restated consolidated financial statements have been prepared for the period December 01, 2017 to March 31, 2018 only, and therefore RoNW for FY 2016-17 and 2015-16 and weighted average RoNW on consolidated basis is not applicable.*

**Note**:

The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year/period. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding revaluation reserves, if any) of our Company.

**4. Minimum Return on Total Net Worth Post Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2018:**

On the basis of standalone restated financials:

**To maintain pre-issue basic EPS**

a. At the floor price – [●]%
b. At the cap price – [●]%

**To maintain pre-issue diluted EPS**

a. At the floor price – [●]%
b. At the cap price – [●]%

On the basis of consolidated restated financials:

**To maintain pre-issue basic EPS**

a. At the floor price – [●]%
b. At the cap price – [●]%

**To maintain pre-issue diluted EPS**

a. At the floor price – [●]%
b. At the cap price – [●]%

5. **Net Asset Value (NAV) per Equity Share:**

| NAV per Equity Share | Based on Standalone Restated Financial Statements |
|---|---|
| Net Asset Value per Equity Share as of March 31, 2018 | 10.64 |
| Net Asset Value per Equity Share after the Issue-At Floor Price | [●] |
| Net Asset Value per Equity Share after the Issue-At Cap Price | [●] |
| Issue Price per equity share | [●] |

| NAV per Equity Share | Based on Consolidated Restated Financial Statements |
|---|---|
| Net Asset Value per Equity Share as of March 31, 2018 | 10.78 |
| Net Asset Value per Equity Share after the Issue-At Floor Price | [●] |
| Net Asset Value per Equity Share after the Issue-At Cap Price | [●] |
| Issue Price per equity share | [●] |

**Note-** Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year. Net worth is calculated as sum of Equity Share Capital and Reserves and Surplus (excluding revaluation reserves) less miscellaneous expenditure not written off, as at the end of respective year/ period.

***6.* Comparison with other listed industry peers:**

| Companies | CMP* | EPS (Basic and Diluted) | PE Ratio | RONW (%) | NAV (Per Share) | Face Value (Per Share) | Total Income (In Lakhs) |
|---|---|---|---|---|---|---|---|
| ShreeOswal Seeds and Chemicals Limited | [●] | 2.66 | [●] | 15.83 | 10.64 | 10.00 | 4861.06 |
| **Peer Group**** | | | | | | | |
| Kaveri Seed Company Limited | 493.90 | 11.36 | 43.48 | 7.83 | 145.14 | 2.00 | 70,424.00 |
| Mangalam Seeds Limited | 99.70 | 5.98 | 16.67 | 13.27 | 42.86 | 10.00 | 3,023.66 |
| Monsanto India Limited | 2770.40 | 85.48 | 32.41 | 27.86 | 306.79 | 10.00 | 65,416.00 |

**CMP for our Company is considered as Issue Price*
***Source: www.bseindia.com*

**Notes:**

- Considering the nature and size of business of our Company the peers are not strictly comparable. However, same have been included for broad comparison;
- The figures for ShreeOswal Seeds and Chemicals Limited are based on the standalone restated financial results for the year ended March 31, 2018;
- The figures for the peer group are based on standalone audited results for the year ended March 31, 2017;
- EPS for the period from April 01, 2017 to November 30, 2017 pertaining to the Partnership Firm prior to its conversion under Section 366 of Companies Act, 2013 and EPS for the period from December 01, 2017 to March 31, 2018 post its conversion into company have been combined and presented as EPS (on standalone basis) for the year ended March 31, 2018.
- Current Market Price (CMP) is the closing prices of respective scripts as on May 18, 2018;
- NAV is computed as the closing net worth divided by the closing outstanding number of paid up equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves and miscellaneous expenditure). While calculating net worth of Kaveri Seeds Company Limited, balance of Other Comprehensive Income has not been considered as part of net worth.
- P/E Ratio has been computed based on the closing market price of equity shares on May 18, 2018, sourced from websites of BSE, divided by the Basic EPS;
- RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves and miscellaneous expenditure). While calculating net worth of Kaveri Seeds Company Limited, balance of Other Comprehensive Income has not been considered as part of net worth.
- The Issue Price of Rs. [●]/- per Equity Share will be determined by our Company in consultation with the BRLM and is justified based on the above accounting ratios. ShreeOswal Seeds and Chemicals

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 see section titled *"Risk Factors"* beginning on page 19 and the financials of the Company including profitability and return ratios, as set out in the section titled *"Financial Statements"* beginning on page 183 of this Red Herring Prospectus for a more informed view.

## STATEMENT OF POSSIBLE TAX BENEFIT

**To**
**The Board of Directors**
**Shreeoswal Seeds and Chemicals Limited**
**Oswal House, Opposite Balkavibairagi College**
**Nasirabad Highway, Village Kanwati,**
**Neemuch, Madhya Pradesh - 458441**

Dear Sirs,

**Sub: Statement of possible special tax benefits ("the Statement") available to Shreeoswal Seeds and Chemicals Limited ('the Company") and its shareholders prepared in accordance with the requirements in Schedule VIII-Clause (VII) (L) of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ("the Regulations")**

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act') as amended by the Finance Act, 2018 (i.e applicable to Financial Year 2018-19 relevant to Assessment Year 2019-20), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

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 have been/would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

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

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

The enclosed annexure is intended for your information and for inclusion in the Drafft Red Herring Prospectus /Red Herring Prospectus / Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

**For R T Jain & Co. LLP**

**Chartered Accountants**
**FRN - 103961W/ W100182**

**(CA Bankim Jain)**
**Partner**
**Membership No. – 139447**

**Mumbai, May 14, 2018**

## ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY 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 2018-19.

### A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

The Company is not entitled to any special tax benefits under the Act.

### B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

## 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 Red Herring Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Statements" and related notes beginning on page 19 and 183 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.*

### INTRODUCTION TO AGRICULTURE SECTOR IN INDIA

At 157.35 million hectares, India holds the second largest agricultural land in the world. With 20 agri-climatic regions, all 15 major climates in the world exist in India. India is the largest producer of spices, pulses, milk, tea, cashew and jute; and the second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds. Further, India is second in global production of fruits and vegetables, and is the largest producer of mango and banana. It also has the highest productivity of grapes in the world.

Total food grains production in India reached an all-time high of 275.68 million tonnes (MT) in FY17 (as per 4th Advance Estimates). During 2017-18 crop year, food grain production is expected to reach a record 277.49 million tonnes. Rice and wheat production in the country stood at 110.15 MT and 98.38 MT, respectively as on FY17. Milk production was estimated at 165.4 million tonnes during FY17, while meat production was 7.4 million tonnes. India is among the 15 leading exporters of agricultural products in the world. Agricultural exports from India reached US$ 28.28 billion during April-December 2017.

The Government plans to revamp the old model Agriculture Produce Marketing Committee Act (APMC Act) and carve out the provisions on contract farming into a separate law to form a new Contract Farming Act. The Electronic National Agriculture Market (eNAM) was launched in April 2016 to create a unified national market for agricultural commodities by networking existing Agriculture Produce Marketing Committees (APMCs). Under Union Budget 2018-19, an Agri-Market Infrastructure Fund was announced to develop and upgrade the infrastructure in 22,000 Grameen Agricultural Markets (GrAMs) and 585 APMCs. Minimum wage for unskilled agricultural labour in C-class towns in central sphere has been fixed at US$ 5.28 (Rs 350) per day by the Government, effective from November 2016.

The Government of India has introduced several projects to assist the agriculture sector. They are Pradhanmantri Gram Sinchai Yojana: The scheme aims to irrigate the field of every farmer and improving water use efficiency to achieve the motto `Per Drop More Crop'. Overall the scheme ensures improved access to irrigation. Around 285 new irrigation projects will be undertaken in 2018 to provide irrigation for 18.8 million hectares of land. As per Union Budget 2018-19 the scheme has been allocated US$ 401.6 million. Paramparagat Krishi Vikas Yojana (PKVY): The scheme aims to motivate groups of farmers to take up organic farming.

*(Source: Agriculture in India January 2018 - India Brand Equity Foundation - www.ibef.org)*

### INTRODUCTION TO INDIAN SEED INDUSTRY

Seed is the basic and most critical input for sustainable agriculture. The response of all other inputs depends on quality of seeds to a large extent. It is estimated that the direct contribution of quality seed alone to the total production is about 15 – 20% depending upon the crop and it can be further raised up to 45% with efficient management of other inputs. The developments in the seed industry in India, particularly in the last 30 years, are very significant. A major re-structuring of the seed industry by Government of India through the National Seed Project Phase-I (1977-78), Phase-II (1978-79) and Phase-III (1990-1991), was carried out, which strengthened the seed infrastructure that was most needed and relevant around those times. This could be termed as a first turning point in shaping of an organized seed industry. Introduction of New Seed Development Policy (1988 – 1989) was yet another significant mile

stone in the Indian Seed Industry, which transformed the very character of the seed industry. The policy gave access to Indian farmers of the best of seed and planting material available anywhere on the world. The policy stimulated appreciable investments by private individuals, Indian Corporate and MNCs in the Indian seed sector with strong R&D base for product development in each of the seed companies with more emphasis on high value hybrids of cereals and vegetables and hi-tech products such as Bt. Cotton. As a result, farmer has a wide product choice and seed industry today is set to work with a 'farmer centric' approach and is market driven. However, there is an urgent need for the State Seed Corporations also to transform themselves in tune with the industry in terms of infrastructure, technologies, approach and the management culture to be able to survive in the competitive market and to enhance their contribution in the national endeavour of increasing food production to attain food & nutritional security.

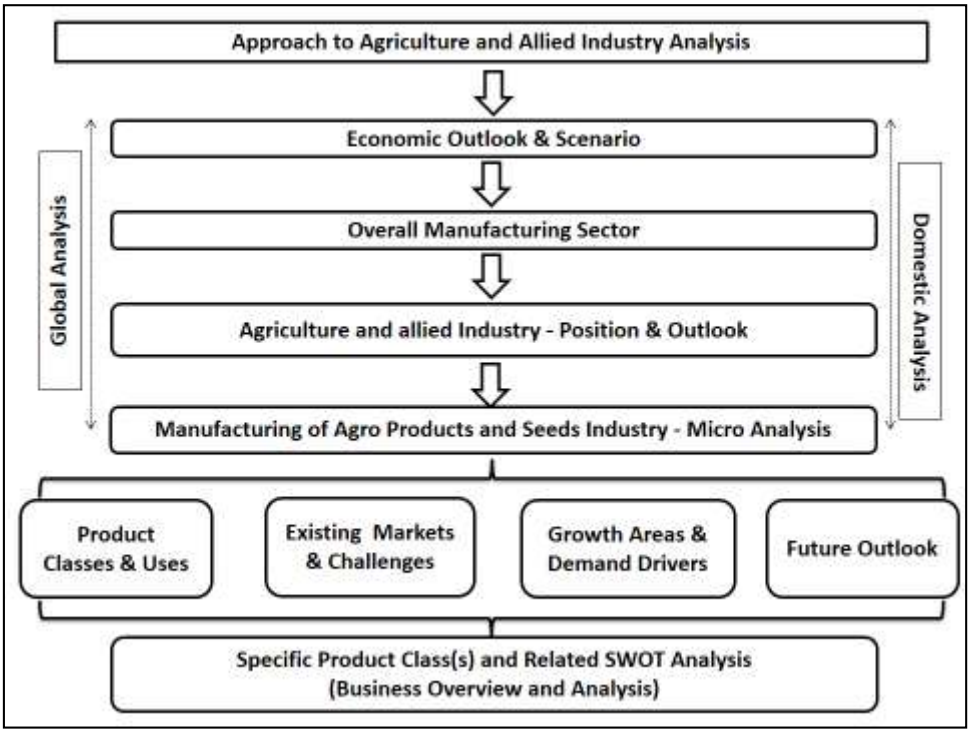
(Source: Indian Seed Sector – Seednet India Portal www.seednet.gov.in)

## APPROACH TO AGRICULTURE AND ALLIED INDUSTRY ANALYSIS

Analysis of Agriculture and allied Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Agriculture and Allied Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of Manufacturing Sector should be at preface while analysing the Agriculture and Allied 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 "Agriculture and Allied Industry" which in turn encompasses Manufacturing of food grains and seeds segment.

Thus, Manufacturing of food grains and seeds segment should be analysed in the light of 'Agriculture and Allied Industry' at large. An appropriate view of Agriculture and Allied Industry, then calls for the analysis of overall economic outlook and scenario, performance and expectations of manufacturing sector, 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 Agriculture and Allied Industry and / or any other industry, may entail legal consequences.*

## GLOBAL ECONOMIC OVERVIEW

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries

experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach $61 per barrel by the end of the year.

Even as global growth and commodity prices have surged, inflation has remained remarkably quiescent, remaining below 2 percent in the main advanced regions. Consequently, monetary policies in the US, Eurozone and Japan have remained highly accommodative despite a strong recovery. These unusual settings—rapid growth, ultra-low interest rates—at a late stage in the economic cycle have produced the rarest of combinations: record-high high bond prices and stock market valuations, both at the same time. The consensus forecast calls for these conditions to be sustained in 2018, as companies respond to buoyant demand conditions by stepping up investment, some governments (such as the US) embark on expansionary fiscal policies, while advanced country monetary policies remain stimulative and world trade continues to grow briskly.

What are the risks? Of course, there are the usual geo-political and geo-economic risks: war in the Korean peninsula; political upheaval in the Middle East; aggressive output cuts by Saudi Arabia (and Russia) in advance of the planned listing of the Saudi Arabian oil company, Aramco, which could force oil prices even higher; a final reckoning from China's unprecedented credit surge in the form of capital controls, slowdown in growth, and a sharply depreciating currency with consequences for the global economy (Economic Survey, 2016-17, Chapter 1); and trade tensions that could lead to skirmishes, and then spiral out of control. But perhaps the main risks lie on the macro-finance front in advanced economies. These stem from three, inter-related, sources:

- Asset valuations (price-equity ratios) tend to revert to their mean. And the faster and higher they climb, especially so late in the economic cycle, the greater the risk of sharp corrections.
- Simultaneously high valuations of both bonds and equities tend to be briefly lived because they suffer from an acute tension: if future earnings and economic growth are so bright, justifying high equity prices, interest rates cannot be forever so low.
- And if interest rates rise—or if markets even sense that central banks will need to shift their stance—both bond and equity prices could correct sharply. A plausible scenario would be the following. The IMF is now forecasting that advanced country output gaps will close in 2018 for the first time since the Global Financial Crisis. As this occurs, wages would start rising, eating into profits (which would prick equity valuations); and as inflation rises in tandem, policy makers would be forced into raising rates, deflating bond valuations and further undermining share prices.

What would happen to growth if asset prices correct? Surely, the impact would be far smaller than it was in 2007-09, because advanced countries are far less vulnerable than they were a decade ago. In particular, the leverage tied to these assets is much lower, which would minimize contagious propagation; while banks are much better buffered, with higher levels of capital and core deposits, and lower levels of risky assets.

Even so, there would be some consequences. For one, a large decline in wealth would force advanced country consumers to cut back on their spending, which in turn would lead firms to curtail their investments. And if this happens, monetary and fiscal policies would have much less room for expansionary manoeuvre since interest rates are already low while government debts are high. And the political implications of yet another decline in asset prices, the second in a decade, could also be significant, with effects that are difficult to imagine.

In sum, assessing future risks hinges on two calls: interest rate policy and asset valuations. On policy, extraordinarily low rates have, to paraphrase Paul Krugman, become "an obsession in search of a justification." Initially justified by the dislocations caused by the Global Financial Crisis, then by large output gaps, they are now defended on the grounds that inflation remains weak, even as the slack in product and labor markets is disappearing rapidly. Will the gathering new evidence on closing output gaps and rising employment dispel that obsession?

On valuations, the prognosticator must navigate a narrow strait: steering clear of the "Cry of Wolf" trap (bond prices will finally, finally correct, having defied the prediction of correction in each of the last several years), without succumbing to the siren call of "This Time is Different" (stock valuations are sustainable this time because interest rates will remain at historic lows).

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

## OVERVIEW OF INDIA'S ECONOMIC PERFORMANCE IN 2017-18

### Economic activity

The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP, gross capital formation (Figure 17) and exports.

Similarly, real non-food credit growth has rebounded to 4 percent in November 2017 on a year-on-year basis, while the squeeze on real credit to industry is abating (Figure 18). Moreover, the flow of nonbank resources to the corporate sector, such as bond market borrowing and lending by NBFCs, has increased by 43 percent (April-December 2017 compared to the same period a year ago), substituting in part for weak bank credit. Rural demand, proxied by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).

Figure 19. Sale of Motorcycles
(Seasonally adjusted, in thousands)

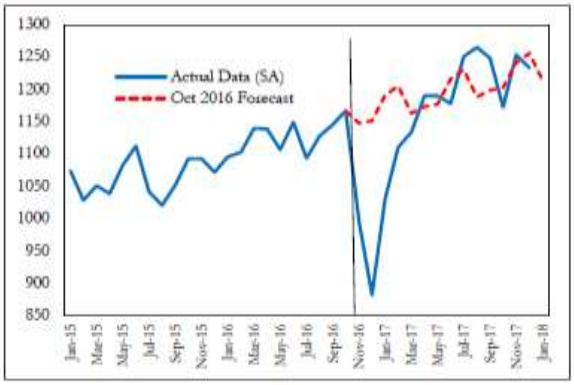
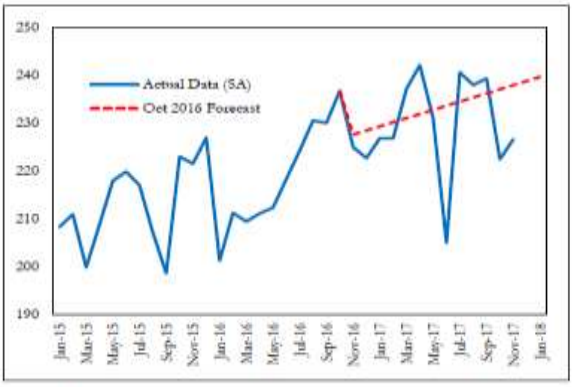



Figure 20. Sale of Passenger Cars
(Seasonally adjusted, in thousands)

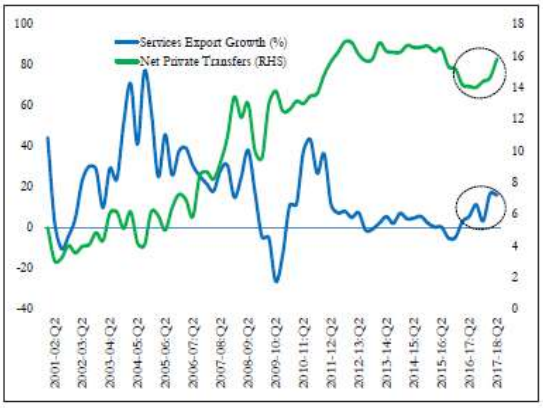



Source: Society for Indian Automobile Manufacturers, Survey calculations.

Perhaps most significantly, the behaviour of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6 percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).

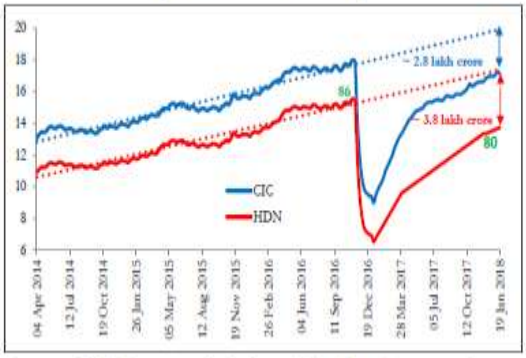
On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about Rs. 2.8 lakh Crores less cash (1.8 percent of GDP) and about Rs. 3.8 lakh Crores less high denomination notes (2.5 percent of GDP).

**Figure 21. Services Export Growth (percent) and Net Private Remittances (in US$ billion)**




Source: RBI, Survey calculations.

**Figure 22. Currency in Circulation (CIC) and High Denomination Notes (HDN) (In Rs. lakh crore)**




Source: RBI, Survey calculations; Numbers in green denote HDN as share of CIC.

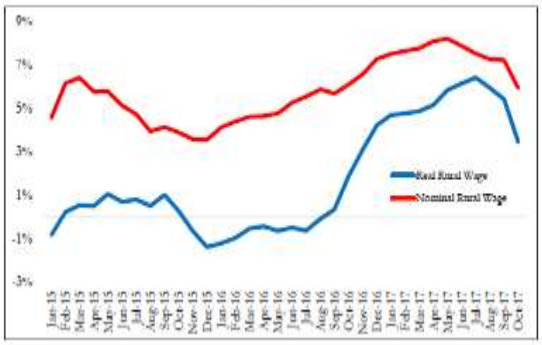
A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments at remains strong at 11.7 percent (April to November). Cyclical conditions may also lead to lower tax and non-tax revenues, which act as an automatic stabilizer.

All this said, while the direction of the indicators is positive, their level remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry is still in negative territory, and the growth in world trade remains less than half its level of a decade ago. Moreover, even though the cost of equity has fallen to low levels, corporates have not raised commensurate amounts of capital, suggesting that their investment plans remain modest (Box 6). In other words, the twin engines that propelled the economy's take-off in the mid-2000s – exports and investment – are continuing to run below take-off speed.

Meanwhile, developments in the agriculture sector bear monitoring. The trend acceleration in rural wages (agriculture and non-agriculture), which had occurred through much of 2016 because of increased activity on the back of a strong monsoon, seems to have decelerated beginning just before the kharif season of 2017-18 (Figure 23) but it is still greater than much of the last three years. Three crop-specific developments are evident. Sowing has been lower in both kharif and rabi, reducing the demand for labor. The acreage for kharif and rabi for 2017-18 is estimated to have declined by 6.1 percent and 0.5 percent, respectively. Pulses and oilseeds have seen an increase in sowing, but this has translated into unusually low farmgate prices (below their minimum support price, MSP), again affecting farm revenues. The so-called TOP perishables (tomatoes, onions, and potatoes) have meanwhile fluctuated between high and low prices, engendering income uncertainty for farmers.

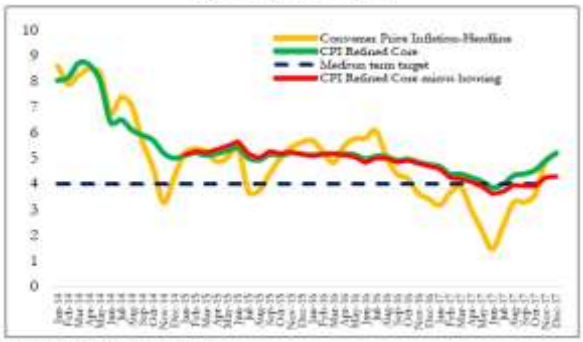
The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole is expected to be close to 6 3/4 percent. Given real GDP growth of 6 percent in the first half, this implies that growth in the second half would rebound to 7.5 percent, aided by favourable base effects, especially in the fourth quarter.

Figure 23. Real and Nominal Rural Wages Growth (percent, 3 month moving average)




Source: Labour Bureau, Survey calculations.

Figure 24. Inflation: CPI and Variants* (percent, year-on-year)




Source: MoSPI, Survey calculations.
*CPI Refined Core is obtained by stripping out the volatile food and fuel components.

Average CPI inflation for the first nine months has averaged 3.2 percent and is projected to reach 3.7 percent for the year as a whole. Thisimplies average CPI inflation in the last quarter of 5 percent, in line with the RBI's forecast. Therefore, the GDP deflator is expected to grow by 3.6 percent for 2017-18, somewhat higher than the CSO's forecast of 2.8 percent. Consequentially, nominal GDP growth is estimated at 10.5 percent, compared with the CSO's 9.5 percent estimate.

**Macroeconomic indicators**

After 13 months of continuously under-shooting the inflation target by an average of 130 basis points, headline inflation for the first time crossed the RBI's 4 percent target in November, posting a rate of 5.2 percent in December 2017 (Figure 24). The recent upswing in inflation stems from rising global oil prices (not all of which has been passed on to consumers), unseasonal increases in the prices of fruits and vegetables, and the 7th Pay Commission housing rent allowances, which mechanically increase inflation. Stripped of all these factors, underlying inflation has been increasing at a more modest pace, reaching 4.3 percent at end-December—in part because firms are passing the incidence of GST on to final consumers only gradually.

The current account deficit has also widened in 2017-18 and is expected to average about 1.5-2 percent of GDP for the year as a whole. The current account deficit can be split into a manufacturing trade deficit, an oil and gold deficit, a services deficit, and a remittances deficit (Figure 25). In the first half of 2017-18, the oil and gold balance has improved (smaller deficit of $47 billion) but this has been offset by a higher trade deficit ($18 billion) and a reduced services surplus ($37 billion), the latter two reflecting a deterioration in the economy's competitiveness.

Despite these developments, the overall external position remains solid. The current account deficit is well below the 3 percent of GDP threshold beyond which vulnerability emerges. Meanwhile, foreign exchange reserves have reached a record level of about $432 billion (spot and forward) at end-December 2017, well above prudent norms.

**Fiscal developments**

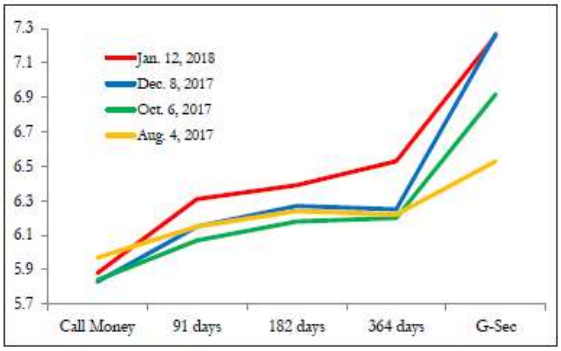
Bond yields have increased sharply (Figure 26) since August 2017, reflecting a variety of factors, including concerns that the fiscal deficit might be greater-than-budgeted, expectations of higher inflation, a rebound in activity that would narrow the output gap, and expectations of rate increases in the US. As a result, the yield curve has become unusually steep (Figure 27).

The fiscal deficit for the first eight months of 2017-18 reached 112 percent of the total for the year, far above the 89 percent norm (average of last 5 years), largely because of a shortfall in non-tax revenue, reflecting reduced dividends from government agencies and enterprises. Expenditure also progressed at a fast pace, reflecting the advancing of the budget cycle by a month which gave considerable leeway to the spending agencies to plan in advance and start implementation early in the financial year. Partially offsetting these trends will be disinvestment receipts which are likely to exceed budget targets.

Figure 26. 10-year G-sec Yields : India and US

Source: Bloomberg; RBI.

Figure 27. Yield Curve




Source: Bloomberg; RBI, Survey calculations.

GST revenue collections are surprisingly robust given that these are early days of such a disruptive change (See Box 7). Government measures to curb black money and encourage tax formalization, including demonetization and the GST, have increased personal income tax collections substantially (excluding the securities transactions tax). From about 2 percent of GDP between 2013-14 and 2015-16, they are likely to rise to 2.3 percent of GDP in 2017-18, a historic high. Precise estimates of the government's contribution to this improvement vary depending on the methodology used. An econometric exercise yields an estimate of Rs. 40,000 Crores over the two fiscal years of 2016-17 and 2017-18.3 Another based on comparing the difference in actual tax buoyancy in 2016-17 and 2017-18 over the previous seven-years' average buoyancy, yields an estimate of about Rs. 65,000 Crores (both exclude the 25,000 Crores collected under the Income Disclosure Scheme and Pradhan Mantri Garib Kalyan Yojana). Thus, the sum of all government efforts increased income tax collections, thus far, between Rs. 65,000 and Rs. 90,000 Crores. These numbers imply a substantial increase in reported incomes (and hence in formalization) of about 1.5 percent to 2.3 percent of GDP.

As a result of the budget overruns, the central government's fiscal deficit until November 2017 was Rs. 6.1 lakh crore compared to the budgeted Rs. 5.5 lakh crore. In contrast, state governments seem to be hewing closely to their targeted fiscal consolidation – in part because the centre has guaranteed them a large increase in their indirect tax take, as part of the GST agreement.

Reflecting largely fiscal developments at the centre, a pause in general government fiscal consolidation relative to 2016-17 cannot be ruled out. In addition, the measured deficit for 2017-18 will include Rs. 80,000 crore (0.5 percent of GDP) in capital provided to public sector banks. But this will not affect aggregate demand, as reflected in international accounting practice which deems such operations as financing ("below-the-line") rather than expenditure.

In the case of borrowing by the states, markets have perhaps inadequately taken into account the fact that higher market borrowings by them does not reflect higher deficits; rather about Rs. 50,000 crore or 0.3 percent of GDP of market borrowings is due to changes in the composition of financing, away from higher cost NSSF borrowings toward lower cost market borrowings. This lack of strict correspondence between the deficit and borrowings at the central and state levels (Figure 28) is discussed in greater detail in Box 8. For general government, about Rs. 40,000 Crores represents greater market borrowings that is not due to deficits—a fact which markets apparently have not internalized.

Another factor contributing to the rise in bond yields has been stepped-up Open Market Operations (OMO) by the RBI. This amounted to a net sale of about Rs. 90,000 Crores during April-December 2017-18 (compared to a net redemption of Rs. 1.1 lakh Crores during the same period in 2016-17) to sterilize the impact of foreign flows, themselves induced by high interest rates.

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

## OUTLOOK FOR 2018-19

The outlook for 2018-19 will be determined by economic policy in the run-up to the next national election. If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the world

economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

Consider the components of demand that will influence the growth outlook. The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26 percent per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices.

Private investment seems poised to rebound, as many of the factors exerting a drag on growth over the past year finally ease off. Translating this potential into an actual investment rebound will depend on the resolution and recapitalization process. If this process moves ahead expeditiously, stressed firms will be put in the hands of stronger ownership, allowing them to resume spending. But if resolution is delayed, so too will the return of the private cape cycle. And if this occurs public investment will not be able to step into the breach, since it will be constrained by the need to maintain a modicum of fiscal consolidation to head off market anxieties.

Consumption demand, meanwhile, will encounter different tugs. On the positive side, it will be helped by the likely reduction in real interest rates in 2018-19 compared to the 2017-18 average. At the same time, average oil prices are forecast by the IMF to be about 12 percent higher in 2018-19, which will crimp real incomes and spending—assuming the increase is passed on into higher prices, rather than absorbed by the budget through excise tax reductions or by the oil marketing companies. And if higher oil prices requires tighter monetary policy to meet the inflation target, real interest rates could exert a drag on consumption.

Putting all these factors together, a pick-up in growth to between 7 and 7.5 percent in 2018-19 can be forecasted, re-instating India as the world's fastest growing major economy. This forecast is subject to upside potential and downside risks. The biggest source of upside potential will be exports. If the relationship between India's exports and world growth returns to that in the boom phase, and if world growth in 2018 is as projected by the IMF, then that could add another ½ percentage point to growth.

Another key determinant of growth will be the implementation of the IBC process. Here timeliness in resolution and acceptance of the IBC solutions must be a priority to kick-start private investment. The greater the delays in the early cases, the greater the risk that uncertainty will soon shroud the entire IBC process. It is also possible that expeditious resolution may require the government to provide more resources to PSBs, especially if the haircuts required are greater than previously expected, the ongoing process of asset quality recognition uncovers more stressed assets, and if new accounting standards are implemented.

Persistently high oil prices (at current levels) remain a key risk. They would affect inflation, the current account, the fiscal position and growth, and force macroeconomic policies to be tighter than otherwise. One eventuality to guard against is a classic emerging market "sudden stall" induced by sharp corrections to elevated stock prices. (Box 9 suggests that India's stock price surge is different from that in other countries but does not warrant sanguine-ness about its sustainability.) Savers, already smarting from reduced opportunities in the wake of demonetization, from depressed gold prices, and from lower nominal interest rates, would feel aggrieved, leading to calls for action. Stock price corrections could also trigger capital outflows, especially if monetary policy unwinds less hesitantly in advanced countries and if oil prices remain high. Policy might then have to respond with higher interest rates, which could choke off the nascent recovery. The classic emerging market dilemma of reconciling the trade-off between macro-stability and growth could then play itself out.

A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable fiscal consolidation. However, setting overly ambitious targets for consolidation—especially in a pre-election year—based on optimistic forecasts that carry a high risk of not being realized will not garner credibility

either. Pragmatically steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

Against this overall economic and political background, economic management will be challenging in the coming year. If the obvious pitfalls (such as fiscal expansion) are avoided and the looming risks are averted that would be no mean achievement.

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

## GLOBAL MANUFACTURING SECTOR

### World manufacturing growth

World manufacturing growth accelerated in the third quarter of 2017, as economic recovery strengthened worldwide. Positive results re- ported in the First half of this year carried over into the third quarter. Steady progress over several consecutive quarters characterizes both industrialized and developing and emerging industrial economies, and prospects for sustained global industrial growth in forthcoming periods are good (Figure 1). For the first time in several years, industrial growth moved back to the positive zone in all of the major economies.

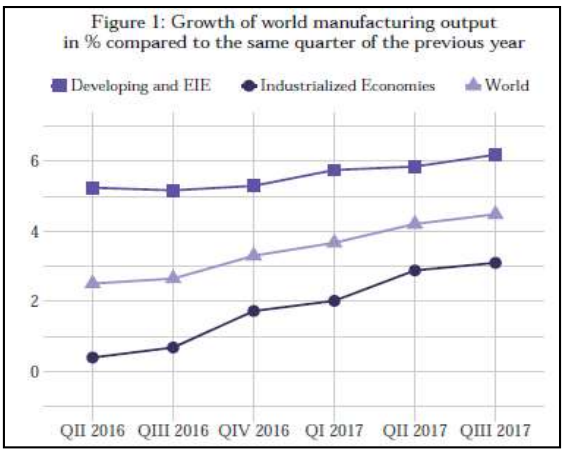
The driving forces behind the positive developments in global manufacturing were improving business conditions, rising consumer spending, promising investment plans directed towards developing economies and healthy external demand support activities. On the other hand, risks for global growth such as concerns where Brexit negotiations will lead to, changes in global trade arrangements or high geopolitical uncertainty have not yet dissipated.

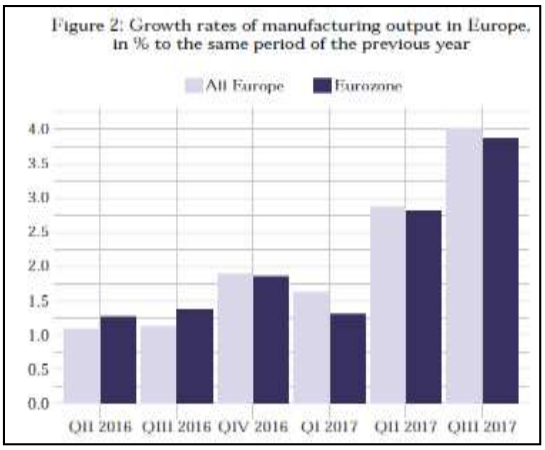
Global manufacturing output rose by 4.5 per cent in the third quarter of 2017 compared to the same period of the previous year .This impressive gain was based on an already strong growth throughout the first half of 2017. The disaggregated data points to the thriving performance of major industrialized economies with a significant share in global manufacturing output, namely the United States, Japan, Germany, the Republic of Korea, Italy as well as Brazil. The manufacturing output of China, the world's largest manufacturer, continued to register a high growth rate in the third quarter.

Industrialized economies as a whole exhibited record-breaking growth at 3.1 per cent in the third quarter of 2017 - the highest manufacturing output growth in a year-by-year comparison in the post-crisis period. Such growth was attributable to Europe's dynamic recovery, where a 4.0 per cent growth was achieved. East Asian industrialized economies experienced a healthy 4.5 per cent year-by-year upward trend and the nearly two-year consecutive slump has all but been forgotten. Relative lower growth was observed in the North America region, where manufacturing output expanded by a mere 1.4 per cent.

A reversal of negative trends in Argentina and Brazil has had a considerable impact on recovery in the Latin America region. Manufacturing output of the region rose by 2.5 per cent in the third quarter of 2017, which also resulted in an accelerated growth rate of developing and emerging industrial economies as a whole at 6.2 per cent. A relatively higher increase was achieved by Asia's developing economies with a 6.5 per cent expansion recorded in the third quarter on a year-to-year basis. The manufacturing production of African regions remained in the positive zone of high growth despite the weak foundation of these countries' manufacturing industries. According to UNIDO's latest estimates, African manufacturing experienced a 6.4 per cent year-to-year gain in the third quarter of 2017.

Entering the second half of the year 2017, recovery in global manufacturing has evolved from being relatively modest to becoming more dynamic. Improvements were recorded in both industrialized economies and developing and emerging industrial economies.




(Source: World Manufacturing Production- Statistics for Quarter III, 2017; United Nations Industrial Development Organisation - www.unido.org)

**Industrialized economies**

The manufacturing output of industrialized economies has followed a progressively improving upward trend over the last quarters. All industrialized regions, namely Europe, North America and East Asia, were characterized by robust dynamics in the third quarter and took a step towards a steady future.

The latest data revealed an acceleration of growth in the manufacturing sector of European economies during the third quarter of 2017 in a year-by-year comparison, beating expectations. Improved business and consumer confidence complemented by strong domestic and external demand resulted in new business and export orders. All of these factors provide tremendous opportunities to investors and signal that Europe's manufacturing sector is gradually stabilizing.

Taking a closer look at specific numbers, Europe's manufacturing sector as a whole stepped up production by 4.0 per cent in the third quarter of 2017, while the growth rate in the eurozone countries increased by 3.9 per cent compared to the same period of the previous year. In both cases, the result meant a 1.0 per cent jump from the previous quarter's results.

The major economies of the Eurozone recorded strong growth in the third quarter of 2017. Manufacturing output rose by 4.6 per cent in Germany, 3.8 per cent in Italy and 2.8 per cent in France comparing year-to-year developments. Spain, another leading Eurozone economy, achieved a 3.3 per cent growth rate. The manufacturing output of other economies of the single currency block seemingly remained healthy in the third quarter and continued on the trajectory of continuous improvement. The highest growth of over 8.0 per cent was observed in Slovenia and Lithuania. Among other economies, manufacturing output grew by 5.8 per cent in Austria, 4.7 per cent in Belgium, 5.2 per cent in Portugal and 3.8 per cent in Slovakia.

Among individual economies beyond the euro zone, the Swiss manufacturing sector experienced the strongest increase in the last 10 years and expanded sharply by 8.7 per cent compared to the same period of the previous year. The rapid surge from an upwardly revised 3.3 per cent gain in the previous quarter was primarily boosted by the manufacturing of pharmaceuticals and of computer, electronic and optical products. The manufacturing output in the United Kingdom rose by 2.7 per cent compared to the same period of the previous year. Another exceptionally positive result was observed in Sweden with a 5.8 per cent growth rate. Higher growth rates above 5.0 per cent were also observed in Czechia and Hungary.

North America's overall manufacturing growth was lower than in other industrialized regions at 1.4 per cent. The United States' manufacturers have recently picked up as the dollar dropped in value, making U.S. goods cheaper in foreign markets and boosting exports. However, a 1.2 per cent growth in the U.S.' total manufacturing production in the third quarter of 2017 represents a slight slowdown, given the performance of the U.S.' manufacturing sector in the second quarter. A solid performance was witnessed in Canadian manufacturing, where production expanded by 3.2 per cent.

Strong global growth continued to drive manufacturing activity in industrialized East Asian economies during the third quarter, leading the manufacturing production to expand by 4.5 per cent. Japan's manufacturing output rose by 4.7 per cent compared to the same period of the previous year. Despite the slightly lower figure in the third quarter, Japan has maintained an uninterrupted period of high growth for several consecutive quarters. Growth momentum strengthened in Malaysia, where manufacturing output recorded a 7.0 per cent increase in the third quarter of 2017. A particularly strong two-digit growth rate was observed in Singapore, while the Republic of Korea and Taiwan, Province of China's manufacturing production expanded only moderately by 1.4 per and 3.3 per cent, respectively. The manufacturing recovery in Russia remained largely on track in the third quarter of 2017, with a nearly 1.0 per cent expansion recorded on a year-to-year basis. A similar growth rate was also observed in Norway which further reduced its contraction rate.

(Source: World Manufacturing Production- Statistics for Quarter III, 2017; United Nations Industrial Development Organisation - www.unido.org)

**Developing and Emerging Industrial Economies**

The combination of good results in all developing and emerging industrial regions helped the developing and emerging industrial economies as a whole achieve a 6.2 per cent growth in the third quarter of 2017 (Figure 3). The recovery of Latin America continues unabated, the growth momentum is also largely holding up across the Asian economies and production in Africa is further promoting from boosted investor confidence.

Manufacturing activity in China has stabilized at the same pace of growth since the beginning of 2017 - a 7.3 per cent increase on a year-by-year basis. The development of advanced manufacturing industries and the new investment plan in the environment has led to an overall upgrade of China's manufacturing industry.

Latin America has made positive developments in the manufacturing sector, following the resumption of growth in the second quarter. Brazilian manufacturers are finally emerging from the deep recession with an upward trend of 2.8 per cent recorded in the third quarter of 2017. The largest expansion was observed in the manufacturing of motor vehicles, trailers and semi-trailers. Meanwhile, Argentina has overcome a severe decline in economic growth with the country's manufacturing activity recording a growth of 4.4 per cent – its best performance over the last six years. Looking at other countries in the region, Mexico's manufacturing production retained a positive increase of nearly 3.5 per cent, Chile recorded a moderate upturn of 1.5 per cent, while manufacturing output in Peru and Ecuador decreased in comparison to the same period of 2016.

An impressive growth rate was observed in Asia and the Pacific region. Viet Nam, one of Asia's fast growing economies, continued to attract sizeable foreign direct investment in-ows. Its manufacturing sector was supported by strong demand for electronics and retained a solid pace in the third quarter, expanding by 12.8 per cent. However, the long-term trajectory of double-digit year-to-year growth in manufacturing was interrupted at the beginning of 2017 due to weakened exports. A positive development in growth was also observed in Indonesia, where manufacturing production accelerated and registered a 5.5 per cent gain in the third quarter of 2017. Similarly, the slowed performance of India's manufacturing sector in the last quarter improved slightly, with a moderate 2.2 per cent increase. In Thailand, manufacturing output rose by 4.2 per cent, which was mainly supported by a higher output of the automotive industry. As regards the manufacturing output of other economies from the region, Pakistan and Mongolia performed well, but the Philippines and Jordan's manufacturing sector contracted in a year-by-year comparison.

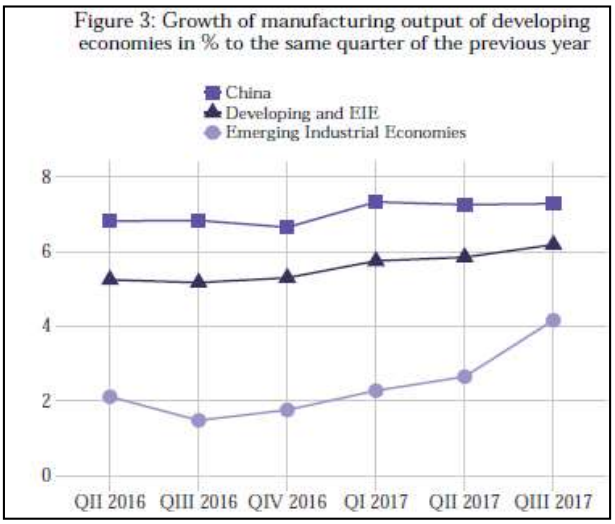
Among Africa's economies, South Africa, the region's most industrialized country, has been performing below its potential since the final quarter of 2016 and has entered a recession. Following three quarters of depressed manufacturing production in a row, South Africa's manufacturing sector showed marginal positive growth in the third quarter of 2017. However, its current growth is still too weak to project whether the recession will be overcome by the end of the year. Similarly, Tunisia's manufacturing output rose by 2.4 per cent following a period of contraction. A positive growth rate was also registered in Egypt and Morocco, while Senegal and Nigeria's manufacturing output fell compared to the same period of the

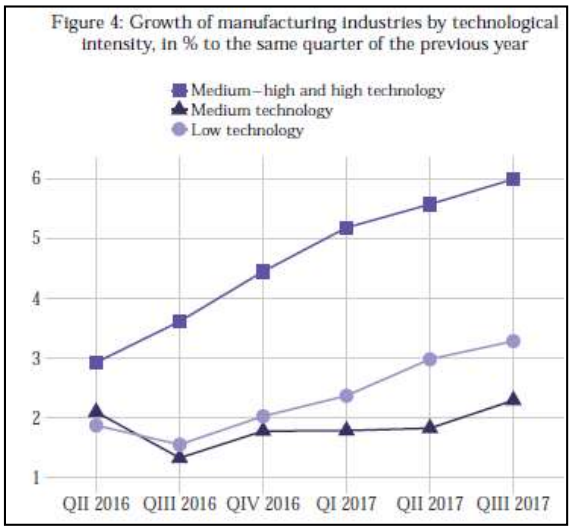
previous year. However, it should be noted that estimates for Africa are based on limited data, revealing high instability and volatility.

Among other developing economies, the manufacturing output of Eastern European countries registered relatively higher growth rates in the third quarter of 2017. Manufacturing output rose by 8.2 per cent in Poland, 4.7 per cent in Belarus, 5.8 per cent in Bulgaria, 8.5 per cent in Serbia and over 9.0 per cent in Romania, Latvia and Bosnia and Herzegovina. Turkey's manufacturing sector also performed well and exceeded 10.0 per cent growth rate.

**Key Findings - Global manufacturing Sector**

Global manufacturing production maintained a positive growth rate in all industries in the third quarter of 2017. Advanced manufacturing such as automation, robotics and digital products have been experiencing a steady expansion at the global level. Shifting from low technology to high technology manufacturing industries plays a key role in promoting innovation in the long term and, moreover, determines the positioning of economies within the global market. Therefore, the competition between advanced and emerging economies in high-tech leadership will be compelling and crucial for both groups. In the wake of the fourth industrial revolution, embracing emerging technologies brings global manufacturing production to a new level. The high growth rate in medium high and high technology industries observed in the third quarter of 2017 led to an increase in high value goods, indicating a high level of consumer confidence (Figure 4). UNIDO data largely support this pro-technology approach.



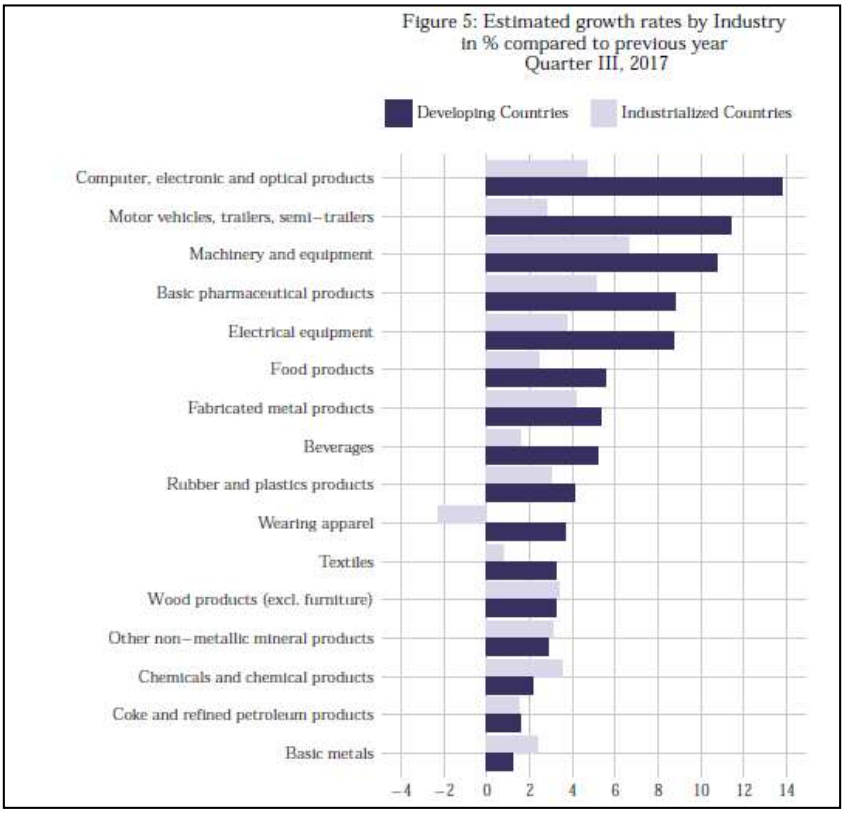

(Source: World Manufacturing Production- Statistics for Quarter III, 2017; United Nations Industrial Development Organisation - www.unido.org)

Medium high and high technology manufacturing industries have repeatedly held top positions when looking at year-by-year comparisons - these industries witnessed a 6.0 per cent growth rate, a record-breaking result in the last five years. When reviewing the individual top industries, the manufacturing of computers, electronics and optical products grew by 8.3 per cent, the production of machinery and equipment rose by 8.0 per cent, the manufacturing of pharmaceutical products by 6.7 per cent (which recorded a visibly accelerated growth rate compared to the results of the previous quarter), the production of electrical equipment by 6.1 per cent and the manufacturing of motor vehicles by 5.9 per cent. The production in all of the above- mentioned industries was dominated by developing and emerging industrial economies compared with industrialized economies (Figure 5).

As regards medium technology manufacturing industries, 2.3 per cent growth was registered worldwide in the third quarter of 2017. The global manufacturing of rubber and plastic products increased by 3.4 per cent in a year-by-year comparison, while the manufacturing of non-metallic mineral products recorded a growth rate of 3.0 per cent. The global manufacturing of basic metals rose at a moderate pace of 1.6 per cent.

In low technology manufacturing industries, overall global production rose by 3.3 per cent in the third quarter of 2017 compared to the same period of the previous year. The global manufacturing of fabricated metal products grew by 4.6 per cent, followed by the manufacturing of furniture with a 4.3 per cent increase. Relatively high growth rates were maintained worldwide in the production of basic consumer goods - the global manufacturing of food products rose by 3.8 per cent, beverages by 3.4 per cent and the global manufacturing of both textile and wearing apparel increased by slightly over 2.5 per cent. The growth rate of the manufacturing of paper products expanded by 2.4 per cent, while coke and refined petroleum products and printing remained below 2.0 per cent.

The growth rates for selected industries are presented below. Additional statistics on the growth rates in the third quarter of 2017 are available in the Statistical Tables.




(Source: World Manufacturing Production- Statistics for Quarter III, 2017; United Nations Industrial Development Organisation - www.unido.org)

## INDIAN MANUFACTURING SECTOR

### Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*.

### Market Size

The Gross Value Added (GVA) at basic constant (2011-12) prices from the manufacturing sector in India grew 7.9 per cent year-on-year in 2016-17, as per the first revised estimates of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

### Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power. Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US$ 72.31 billion during April 2000-September 2017. India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- Mahindra and Mahindra is planning to start operating a fleet of electric cabs and supplying parts to Electric Vehicle (EV) manufacturers.
- Grasim Industries has received clearance for expansion of its plant at Vilayat. The expansion will entail an investment of Rs 2,560 crore (US$ 396.8 million)
- Over 350 mobile charger factories are expected to be set up in India by 2025, on the back of the government's push to encourage production of battery chargers. Setting up of these factories is expected to lead to production of 1.46 billion chargers and generation of 0.8 million jobs.
- Government of India is planning to invite bids for setting up of 20 Gigawatts (GW) of solar power capacity with the objective of boosting domestic manufacturing of solar power equipment.
- JSW Energy has signed a memorandum of understanding (MoU) with the Government of Gujarat, for setting up an electric vehicle (EV) manufacturing unit in Gujarat at an estimated cost of Rs 4,000 crore (US$ 608.88 million).
- With an aim to increase its presence in India, Denmark-based heating ventilation and air-conditioning (HVAC) giant, Danfoss, is planning to take its manufacturing localisation to 50 per cent as well as double its supplier base in India by 2020.

**Government Initiatives**

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- In Union Budget 2018-19, the Government of India reduced the income tax rate to 25 per cent for all companies having a turnover of up to Rs 250 crore (US$ 38.75 million).
- Under the Mid-Term Review of Foreign Trade Policy (2015-20), the Government of India increased export incentives available to labour intensive MSME sectors by 2 per cent.
- The Ministry of Electronics and Information Technology is in the process of formulation of a new electronics manufacturing policy. The aim of the new policy will be to create an ecosystem of manufacturing in the country, enable India to become a significant global player in some of these categories.
- Ministry of Home Affairs liberalised Arms Rules to boost 'Make in India' manufacturing policy of the government. The liberalisation of the policy is expected to encourage investment in the manufacturing of arms and ammunition and weapon systems and promote employment generation.
- The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.
- The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.
- The Ministry of Defence, Government of India, approved the "Strategic Partnership" model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.

- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US$ 1.5 billion).

**Road Ahead**

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

***Exchange Rate Used: INR 1 = US$ 0.0155 as on January 04, 2018***

***Notes: * - According to the Global Manufacturing Competitiveness Index published by Deloitte***

(Source: Manufacturing Sector in India - India Brand Equity Foundation www.ibef.org)

## AGRICULTURE SECTOR IN INDIA

**Introduction**

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. The share of primary sectors* (including agriculture, livestock, forestry and fishery) is estimated to be 20.4 per cent of the Gross Value Added (GVA) during 2016-17 at current prices.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.

**Market Size**

India's GDP is expected to grow at 7.4 per cent1 in 2018-19. India's food grain production reached 275.68 million tonnes in 2016-17 and is targeted at 274.55 million tonnes in 2017-18. India has been the world's largest producer of milk for the last two decades and contributes 19 per cent of the world's total milk production. India is emerging as the export hub of instant coffee which has led to exports of coffee increase 17 per cent in calendar year 2017 to reach US$ 958.80 million.

India topped the list of shrimp exporters globally in 2016 with exports of US$ 3.8 billion which are expected to double to US$ 7 billion by 2022. Total area in India, sown with rabi crops reached 61.79 million hectares in January2 2018. India is the second largest fruit producer in the world. India's horticulture output reached 300.64 million tonnes in 2016-17 and is expected to reach 305.43 million tonnes in 2017-18.

Agricultural export constitutes 10 per cent of the country's exports and is the fourth-largest exported principal commodity. Agricultural exports from India reached US$ 24.66 billion during April-November 2017 with exports of basmati, buffalo meat reaching US$ 2.61 billion and US4 2.76 billion, respectively.

India is the largest producer, consumer and exporter of spices and spice products. Spice exports from India grew by 6 per cent year-on-year between April-September 2017 to US$ 1.37 billion.

Dairy sector in India is expected to grow at 15 per cent CAGR to reach Rs 9.4 trillion (US$ 145.7) billion by 2020. The online food delivery industry grew at 150 per cent year-on-year with an estimated Gross Merchandise Value (GMV) of US$ 300 million in 2016. The sector grew 15 per cent every quarter during January-September 2017.

**Investments**

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$ 1.99 billion and US$ 466.31 million, respectively, during April 2000 to September 2017. The food processing sector attracted FDI of US$ 8 billion in the same period.

Some major investments and developments in agriculture are as follows:

- In January 2018, India Agri Business Fund II (IABF-II), co-sponsored by Rabo bank, the UK's CDC Group and Asian Development Bank (ADB), made an investment worth US$ 10 million for a minority stake in Global Gourmet Pvt Ltd, a frozen food products exporting company.
- In December 2017, a mobile application which can forewarn farmers about diseases affecting the livestock has been launched by the Ministry of Agriculture and Farmers Welfare, Government of India.
- A loan agreement of US$ 318 million was signed between the Government of India, Government of Tamil Nadu and the World Bank in December 2017 for the 'Tamil Nadu Irrigated Agriculture Modernization Project' through which is expected to benefit around 500,000 farmers in the state.
- Sugar production in India is expected to grow 23 per cent to reach 25 million MT in sugar year 20183.
- Cotton output in India is expected to increase by 9 per cent in 2017-184 to 37.7 million bales.
- In December 2017, India and Colombia signed a Memorandum of Understanding (MoU) for cooperation in the fields of agriculture and fisheries.

**Government Initiatives**

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

- The Government of India is going to provide Rs 2,000 crore (US$ 306.29 million) for computerisation of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology.
- Around 100 million Soil Health Cards (SHCs) have been distributed in the country during 2015-17 and a soil health mobile app has been launched to help Indian farmers.
- With an aim to boost innovation and entrepreneurship in agriculture, the Government of India is introducing a new AGRI-UDAAN programme to mentor start-ups and to enable them to connect with potential investors.
- The Government of India has launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of Rs 50,000 crore (US$ 7.7 billion) aimed at development of irrigation sources for providing a permanent solution from drought.
- The Government of India plans to triple the capacity of food processing sector in India from the current 10 per cent of agriculture produce and has also committed Rs 6,000 crore (US$ 936.38 billion) as investments for mega food parks in the country, as a part of the Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA).
- The Government of India has allowed 100 per cent FDI in marketing of food products and in food product e-commerce under the automatic route.

- A new platform for selling agricultural produce named e-RaKam has been launched by the Government of India and will operate as a joint initiative of Metal Scrap Trade Corporation Limited and Central Railside Warehouse Company Limited (CRWC).
- According to the Agriculture Ministry, 50,000 hectares of area is available for coconut cultivation in Bihar, the Coconut Development Board plans to equip the farmers thus making India the world leader in production, productivity, processing for value addition and export of coconut.

**Road Ahead**

India is expected to achieve the ambitious goal of doubling farm income by 2022. 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. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

India's Gross Value Added (GVA) at basic prices increased by 6.1 per cent during the July-September 2017 quarter, driven by agriculture and government spending. GVA from agriculture, forestry and fishing sector grew 1.7 per cent in this July-September 2017 quarter.

The government of India targets to increase the average income of a farmer household at current prices to Rs 219,724 (US$ 3,420.21) by 2022-23 from Rs 96,703 (US$ 1,505.27) in 2015-16.

Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) by the food processing industry will offer several benefits.

Exchange rate used: INR 1 = US$ 0.0155 as of January 04, 2018.

*(Source: Agriculture in India January 2018 - India Brand Equity Foundation* - www.ibef.org*)*

## ADVANTAGES IN INDIA

**Robust Demand**

A large population and rising urban and rural incomes have aided demand growth. External demand has also been growing especially from key markets like the Middle East. Demand for processed food rising with growing disposable income, urbanisation, young population and nuclear families. Changing lifestyle and increasing expenditure on health and nutritional foods.

**Attractive Opportunities**

Increasing demand for agricultural inputs such as hybrid seeds and fertilizers. Promising opportunities in storage facilities; potential storage capacity expansion of 35 million tonnes under the 12th Five Year Plan. Investment opportunities to arise in agriculture, food infrastructure and contract farming. Agrochemicals industries in India present immense growth opportunities.

**Competitive Advantage**

India benefits from a large agriculture sector, abundant livestock and cost competitiveness. Lured by the size and returns of the Indian market, foreign firms have strengthened their presence in India. High proportion of agricultural land (157 million hectares). Diverse agro-climatic conditions encourage cultivation of different crops. Leading producer of spices, jute, pulses; second largest producer of wheat, paddy, fruits and vegetables.

**Policy Support**

Schemes like Paramparagat Krishi Vikas Yojana helps in developing organic clusters and make available chemical free inputs to farmers. Setting up of National Mission on Food Processing. 100 per cent FDI under automatic route for development of seeds. Promoting rationalisation of tariff and duties relating to food processing sector.

(Source: Agriculture and allied Industries - India Brand Equity Foundation - www.ibef.org)

## NOTABLE TRENDS IN AGRICULTURE

### Changing consumer tastes

Wide array of products, coupled with increasing global connectivity, has led to a change in the tastes and preference of domestic consumers

This trend has been bolstered by rising incomes, increasing urbanisation, a young population and the emergence of nuclear families. Consumer preference is moving towards healthier snacks.

### Entry of international companies

Liberalisation and growth of organised retail have made the Indian market more attractive for global players With a large agriculture sector, abundant livestock, cost competitiveness, India is fast emerging as a sourcing hub of processed food. Danone, Nestle, Kraft Foods, Mondelez International, Heinz are the international players in food processing market in India Hindustan Coca-Cola Beverages is establishing two greenfield plants at Ahmedabad and Nellore, with an investment worth US$ 148.74 million Nepal's CG Foods, manufacturer of Wai Noodles, will invest US$ 37.18 million to open quick service restaurants (QSRs) in India With 11 coffee outlets in Mumbai, as of March 2017, Australia's coffee chain - Di Bella is planning on expanding to Bengaluru, Delhi and Gujarat.

### Rising demand on Indian products in international market

Strategic geographic location and continuous increase in raw material production help India to supply cheaper products to other countries

India's exports of processed food and related items was US$ 2.87 billion in FY18 (April – May). Companies like Haldiram's and Bikanerwala have a presence in over 70 countries, whereby they provide Indian snacks.

### Emphasis on Healthier Ingredients

Food processing companies are serving health and wellness as a new ingredient in processed food, given that health conscious consumers prefer food products with lower carbohydrate content and with low cholesterol edible oils. e.g. zero-per cent trans-fat snacks and biscuits, slim milk, whole wheat products, etc. ITC is planning to launch multigrain Bingo to increase its share in healthy snacks market.

### Higher Consumption of Horticulture Crops

There is a surge in demand for fruits and vegetables as a result of a shift in consumption. Accordingly, Indian farmers are also shifting production towards horticulture crops to cash in on the growing demand

As of February 2017, horticulture exports from India have increased by 17.4 per cent and 20.95 per cent in terms of value and volume, respectively Coca Cola is aiming to improve its sourcing of fruits for aerated drinks and juice beverages categories. As of May 2017, the company sources 2 lakh tonnes fruits, and is planning to further increase it by sourcing through its 'fruit circular economy' initiative.

### Product Innovation as the Key to Expansion

In FY16, Ministry of Food Processing Industries granted fund of US$ 18.81 million for the ongoing Mega Food Park projects. Mother Dairy has bought an old plant in Nagpur, for US$ 14.87 million for expansion beyond Delhi-NCR region. Heritage Foods, a Hyderabad-based company, has plans to add five more milk processing units in the next five years for an investment of US$ 22.31 million, being a part of the former expansion plan to achieve US$ 1 billion turnover by 2022.

### Strengthening Procurement via Direct Farmer-Firm Linkage

Contract farming has been operational in India for a long time now; however, the experience of the private sector players involved therein has been a mixed bag of successes and failures Largely, it has helped both the processing companies, via increasing sales and therefore augmenting their incomes, as well as providing access to better technology and fetching better prices by securing an assured market for Indian farmers.

**Sensible Snacking**

Domestic consumers are now tuned in to the greater variety of foods available, thanks to both wider variety in offerings as well as their own international exposure. ITC and PepsiCo are shifting their focus on healthier snacks as the market for healthy snacks is growing with double speed.

*(Source: Agriculture in India January 2018 - India Brand Equity Foundation* - www.ibef.org*)*

## INTRODUCTION TO INDIAN SEED INDUSTRY

Seed is the basic and most critical input for sustainable agriculture. The response of all other inputs depends on quality of seeds to a large extent. It is estimated that the direct contribution of quality seed alone to the total production is about 15 – 20% depending upon the crop and it can be further raised up to 45% with efficient management of other inputs. The developments in the seed industry in India, particularly in the last 30 years, are very significant. A major re-structuring of the seed industry by Government of India through the National Seed Project Phase-I (1977-78), Phase-II (1978-79) and Phase-III (1990-1991), was carried out, which strengthened the seed infrastructure that was most needed and relevant around those times. This could be termed as a first turning point in shaping of an organized seed industry. Introduction of New Seed Development Policy (1988 – 1989) was yet another significant mile stone in the Indian Seed Industry, which transformed the very character of the seed industry. The policy gave access to Indian farmers of the best of seed and planting material available anywhere on the world. The policy stimulated appreciable investments by private individuals, Indian Corporate and MNCs in the Indian seed sector with strong R&D base for product development in each of the seed companies with more emphasis on high value hybrids of cereals and vegetables and hi-tech products such as Bt. Cotton. As a result, farmer has a wide product choice and seed industry today is set to work with a 'farmer centric' approach and is market driven. However, there is an urgent need for the State Seed Corporations also to transform themselves in tune with the industry in terms of infrastructure, technologies, approach and the management culture to be able to survive in the competitive market and to enhance their contribution in the national endeavour of increasing food production to attain food & nutritional security.

(Source: Indian Seed Sector – Seednet India Portal www.seednet.gov.in)

## SEED PRODUCTION SYSTEM IN INDIA

The Indian seed programme largely adheres to the limited generations' system for seed multiplication in a phased manner. The system recognizes three generations namely breeder, foundation and certified seeds and provides adequate safeguards for quality assurance in the seed multiplication chain to maintain the purity of the variety as it flows from the breeder to the farmer.

**Breeder Seed**

Breeder seed is the progeny of nucleus seed of a variety and is produced by the originating breeder or by a sponsored breeder. Breeder seed production is the mandate of the Indian Council of Agricultural Research (ICAR) and is being undertaken with the help of;

- ICAR Research Institutions, National Research Centres and All India Coordinated Research Project of different crops;
- State Agricultural Universities (SAUs) with 14 centres established in different States;
- Sponsored breeders recognized by selected State Seed Corporations, and
- Non-Governmental Organizations.

ICAR also promotes sponsored breeder seed production programme through the National Seeds Corporation (NSC) / State Farms Corporation of India (SFCI), State Seeds Corporation (SSCs), Krishi Vigyan Kendras (KVKs) etc. There has been a steady increase in the production of breeder seed over the years.

The indents from various seeds producing agencies are collected by the State Departments of Agriculture and submitted to the Department of Agriculture and Cooperation (DAC), Ministry of Agriculture, Government of India, which is turn compiles the whole information crop wise and sends it to the Project

Coordinator/Project Director of the respective crops in ICAR for final allocation of production responsibility to different SAUs/ICAR institutions. The allocation of responsibility for production of breeder seed is discussed in the workshop in respect of the particular crop and is made to various centres as per the facilities and capabilities available at the centres and the availability of nucleus seed of a particular variety. It may be noted that indents are compiled and forwarded to ICAR at least 18 months in advance. To make the programme systematic, and for proper evaluation of the breeder seed production programme, monitoring terms have been constituted and reporting proforma have been devised. The monitoring terms consist of breeder of the variety, the concerned Project Director or his nominee, representative of NSC. The production of breeder seed is reviewed every year by ICAR-DAC in the annual seed review meeting.

The actual production of breeder seed by different centres is intimated to DAC by ICAR. On receipt of information from ICAR, the available breeder seed is allocated to all the indenters in an equitable manner. In the case of varieties which are relevant only to a particular State, the indents for breeder seed are placed by the concerned Director of Agriculture with the SAUs/ICAR institutions located in the State. The breeder seed produced is lifted directly by the Director of Agriculture or foundation seed producing agencies authorized by him.

**Foundation Seed**

Foundation seed is the progeny of breeder seed and is required to be produced from breeder seed or from foundation seed which can be clearly traced to breeder seed. The responsibility for production of foundation seed has been entrusted to the NSC, SFCI, State Seeds Corporation, State Departments of Agriculture and private seed producers, who have the necessary infrastructure facilities. Foundation seed is required to meet the standards of seed certification prescribed in the Indian Minimum Seeds Certification Standards, both at the field and laboratory testing.

**Certified Seed**

Certified seed is the progeny of foundation seed and must meet the standards of seed certification prescribed in the Indian Minimum Seeds Certification Standards, 1988. In case of self-pollinated crops, certified seeds can also be produced from certified seeds provided it does not go beyond three generations from foundation seed stage-I.

The production and distribution of quality/certified seeds is primarily the responsibility of the State Governments. Certified seed production is organized through State Seed Corporation, Departmental Agricultural Farms, and Cooperatives etc. The distribution of seeds is undertaken through a number of channels i.e. departmental outlets at block and village level, cooperatives, outlets of seed corporations, private dealers etc. The efforts of the State Governments are being supplemented by NSC and SFCI which produce varieties of national importance. NSC markets its seeds through its own marketing network and also through its dealer network. SFCI markets its seeds mainly through the State Departments of Agriculture and the State Seed Corporations. The production of certified seed by NSC and State Seed Corporations is mainly organized through contract growing arrangements with progressive farmers. SFCI undertakes seed production on its own farms. The private sector has also started to play an important role in the supply of quality seeds of vegetables and crops like hybrid maize, sorghum, Bajra, cotton, castor, sunflower, paddy etc.

The requirement of certified/quality seeds is assessed by State Governments on the basis of the area sown under different crop varieties, area covered by hybrid and self-pollinated varieties as well as the seed replacement rate achieved. The availability of seed is ascertained by the State Departments of Agriculture on the basis of the production of seed in government farms and production of seeds by State Seeds Corporations and other agencies. The Government of India periodically assesses the requirement and availability of seeds through detailed interaction with State Governments and seed producing agencies in the bi-annual Zonal Seed Review Meetings and the National Kharif and Rabi Conferences. The Department of Agriculture and Cooperation facilitates tie-up arrangements with seed producing agencies to ensure that the requirement of seeds is met to the maximum extent possible.

(Source: Indian Seed Sector – Seednet India Portal www.seednet.gov.in)

## INDIAN SEED INDUSTRY: CURRENT SCEANRIO

The Indian Seed Improvement Programme is backed up by a strong crop improvement programme in both the public and private sectors. At the moment, the industry is highly vibrant and energetic and is well recognized in the international seed arena. Several developing and neighbouring countries have benefited from quality seed imports from India. India's Seed Programme has a strong seed production base in terms of diverse and ideal agro-climates spread throughout the country for producing high quality seeds of several tropical, temperate and sub-tropical plant varieties in enough quantities at competitive prices. Over the years, several seed crop zones have evolved with extreme levels of specialization.

Similarly, for post-harvest handing, the Indian seed processing/conditioning industry has perfected the techniques of quality up-gradation and maintenance to ensure high standards of physical condition and quality. By virtue of the diverse agro-climates several geographical zones in the country have emerged as ideal seed storage locations under ambient conditions. In terms of seed marketing and distribution, more than about 20000 seed dealers and distributors are in the business.

Over the years, seed quality specifications comparable to international standards have been evolved and are adopted by the Indian Seed Programme in both the public and private sectors. The country has a strong rigorous mechanism for seed quality control through voluntary seed certificate and compulsory labelling monitored by provincial level Seed Law Enforcement Agencies. For seed technology research, India has a national level Directorate under the Indian Council of Agricultural Research as well as Status level research set up in the State Agricultural Universities. The seed industry has three well reputed national level associations apart from several provincial level groups to take care of the interests of the industry.

Thus, the Indian Seed Programme is now occupying a pivotal place in Indian agriculture and is well poised for continued growth in the years to come. National Seeds Corporation, which is the largest single seed organization in the country with such a wide product range, pioneered the growth and development of a sound industry in India. NSC, SFCI, States Seeds Corporations and other seed producing agencies are continuously and gradually expanding all its activities especially in terms of its product range, volume and value of seed handled, level of seed distribution to the un-reached areas, etc. Over the past four decades, these seed producing agencies have built up a hard core of competent and experienced seed producers and seed dealers in various parts of the country and have adequate level of specialization and competence in handling and managing various segments of seed improvement on scientifically sound and commercially viable terms.

(Source: Indian Seed Sector – Seednet India Portal www.seednet.gov.in)

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled "Forward-Looking Statements" beginning on page 18 of this Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.*

*The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Information" beginning on pages 19 and 183 respectively.*

### OVERVIEW

Our Company, ShreeOswal Seeds and Chemicals Limited an ISO 22000:2005 certified Company is engaged in the business of production, processing and sale of different kind of agricultural seeds, maize and soyabean.

Our journey of production, processing and sale of agricultural seed began in the year 2002 by our promoters Sanjay Kumar Baigani and Anil Kumar Nahata, as a partnership concern by the name of M/s Oswal Seeds and Chemicals. By gaining an insight of the industry coupled with an foreseeing growth opportunity, we converted our partnership concern into public limited Company in the year 2017. Our Promoters are the guiding force behind the strategic decisions of our Company. They manage and control the major affairs of our business operations. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

Our Company processes various kinds of seeds at its processing unit which is located at Neemuch, Madhya Pradesh. At present, our Company processes 5 varieties of wheat seed, 5 varieties of soya bean seed, 3 varieties of Mustard seed, 1 variety of black gram, 1 variety of corn seeds and 1 Variety of isabgol/psyllium. Majority of our revenue is from the sale of wheat and soyabean seeds. Revenue generated from wheat and soyabean seed is as follows:

***(Amount in Rs Lakhs)***

| Particulars | 2014-15 | 2015-16 | 2016-17 | 01/04/2017 to 30/11/2017 | 01/12/2017 to 31/03/2018 |
|---|---|---|---|---|---|
| Wheat | 1714.54 | 1331.41 | 1812.52 | 1537.67 | 402.15 |
| Soya Bean | 4,262.32 | 2,380.22 | 2,591.84 | 1,879.13 | 1,190.16 |

Our products are marketed under the brand name of OSWAL. The majority of our sales are through our own Brand which contributed 66.00 %, 85.32 %, 95.25 % and 98.56 % respectively to our total sales for the financial year ended March 31, 2015, 2016, 2017 and 2018 respectively. Revenue generated packaging is as follows:

***(Rs in lakhs; Quantity in quintal)***

| 2014-15 | | 2015-16 | | 2016-17 | | 2017-18 | |
|---|---|---|---|---|---|---|---|
| QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |

| 2014-15 | | 2015-16 | | 2016-17 | | 2017-18 | |
|---|---|---|---|---|---|---|---|
| 46370.48 | 1993.94 | 14715 | 569.21 | 4494.5 | 203.4 | 2500 | 69.04 |

Our Company has a diversified customer base covering states like Bihar, Jharkhand, Maharashtra, Madhya Pradesh, Rajasthan, Uttar Pradesh, and Punjab. We mainly market our product through different revenue channels which includes network of distributors, marketing agents and direct to consumers.

The State wise revenue of our Company for previous three financial years is as follows:

| State | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---|---|---|---|---|
| Bihar | 219.42 | 275.17 | 271.45 | 257.98 |
| Jharkhand | 35.52 | 59.62 | 0.35 | 11.16 |
| Maharashtra | 2,005.74 | 1,144.52 | 1,808.85 | 1,333.22 |
| Madhya Pradesh | 2,079.95 | 1,400.00 | 1,040.12 | 2,185.21 |
| Rajasthan | 1,072.64 | 780.99 | 1,057.72 | 973.63 |
| Uttar Pradesh | 440.34 | 217.72 | 105.75 | 45.91 |
| **Total** | **5,853.62** | **3,878.02** | **4,284.24** | **4,814.31** |

Liaising/Contracting with individual farmers is one of the major step in our production mechanism and our Company enters into contract farming only with the farmers of Madhya Pradesh. Upto March 31, 2018 we have entered into contracts with 752 farmers, thereby giving us an access to around 3809 hectares of land.

Area of contract farming undertaken by our Company in previous three year is as follows:

***(Area in Hectres)***

| 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---|---|---|---|
| 2361.00 | 2226.20 | 2680.80 | 3809.00 |

In Crop production quality of seeds play a vital role and to maintain the quality of our seeds our Company adopts different processes at its own laboratory such as Physical Purity Test, Moisture Test and Germination Test among others. Apart from this our Company also conducts seed production programme among farmers for spreading awareness on the methods to improve the quality and yield of the seeds.

The Company has received capital subsidy Rs 22.00 lakhs and Rs 8.00 lakhs on October 12, 2015 and on December 30, 2015 respectively under the scheme of UDHYOG SANVARDHAN NIDHI, 2012 of Madhya Pradesh Government.

The Company has also applied for capital subsidy of Rs 25.00 lakhs under the scheme of "Krishi Ivana Aadharbhut Suvidha" (Capital Investment Subsidy Scheme – Agriculture Marketing and Infrastructure Grading Standardization). The subsidy under the said scheme is given in two tranches viz - advance and final. The Company has already received first tranche Rs 12.03 lakhs on September 17, 2017. The second tranche of the subsidy is yet to be received by the Company.

Our subsidiary Company ShreeOswal Psyllium Export India Limited, is engaged in the business of manufacturing, processing and sale of psyllium husk and psyllium husk powder. Our Subsidiary also produces by products of psyllium such as cattle feed.

From FY 2012-13 to FY 2017-18, as per our Restated Financial Statements, i) our total revenue has shown growth from Rs. 2254.33 lakhs to Rs. 4,861.01 lakhs, representing a CAGR of 13.66% ii) our EBITDA has shown growth from Rs. 67.19 lakhs to Rs. 452.57 lakhs, representing a CAGR of 37.40 % iii) our profit after tax has shown growth from Rs. 12.50 lakhs to a profit of Rs. 102.39 lakhs representing a CAGR of 55.94%.

## OUR COMPETITIVE STRENGTHS

1. ***We have developed a diverse portfolio of seed products***

   We have a diverse portfolio of hybrid and research seeds for wheat, corn, black gram, soya bean, isabgol/psyllium and mustard, which allows to cater to a wider market Our product portfolio gives us an edge against dependence on any particular crop(s), and we have an advantage to meet changing farmer needs even in the event of crop-shifting by farmers.

   At present our product portfolio include 5 varieties of wheat seed, 5 varieties of soya bean seed, 3 varieties of Mustard seed, 1 of black gram, 1 variety of isabgol/psyllium and 1 variety of corn seeds.

2. ***We have a distribution network across various geographies.***

   We have distribution, sales and marketing networks for our seed products. Generally, we market our seed products to growers through distributors and independent dealers. Presently, we have numbers of distributors covering states like Madhya Pradesh, Rajasthan, Jharkhand, Uttar Pradesh, Bihar, Maharashtra, Punjab and Gujarat . Our widespread domestic presence not only mitigates the risk of dependence on few regions but also helps us to leverage our brand value.

3. ***Our experienced management and dedicated employee base***

   Our operations commenced under the guidance of our Promoters Sanjay Baigani and Anil Nahata, who have successfully managed various phases of expansion and growth of our business and operations. Our Promoters have around 15 years of experience in this industry and has been instrumental in formulating growth strategy for our Company. Their Industry knowledge and understanding also gives us the competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

4. ***Quality certifications***

   Quality plays one of the most vital roles in the success of any organization. Our focus on quality is evident form the fact that our facility is accredited with ISO 22000:2005 quality management system certified. Our Company also has an in house testing laboratory to ensure quality check of our products. Our laboratory also conducts various tests in house for further improvements in seed quality. Various quality check conducted at our in house laboratory includes Physical Purity Test, Moisture Test and Germination among others.

5. ***Established Brand***

   We believe that having recognizable brand is a key attribute in any business, which increases consumer confidence and influences purchase decisions. We believe that we have built strong brand across over several years of our operations. Our products are sold under the brand name of OSWAL. We believe that the recall of our brand has allowed us to maintain a large customer base and facilitated our ability to develop and market new products, as we believe that customers are more likely to rely on a trusted brand.

## BUSINESS STRATEGY

1. ***Continue to expand and diversify our product portfolio & widen our customer base***

   Our product portfolio includes variety of seeds such as LOK-1 (Wheat), Raj-4037 (Wheat), OSYM-55 (Mustard), OSM77 (Mustard), Krishna- 11 (Wheat), Super Sharbati-14001, Rochak (Wheat) Gold Plus (Mustard) and Super Star -211, JS-9305, JS-325, JS-9560 (Soya Bean) among others. As a part of our business strategy, our Company plans to diversify its product portfolio by entering into new product such as pulses, corn, black gram TAU-1, and herbal seeds like Isbgol-5001. We also plan to focus on increasing the variety of seeds currently processed by our Company.

   Presently our Company markets its products through different revenue channels which includes network of distributors, dealers direct to consumers. We intend to reach out to more dealers and distributors so as to widen our sales network. Our strategy is to widen our customer base in domestic market by introducing new quality products and enhanced product range.

2. ***Expansion of our production capacity***

At present our processing facilities is located at Neemuch, Madhya Pradesh, India. The majority of our processing activity is carried at our current processing facility. Going forward our Company is planning to expand its processing capacity to meet the increasing demand of its products. We are planning to add additional machinery which will help to increase our production capacity to 24000 metric ton from present 14000 metric ton. For further details, please refer the chapter titled "Objects of the Offer" beginning on page 95 of this Red Herring Prospectus.

3. ***Promotion of our brand recognition***

For food related items, hygiene is given much importance and hence branded products are always preferred over the local brand. The company acknowledges this fact and continuously strives to create a strong brand providing quality products. We plan to strengthen our brand recognition by carrying out various brand building efforts, like, communication and promotional activities. Such promotions would enhance the visibility of our brand consequently our business positioning and credibility.

4. ***Leveraging our Marketing skills and Relationships***

We believe Customer Relationship Management is an important activity for any business. This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by improving quality of our products.

5. ***Continue to improve operating efficiencies***

We will continue to focus on further increasing our operations and improving operational effectiveness at our production facilities. Higher operational effectiveness results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over a higher number of units sold, thereby increasing profit margins. We believe that this can be done through increasing domestic presence which will lead to economies of scale. Increasing our penetration in existing regions by launching new range of products and expansion of our production capacity, will enable us to penetrate into new market. As a result of these measures, our company will be able to increase its market share and profitability.

## SWOT ANAYSIS

| | |
|---|---|
| **Strength**<br>• Location of Our Manufacturing Unit<br>• Experience promoters<br>• Established brand | **Weakness**<br>• Seasonal nature of business<br>• Absence in foreign market |
| **Opportunity**<br>• Expanding to new geographical markets<br>• Enhancing functional efficiency<br>• Expanding product portfolio | **Threat**<br>• New competitors entering into market<br>• Increased regulations<br>• Declining soil fertility<br>• Adverse climatic condition |

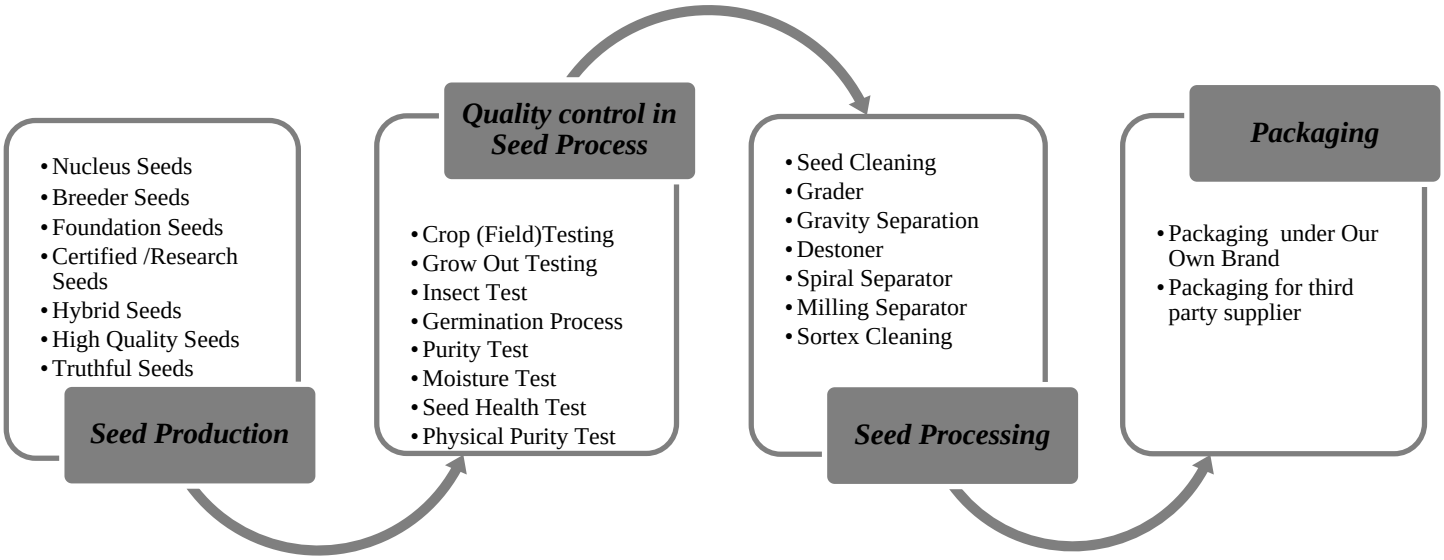
## OUR PRODUCTS

| Name of the Product | Features & Qualities |
|---|---|
| **OSWAL LOK-1 (Wheat)** | ***Features & Qualities***<br>• Matures in 126 to 134 days<br>• Plant height 90 to 100 cm<br>• Number of seeds per wheatgrass 80 to 100<br>• Less water and resistant to rust |

| Name of the Product | Features & Qualities |
|---|---|
| **OSWAL TAU-1 (Blackgram)** | ***Features & Qualities***<br>• Matures in 68 to 72 days<br>• Plant height 35 to 40 cm<br>• Less water and resistant to rust |
| **OSWAL Super Star -211 (Soya Bean)** | ***Features & Qualities***<br>• Matures in 80 to 85 days<br>• Less water and resistant to rust |
| **OSWAL Super Star -111 (Soya Bean)** | ***Features & Qualities***<br>• Matures in 90 to 95 days<br>• Less water and resistant to rust |
| **OSWAL JS -9305 (Soya Bean)** | ***Features & Qualities***<br>• Matures in 90 to 95 days<br>• Less water and resistant to rust |
| **OSWAL JS -335 (Soya Bean)** | ***Features & Qualities***<br>• Matures in 95 to 100 days<br>• Less water and resistant to rust |
| **OSWAL JS – 9560 (Soya Bean)** | ***Features & Qualities***<br>• Matures in 80 to 90 days<br>• Less water and resistant to rust |
| **OSWAL Gold Plus (Mustard)** | ***Features & Qualities***<br>• Matures in 115 to 135 days<br>• Plant height 156 to 175 cm<br>• Seeds per plant 14 to 18<br>• Oil Content in seed 38 % to 42 %<br>• Bold and Black Seed<br>• Weight per 1000 seeds 5 to 7 gram |
| **OSWAL OSM-77 (Mustard)** | ***Features & Qualities***<br>• Matures in 115 to 125 days<br>• Plant height 140 to 160 cm<br>• Seeds per plant 15 to 20<br>• Oil Content in seed 38 % to 42 %<br>• Bold and Black Seed<br>• Weight per 1000 seeds 6 to 8 gram |
| **OSWAL OSYM-55 (MUSTARD)** | ***Features & Qualities***<br>• Plant height 120 to 130 cm<br>• Matures in 95 to 105 days<br>• Seeds per plant 20 to 30<br>• Oil Content in seed 38 % to 40 %<br>• Yellow and shining |

| Name of the Product | Features & Qualities |
|---|---|
| | • Weight per 1000 seeds 4 to 5 gram<br>• Oil Content Medium |
| **OSWAL ROCHAK(WHEAT)** | ***Features & Qualities***<br>• Plant height 80 to 90 cm<br>• Matures in 130 to 140 days<br>• Seeds per plant 80 to 100 |
| **OSWAL Krishna -11 (Wheat)** | ***Features & Qualities***<br>• Plant height 80 to 90 cm<br>• Matures in 105 to 115 days<br>• Shining<br>• Seeds per plant 90 to 105 |
| **OSWAL Raj 4037 (Wheat)** | ***Features & Qualities***<br>• Plant height 90 to 100 cm<br>• Matures in 126 to 134 days<br>• Seeds per plant 80 to 100<br>• Less water and Rust resistant |
| **OSWAL Super Sharbati 14001 (Wheat)** | ***Features & Qualities***<br>• Plant height 85 to 90 cm<br>• Matures in 110 to 115 days<br>• Seeds per plant 80 to 100<br>• Less water and Rust resistant |
| **OSWAL SUPER POWER 9002(CORN )** | ***Features & Qualities***<br>• Plant height 180 to 210 cm<br>• Matures in 85 to 90 days<br>• Less water and Rust resistant |
| **OSWAL -5001(Isabgol/Psyllium)** | ***Features & Qualities***<br>• Plant height 20 to 30 cm<br>• Matures in 110 to 120 days<br>• Less water and Rust resistant |

## OUR BUSINESS PROCESS




***Seed Production***

**Nucleus Seeds**

Nucleus seed is the initial handful of pure seeds of improved variety or parental lines of hybrid plant. Nucleus seeds being genetically pure do not contain physical impurities. The nucleus seed is produced under strict isolation in order to avoid both genetical and physical contamination. Nucleus seed are managed with great care so that all seed produced from it remains true to the new variety. This is a most important step and is the responsibility of the plant breeder who developed the variety. The nucleus seed is not available to farmers. The next step in the chain from plant breeder to farmer is that the plant breeder develops Breeder Seed.

**Breeder Seeds**

In seed production process, our Company usually procures breeder seeds from agricultural university. Breeder seeds are then delivered to farmers to produce foundation seeds.

**Foundation Seeds**

Foundation seed is the seed produced from growing breeder seed. Our Company provides breeder seeds to the contract farmers who in turn grow them under strict supervision of our breeder. Foundation seed is less expensive than breeder seed and is not as pure as the breeder's seeds. Foundation seed is the seed produced from growing breeder seed.

**Certified Seeds/Research Seeds**

Our Company also produces certified seeds. Certified seed is produced from growing foundation, seeds. Production of this seed is subject to field and seed inspections. It is grown by selected farmers in a way that maintains genetic purity. Production of certified seeds undergoes field and seed inspections by seed certification agency to ensure conformity with standards.

**Truthful Seeds**

Truthful seeds are produced from certified seeds. These Seeds are sold under truthful labels. Field standard and seed standard have to be maintained as per seed act and certified seed stage.

**Hybrid Seeds**

Hybrid seed is seed produced by cross-pollinated plants. The entire hybrid seeds planted by the farmers usually produces similar plants, while the seeds of the next generation from those hybrids will not consistently have the desired characteristics. Hybrids are chosen to improve the characteristics of the resulting plants, such as better yield, greater uniformity, improved colour, disease resistance.

**High Quality Seeds**

In high quality seed different type of chemicals are used such as thiram and corbendizam. These chemicals helps to improve the characteristics of the resulting plants, such as better yield, greater, disease and fungus resistance, etc.

***Quality control in Seed Process***

The seeds received from farmers are tested in laboratory under different parameters such as physical purity test, moisture test, germination test and seed health test among others, if tests are found satisfactory the seeds are purchased and stored in Company's warehouse and storage facility for further processing.

***Seed Processing***

Post production, the seeds are purchased by our Company from farmers and we then processed at our manufacturing facility. The seeds are subjected to various stages of processing which includes cleaning, gravity separation, colour sorting, etc.

**Seed Cleaning and Grading**

Seed cleaning and grading process involves separation of seed mixtures from dust, chaff and undersized seeds. It also involves separation, of seeds based on weight, length, shape and size.

**Gravity Separation**

Gravity separations are used for the removal of impurities, admixture, insect damage and immature kernels. The gravity separator separates seeds size but with difference in specific weight.

**Destoner**

Destoner is used for removal of badly damaged, deteriorated, insect damaged crop seed and stones from good seeds.

**Spiral Separator**

The Spiral separator classifies seed according to its shape and rolling ability. The seed is introduced at the top of the inner spiral. Seeds which are round roll faster down the incline as compared to irregularly shaped seeds. The seeds are then collected separately according to their shape.

**Milling Separator**

Milling Separator frees the grain of coarse impurities such as large kernels, strings, straw, wood, stones and clods of soil, and from fine impurities like sand or broken grains. It is also used to remove low-density particles such as dust, hull fragments or husks, thereby optimizing the cleaning effect.

**Sortex-Colour Separator**

The colour separator is used to separate discoloured seed, greatly of lower quality. Separation based on colour is necessary because the density and dimensions of discoloured seed are the same as those of sound seed, so other machines are not effective for separation.

***Packaging***

Once seeds are processed they are send to government laboratories for further testing. Once they are approved by government laboratory they are packed and sold under the brand name of OSWAL. Apart, from our own brand we also packed the seeds for third party supplier which is sold under the brand name of third party supplier.

## OUR INFRASTRUCTURE FACILITIES

**Infrastructure Facilities**

Our processing facility is well equipped with computer systems, internet connectivity, other communication equipment, and other facilities, which are required for our business operations to function smoothly.

**Power**

We have arrangements for regular power supply at our factory premises. The total existing power requirement of our Company is around 195 KVA. The requirement of power is met by supply from M P Paschim Kshetra Vidyut Vitaran Co. Ltd.

**Water**

Our manufacturing unit's current water requirement for carrying out manufacturing operations, human consumption and general needs of the employees is met by Bore well. Further our warehouse/ has adequate water supply arrangements for human consumption purpose.

**Storage**

Our Company has adequate storage capacity with very easy loading and unloading system. This facility enables us to store seeds without any deterioration of quality.

## COLLABORATIONS

As on date of this Red Herring Prospectus, our Company has not entered into any technical or financial collaboration agreements.

## EXPORT AND EXPORT OBLIGATIONS

Our Company does not have any export obligation as on the date of this Red Herring Prospectus.

## HUMAN RESOURCE

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. None of our employees are unionized. We believe that our relations with our employees are satisfactory. As on December 31, 2017, we have 20 employees working for us as details below:

| **Department** | **No. Of Employees** |
|---|---|
| Finance Department | 3 |
| HR Department | 1 |
| Sales & Marketing Department | 5 |
| Purchase And Producing Department | 8 |
| Legal & Compliance | 3 |
| **Total** | **20** |

Our Company also employs temporary labour on per day wages.

## CAPACITY AND CAPACITY UTILISATION

| | **Existing** | | | **Projected** | | |
|---|---|---|---|---|---|---|
| **Capacity Utilization** | **2015-16** | **2016-17** | **2017-18** | **2018-19** | **2019-20** | **2020-21** |
| Production capacity (Metric Ton) | 14,000 | 14,000 | 14,000 | 24,000 | 27,000 | 30,000 |
| Production (Metric Ton) | 11,151.4 | 12,583.4 | 13,222.6 | 21,600 | 24,300 | 27,000 |
| % of Utilization | 79.65% | 89.88% | 94.44% | 90.00% | 90.00% | 90.00% |

## COMPETITION

Competition emerges not only from the organized and unorganized sector but also from small and big players. Its competitiveness depends on several factors including quality, price and customer service. We compete with our competitors on the basis of product quality, brand image, price and reliability. We continuously strive to increase our distribution channel to increase our domestic presence. We intend to continue compete vigorously to capture more market share and manage our growth in an optimal way by improving our brand image, increase our product quality, satisfying customer's demands, achieving operating efficiencies, etc.

## END USERS

The end users of our products are farmers.

## MARKETING STRATEGY

Our Company has presence in Bihar, Jharkhand, Maharashtra, Madhya Pradesh, Rajasthan, Uttar Pradesh and Rajasthan. Our Company operates through a network of distributors and dealers and has association with more than 114 dealers and distributors.

| Name of the State | Distributors & Dealers |
|---|---|
| Bihar | 9 |
| Delhi | 1 |
| Jharkhand | 3 |
| Gujarat | 1 |
| Maharashtra | 26 |
| Madhya Pradesh | 18 |
| Punjab | 1 |
| Rajasthan | 42 |
| Uttar Pradesh | 13 |
| **Total** | **114** |

## INSURANCE

We maintain insurance for standard fire and special perils policy burglary policy, which provides insurance cover against loss or damage by fire, burglary. We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained.

## PLANT AND MACHINERY

Plant & Machinery to be acquired from the issue proceeds:

| Sr. No. | Particulars | Quantity/ Weight/ Area | Amount (Rs. In Lakhs) | Suppliers | Date of Quotation |
|---|---|---|---|---|---|
| 1. | Fowler Westrup Fine Cleaner | 1 | 9.50 | Nimbark Marketing | January 18, 2018 |
| 2. | Destoner Satake | 1 | 8.00 | | |
| 3. | Fowler Westrup Gravity Sepretor | 1 | 8.50 | | |
| 4. | Satake Color Sorter Machine | 1 | 58.00 | | |
| 5. | MTR | 1 | 3.85 | | |
| 6. | Elevators | 8 | 10.00 | | |
| 7. | Local Fabrication (Platform, Tanks, Cyclones, Pipes ) | 25 | 12.50 | | |

| Sr. No. | Particulars | Quantity/ Weight/ Area | Amount (Rs. In Lakhs) | Suppliers | Date of Quotation |
|---|---|---|---|---|---|
| 8. | Blower Plant | 1 | 1.55 | | |
| 9. | Blower Color Sorter | 1 | 0.65 | | |
| 10. | Blower Destoner | 1 | 1.55 | | |
| 11. | Cyclone & Air Lock Fine Cleaner & Blower | 2 | 1.00 | | |
| 12. | CVCF | 1 | 0.70 | | |
| 13. | Ducting & Husk Piping | 1 | 2.50 | | |
| 14. | Air Compressor With Piping | 1 | 6.00 | | |
| 15. | Electricals (Panel & Cable) | NA | 4.00 | | |
| 16. | Cabin Color Sorter | 1 | 0.50 | | |
| 17. | Plant Fabrication | NA | 4.00 | | |
| 18. | AC | 1 | 0.50 | | |
| 19. | Elevator 20' ht with aspirator system. Consists of Blower & Cyclone | 1 | 1.25 | Shree Laxmi Vijay Iron & Brass Factory* | January 29, 2018 |
| 20. | Elevator 16' Long | 7 | 2.80 | | |
| 21. | Round Sieve | 1 | 1.20 | | |
| 22. | C.F.Sieve | 1 | 1.80 | | |
| 23. | MTR with aspirator, cyclone & blower | 2 | 5.60 | | |
| 24. | Destoner with blower & cyclone | 1 | 2.60 | | |
| 25. | Gravity Separator | 1 | 1.50 | | |
| 26. | Structure (Rs.100 per Kg) (ApproxApprox. Wt. 12000 Kg) | 12,000 Kg. | 12.00 | | |
| 27. | Screw Conveyer | 30 Foot | 0.90 | | |
| | **Total** | | **162.95** | | |

**LAND AND PROPERTY**

Leased Properties:-

| Sr. No. | Name of the Lessor / Licensor | Name of the Lessee / Licensee | Address of the Property | Period of Agreement | Consideration | Usage |
|---|---|---|---|---|---|---|
| 1. | Oswal Psyllium Exports | ShreeOswal Seeds and Chemicals Limited | "Oswal House" Opposite Balkavi Bairagi College, Nasirabad Highway Village Kanawati, Neemuch, Madhya Pradesh. | January 09, 2018 to December 08, 2022 | Rs. 30,000/- Per year | Manufacturing Unit |
| 2. | Governor of Madhya Pradesh | ShreeOswal Seeds and | 06, Industrial Area Neemuch, Madhya Pradesh. | April 06, 2014 to | Rs. 5,146/- Per year | Warehouse |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | Chemicals Limited | | April 05, 2034 | | |

## INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS

### TRADEMARKS

| Sr. No. | Trademark | Trade mark Type | Class | Applicant | Application No. | Date of Application | Validity/ Renewal | Registration status |
|---|---|---|---|---|---|---|---|---|
| 1. | OSWAL | DEVICE | 31 | SANJAY KUMAR BEGANI | 1585379 | 30/07/2007 | 30/07/2027 (registration renewed for a period of 10 years from 30/07/2017) | Registered |

### COPYRIGHT

| Sr. No. | Diary Number | Registration No. | Class of Work | Title of Work | Applicant Name | Communication Address | Validity/ Renewal | Registration status |
|---|---|---|---|---|---|---|---|---|
| 1. | 13832/2016-CO/A | A-122071/2017 | Artistic | OSWAL SEEDS (LABEL) | Oswal Seeds & Chemicals (A Partnership Concern) | 213, 3rd Floor, Parmanand Colony, Dr. Mukherjee Nagar, Delhi – 110009 | Date of Application: December 06, 2016 | Registered |

## KEY INDUSTRY REGULATIONS AND POLICIES

*Except as otherwise specified in this Red Herring 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 business of Manufacturer, exporter and marketing of seeds. 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 210 of this Rd Herring Prospectus.

### APPLICABLE LAWS AND REGULATIONS

### BUSINESS/TRADE RELATED LAWS/REGULATIONS

***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.

***Madhya Pradesh SME Policy:***

The existing marketing arrangements provided by the Madhya Pradesh Laghu Udyog Nigam for the small scale sector will be strengthened. Powers will be delegated to district level officers of the Laghu Udyog Nigam to facilitate purchases at local level. The state government will encourage developing and strengthening of linkages between tiny, small, medium and large sectors. The scheme of State Capital Investment Subsidy, 1989 will be available to for small scale units, industrial units in the cooperative sector with a minimum investment of Rs. One crore in plant and machinery and a membership of a minimum of one hundred persons, will also be eligible. The following Sales Tax/Commercial Tax concessions will be available to industries:-

At present units having capital investment in fixed assets Rs. Ten lakhs get tax concession limited to the extent of 90% of the fixed capital investment. In the new scheme the ceiling has been raised to 100% for exemption and 150% for the deferment facility. These concessions will be available on finished products, by- products, waste products, raw materials, incidental goods and packing material.

Payment of tax will be deferred for a period of five years. In the sixth year the deferred amount will be

due without any interest as per rules. If the deferred amount is not paid within the stipulated time limit, the unit's eligibility for the balance period is liable to be cancelled and interest will be charged on such amount, as per rules. Units set up by Women Entrepreneurs, persons belonging to Scheduled Castes, Scheduled Tribes and Backward Classes, will be entitled to one year's additional concession.

After accounting for all special eligibilities, a unit will get a maximum benefit of upto an additional five years, over and above the concessions normally available. Given the capping on the quantum of commercial/sales tax concession it has become necessary to define capital investment in fixed assets. Capital Investment fixed capital assets are defined as follows:

Investment made in land, building, plant and machinery, electric installations and pollution control equipment. Expenditure on land development limited to 10% of the investment made in land and building. Investment made for laboratory, research and on administrative building. Investment made in machinery and equipment for laboratory and research. Capital investment made on the establishment of railway siding. Expenditure on godown, storage tank, etc. The value of leased machinery and equipment required for production. Incidental goods and capital goods will also be brought within the scope of entry tax concessions.100% Export Oriented Units will be especially encouraged. These units will get commercial tax concessions for an additional period of two years and exemption from payment of entry tax for a period of eight years. Industrial units being set up by Non-Resident Indians (NRI) with a capital investment of at least Rs. Two crore shall get similar concessions which are available to EOUs, provided that the NRI investment is at least 50% of the equity invested by the promoters.

***Industrial Policy of Relevant State***

***The Madhya Pradesh 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 incentivizing MSME to enhance their competitiveness for achieving higher growth.

**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

***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***

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 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year covered to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

***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, 1979***

The Equal Remuneration Act 1979 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 in our industry is prohibited as per Part B (Processes) of the Schedule.

***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

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

The Payment of Wages Act, 1936 is a central legislation which has been enacted to regulate the payment of wages to workers employed in certain specified industries and to ensure a speedy and effective remedy to them against unauthorized deductions and/or unjustified delay caused in paying wages to them. It applies to the persons employed in a factory, industrial or other establishment or in a railway, whether directly or indirectly, through a sub-contractor. In order to bring the law in uniformity with other labour laws and to make it more effective and practicable, the payment of wages Act was last amended in 2005. The amendment enhancing the wage ceiling per Month with a view to covering more employed persons and substitute the expressions "the Central Government" or "a State Government" by the expression "appropriate Government". Amendment also strengthening compensation and penal provisions made more stringent by enhancing the quantum of penalties by amending of the Act. The Central Government is responsible for enforcement of the Act in railways, mines, oilfields and air transport services, while the State Governments are responsible for it in factories and other industrial establishments.

***Employees' compensation act, 1923***

The passing of the Workmen's Compensation Act renamed as Employees' Compensation Act, 1923 was the first step towards social security of workmen. It aims at providing financial protection to workmen and their dependents in case of accidental injury by means of payment of compensation by the employers. The Employees' Compensation Act, 1923 provides for payment of compensation to the employees' and their dependents in the case of injury by industrial accidents including certain occupational diseases arising out of and in the course of employment resulting in death or disablement. This Act applies to certain railway servants and persons employed in hazardous employments such as factories, mines, plantations mechanically propelled vehicles, construction work etc. The Workmen's Compensation Act, 1923 has been renamed as the Employees' Compensation Act, 1923. For the words "workman" and "employee" and "employees" have been substituted respectively for making the Act gender neutral. The amendment has been brought about by the Workmen's Compensation (Amendment) Act, 2009 came into force on January 18, 2010. For the purpose of calculation of compensation under the Employees' Compensation Act, 1923 monthly wages has been increased by the Government and minimum rates of compensation for permanent total disablement and death are increased from Rs. 80, 000/- and Rs. 90,000/ to Rs. 1,20,000/- and Rs. 1,40,000/- respectively.

***The industrial employment (standing orders) act, 1946***

'Standing Orders' defines the conditions of recruitment, discharge, disciplinary action, holidays, leave, etc., go a long way towards minimizing friction between the management and workers in industrial undertakings. The Industrial Employment (Standing Orders) Act requires employers in industrial establishments to clearly define the conditions of employment by issuing standing orders duly certified. It applies to every industrial establishment wherein 100 or more workmen are employed or were employed on any day during the preceding twelve months. Model standing orders issued under the Act deal with classification of workmen, holidays, shifts, payment of wages, leaves, termination etc. The text of the Standing Orders as finally certified under this Act shall be prominently posted by the employer in English and in the language understood by the majority of his workmen on special boards to be maintained for the purpose at or near the entrance through which the majority of the workmen enter the industrial establishment and in all departments thereof where the workmen are employed.

**TAX RELATED LEGISLATIONS**

***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 taxon 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.

***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 5th / 6th 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 25th of the month immediately following the half year to which the return relates.

***Central Sales Tax Act, 1956 ("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.

***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.

***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.

***Goods and Service Tax (GST)***

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax

(Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. The rate of tax for CGST and SGST/UTGST shall not exceed –

a. 2.5% in case of restaurants etc.

b. 1% of the turnover in state/UT in case of manufacturer

c. 0.5% of the turnover in state/ UT in case of other supplier

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

## OTHER 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.

***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.

***The Seeds Act, 1966***

It was enacted in 1966 (hereinafter referred as "Act") and has been in force since Oct. 2, 1969, extends to the whole of India. This act aims at regulating the quality of seed sold for agricultural purpose through compulsory labeling and voluntary certification. Under compulsory labeling, any one selling the seed of a notified kind or variety, in the region for which it has been notified, should ensure that:

1. The seed confirms to the prescribed limits of germination purity.
2. The seed container is labeled in the prescribed manner, and
3. The label truly represents the quality of seed in the container.

Under voluntary certification, anyone interested in producing certified seed may do so by applying to the seed certification agency for the grant of certificate. The agency grants the certificate and certification tags after satisfying itself that the seed has been after satisfying itself that the seed has been produced according to the prescribed standards and procedures.
There are two bodies, viz., the central seed committee and the central seed certification board, which advise the central and the state governments in the matters related to the general administration of the seeds act and of seed certification, respectively.

As per Sec 2(11) of the said Act, "seed" means any of the following classes of seeds used for sowing or planting-

(i) seeds of food crops including edible oil seeds and seeds of fruits and vegetables;

(ii) cotton seeds;

(iii) seeds of cattle fodder;

As per Sec 9 of the said Act, certification agency will grant a certificate only if the following conditions are satisfied:

(1) Any person selling, keeping for sale, offering to sell, bartering or otherwise supplying any seed of any notified kind or variety may, if he desires to have such seed certified by the certification agency, apply to the certification agency for the grant of a certificate for the purpose.

(2) Every application under sub-section (1) shall be made in such form, shall contain such particulars and shall be accompanied by such fees as may be prescribed.

On receipt of any such application for the grant of a certificate, the certification agency may, after such enquiry as it thinks fit and after satisfying itself that the seed to which the application relates conforms to the minimum limits of germination and purity specified for that seed under clause (a) of section 6, grant a certificate in such form and on such conditions as may be prescribed.

***The Essential Commodities Act, 1955***

The Essential Commodities Act, 1955 was enacted to ensure easy availability of essential commodities to the consumers and to protect them from exploitation by unscrupulous traders. The Act provides for regulation and control of production, distribution and pricing of commodities, which are declared as

essential for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices'.

The Essential Commodities Act is being implemented by the State Governments/UT Administrations by availing of the delegated powers under the Act. The State Governments/ UT Administrations have issued various Control Orders for regulation, production and distribution of Essential Commodities such as food grains, edible oils, pulses kerosene, sugar etc. The Central Government regularly monitors the action taken by State Governments/UT Administrations to implement the provisions of the Essential Commodities Act, 1955.

The items declared as essential commodities under the Essential Commodities Act, 1955 are reviewed from time to time in the light of liberalized economic policies in consultation with the Ministries/Departments administering the essential commodities and particularly with regard to their production, demand, and supply.

**The Seeds (Control) Order, 1983**

In exercise of the powers conferred by section 3 of the Essential commodities Act. 1955 (10 of 1955). The Central Government made the The Seeds (Control) Order, 1983. The Order contains the procedure for obtaining the licenses by dealers to deal in various seeds. It sets down the conditions on which the license shall be granted, the period of the license, etc. The Order also sets down the enforcing authority for the regulation on the licenses and the punishments in the case of contravention of any provision.

**Biological Diversity Act, 2002**

The Biological Diversity Act, 2002 is an Act of the Parliament of India for preservation of biological diversity in India, and provides mechanism for equitable sharing of benefits arising out of the use of traditional biological resources and knowledge. The Act was enacted to meet the obligations under Convention on Biological Diversity (CBD), to which India is a party.

The Act aims at the conservation of biological resources and associated knowledge as well as facilitating access to them in a sustainable manner and through a just process for purposes of implementing the objects of the Act it establishes the National Biodiversity Authority in Chennai.

**The Agricultural Produce (Grading and Marking) Act, 1937**

The provisions of the Act deal mainly with the prescription and protection of merchandise marks and as such fall within entry 49 of List I of the Seventh Schedule to the Constitution. The State Government of Jammu and Kashmir have agreed to the extension of the Act to that State. The Agricultural Produce (Grading and Marking) Act, 1937 provides for the grading and marking of agricultural and other allied commodities with the objectives of making avail- able quality agricultural produce including horticulture and livestock produce to the consumers. Under this Act, the Central Government has been authorised to make rules fixing grade designation to indicate the quality of any scheduled article, denning the quality indicated by every grade designation; specifying grade designation mark to represent particular grade designation; authorising interested parties to grade; specifying conditions regarding manner of marking, packaging etc. and providing for the confiscation and disposal of produce marked otherwise than in accordance with the prescribed conditions with a grade designation mark.

**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:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

***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.

**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, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

**OTHER LAWS:**

***Foreign Trade (Development and Regulation) Act, 1992***

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of all the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to

the export and import of goods in India. This policy is regulated under the said act. Director General of Foreign Trade (herein after referred to as DGFT) is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

***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 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 2017**("FDI Policy 2017")**, which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 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 2017, 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

### CORPORATE PROFILE AND BRIEF HISTORY

Our Company was originally formed as a partnership firm under the Indian Partnership Act, 1932 in the name of "M/s Oswal Seeds and Chemicals" pursuant to a deed of partnership dated July 29, 2002. M/s Oswal Seeds and Chemicals, was thereafter converted from a partnership firm to a public limited company under Section 366 of the Companies Act, 2013 with the name of "ShreeOswal Seeds and Chemicals Limited" and received a fresh certificate of incorporation from the Registrar of Companies, Central Registration Centre, on December 01, 2017 and Corporate Identification Number of our Company is U01111MP2017PLC044596.

Anil Kumar Nahata, Sanjay Kumar Baigani, Kiran Devi Begani, Padma Nahta, Anil Kumar Baigani, Kamlesh Nahta, Rajesh Nahata and Paresh S Dugad, partners of M/s Oswal Seeds and Chemicals were the initial subscribers to the Memorandum of Association of our Company.

Anil Kumar Nahata and Sanjay Kumar Baigani are the Promoters of the Company and were the partners of the erstwhile partnership firm.

For information on our Company's profile, activities, market, products, etc., market of each segment, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, market, major suppliers and customers, geographical segment, regulatory approvals, etc. wherever applicable, please refer to the chapters titled *"Our Business", "Our Industry", "Financial Statements as Restated", "Management's Discussion and Analysis of Financial Condition and Results of Operation", "Government and Other Statutory Approvals"* beginning on page 133,112,183,184 and 210 respectively of this Red Herring Prospectus.

### CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Our Company's Registered Office is currently situated at Oswal House, Opposite Balkavibairagi College, Nasirabad Highway, Village Kanawati, Neemuch- 458441, Madhya Pradesh. India. There has been no change in our registered office since incorporation.

### 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 (as a partnership firm):

| Financial Year | Events |
|---|---|
| 2002 | Commencement of business under the Partnership firm M/s Oswal Seeds and Chemicals by way of a partnership deed dated;- July 29, 2002, between Anil Kumar Nahata and Sanjay Kumar Baigani |
| 2015 | Increase in production capacity from 1000 tonnes to 22,500 tonnes |
| 2017 | Awarded most promising MSME in Madhya Pradesh leadership series, presented by Union Bank Of India. |
| 2017 | Conversion from partnership firm to public limited Company in the name and style of "ShreeOswal Seeds and Chemicals Limited" |
| 2018 | ISO 22000:2005 Certification for Food Safety Management System |

### MAIN OBJECTS

The main object of our Company, as contained in our Memorandum of Association, is as set forth below:

1. To carry on business of Farming, Production, Harvesting, procurement, Grading, Pooling, Handling, Marketing, agriculture and horticulture in all their respective farms and branches of seed merchants and dealers in seeds, plants, trees, flowers, medicinal plants, vegetables, fruits and as vegetables growers and cultivators, seedsmen, agriculturists, horticulturists, farmers, Planters, gardeners and producers of all varieties and kinds of vegetable and agricultural seeds,

hybrid seeds and with a view there to raise vegetable plants, crops, flowers, vegetables plants, garden plants or all varieties and kinds and to process, treat condition and refine and market seeds of all kinds and varieties and to produce, breed and grow grains and farm produce of all kinds and to grow, cultivate, plant, produce, process, buy, sell, import, export, research, development, make marketable, Storage, Packing, Logistics, Cold Storage, Dehydration and otherwise deal in plants, hybrid seeds, seeds, and by-products and consumer goods, Psyllium Seed, Psyllium Husk, Psyllium Husk Powder, Cattle Feed, Grains, Spices, Chemicals, Oil, Oil Seeds, Fertilizers, Sugar etc. there from and fodder of all kinds and varieties.

2. To carry on the business of chemical and seeds, manufacturer, and trading such other business or businesses incidental thereto connected therewith as the partners may decide from time to time.

**Since incorporation, the following changes have been made to our Memorandum of Association**

| Date of Shareholder's Approval | Amendment |
|---|---|
| January 16, 2018 | Increase in authorised capital from Rs. 7,00,00,000/- consisting of 70,00,000 Equity shares of Rs. 10 each to Rs. 18,00,00,000/- consisting of 1,80,00,000 Equity shares of Rs. 10 each. |

## HOLDING COMPANY OF OUR COMPANY

Our Company has no holding company as on date of this Red Herring Prospectus.

## SUBSIDIARY COMPANY OF OUR COMPANY

As on date of this Red Herring Prospectus, our Company has one subsidiary, namely, ShreeOswal Psyllium Exports India Limited.

### Corporate Information

ShreeOswal Psyllium Exports India Limited was a partnership firm under the Indian Partnership Act, 1932 in the name of "M/s Oswal Psyllium Exports" pursuant to a deed of partnership dated December 14, 2007. M/s Oswal Psyllium Exports, was thereafter converted from a partnership firm to a public limited company under Section 366 of the Companies Act, 2013 with the name of "ShreeOswal Psyllium Exports India Limited" and received a fresh certificate of incorporation from the Registrar of Companies, Central Registration Centre, on February 28, 2018 and Corporate Identification Number of ShreeOswal Psyllium Exports India Limited is U01100MP2018PLC045146

### Registered Office

"Oswal House" Opposite Balkavibairagi College, Nasirabad Highway Village Kanawati, Neemuch-458441, Madhya Pradesh. India

### Main object of the ShreeOswal Psyllium Exports India Limited.

To carry on the business of chemicals, seeds, plants, flowers, vegetables, fruits, spices, psyllium, pulses, grains, poppy seeds and preparation of any nature or description as manufacturers, producers, farmers, importers, exporters, traders, millers, grinders, processors, cold storers, canners, preservers, buyers, sellers, marketers, researchers and such other business or businesses incidental and connected therewith as the partners may decide from time to time.

### Capital Structure and Shareholding Pattern

The authorized share capital of ShreeOswal Psyllium Exports India Limited is Rs. 10,00,000/- divided into 1,00,000 equity shares of Rs. 10/- each and the paid up capital of Rs. 10,00,000/- divided into 1,00,000 equity shares of Rs. 10/- each. The shareholding pattern of ShreeOswal Psyllium Exports India Limited as on the date of this Red Herring Prospectus is as mentioned below:

| Sr. No. | Name of Shareholder | Number of Shares | Percentage |
|---|---|---|---|
| 1. | ShreeOswal Seeds and Chemicals | 999,40 | 99.94% |

| Sr. No. | Name of Shareholder | Number of Shares | Percentage |
|---|---|---|---|
| | Limited | | |
| 2. | Anil Kumar Nahata (as nominee of ShreeOswal Seeds and Chemicals Limited) | 10 | 0.1% |
| 3. | Sanjay Kumar Baigani (as nominee of ShreeOswal Seeds and Chemicals Limited) | 10 | 0.1% |
| 4. | Kiran Devi Begani (as nominee of ShreeOswal Seeds and Chemicals Limited) | 10 | 0.1% |
| 5. | Padma Nahta (as nominee of ShreeOswal Seeds and Chemicals Limited) | 10 | 0.1% |
| 6. | Kamlesh Nahata (as nominee of ShreeOswal Seeds and Chemicals Limited) | 10 | 0.1% |
| 7. | Anil Kumar Baigani (as nominee of ShreeOswal Seeds and Chemicals Limited) | 10 | 0.1% |
| | **Total** | **1,00,000** | **100.00%** |

The Board of Directors of ShreeOswal Psyllium Exports India Limited as on the date of this Red Herring Prospectus is as follows:

| Sr. No. | Name of Directors |
|---|---|
| 1. | Anil Kumar Nahata |
| 2. | Sanjay Kumar Baigani |
| 3. | Kiran Devi Begani |
| 4. | Padma Nahta |

## 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 81 of this Red Herring 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. However, our Company was admitted as partner in M/s Oswal Psyllium Exports vide partnership deed dated December 06, 2017. M/s Oswal Psyllium Exports was later converted into a public limited Company under the name and style of ShreeOswal Psyllium Exports India Limited and pursuant to conversion ShreeOswal Psyllium Exports India Limited became our subsidiary Company. For further details about our Subsidiary Company please refer *"Subsidiary Company Of Our Company"* under this chapter of DRHP.

## SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of this Red Herring 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 Red Herring Prospectus.

## STRATEGIC/ FINANCIAL PARTNERS

Our Company does not have any strategic/financial partner as on the date of filing of this Red Herring Prospectus.

## DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

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

## CONVERSION OF LOANS INTO EQUITY SHARES

There has been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Red Herring Prospectus.

## CHANGE IN ACTIVITIES OF OUR COMPANY DURING LAST FIVE YEARS

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company including discontinuance of lines of business, loss of agencies or markets and similar factors.

## STRIKES AND LOCKOUTS

There have been no strikes or lockouts in our Company since incorporation.

## REVALUATION OF ASSETS

There has been no revaluation of our assets and we have 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 Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

## NUMBER OF SHAREHOLDERS

Our Company has 8 shareholders as on date of this Red Herring Prospectus. For further details on shareholders please refer to chapter titled “Capital Structure” beginning on page 81 of this Red Herring Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our AoA, 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. Our Company currently has 6 Directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of Red Herring Prospectus:

| Sr. No. | Name/Father's Name, Age Designation, Address, Occupation, Nationality, Term and DIN | Date of Appointment/ Reappointment as Director | Other Directorship |
|---|---|---|---|
| 1. | **Name:** Sanjay Kumar Baigani<br>**Father's Name:** Manohar Lal Baigani<br>**Age:** 45 Years<br>**Designation:** Chairman & Managing Director<br>**Address**: House No. 475 14/2, Vikas Nagar, Neemuch 458441, Madhya Pradesh India.<br>**Occupation:** Business<br>**Nationality:** Indian<br>**DIN:** 07921083<br>**Term**: 3 years w.e.f. December 04, 2017, liable to retire by rotation | Appointed as Director w.e.f December 01, 2017 and designated as Chairman and Managing Director pursuant to resolution passed on February 6, 2018 and December 4, 2017 respectively. | **Public Limited Company**<br>ShreeOswal Psyllium Exports India Limited<br>**Private Limited Company**<br>Nil<br>**Limited Liability Partnership**<br>Nil |
| 2. | **Name:** Anil Kumar Nahata<br>**Father's Name:** Devilal Nahata<br>**Age:** 42 Years<br>**Designation:** Director & CEO<br>**Address**: 94/2, Station Road, Jawahar Marg, Neemuch 458441, Madhya Pradesh, India.<br>**Occupation:** Business<br>**Nationality:** Indian<br>**DIN:** 07921005<br>**Term**: Liable to retire by rotation | Appointed as Director w.e.f December 01, 2017 and designated as Chief Executive Officer w.e.f December 4, 2017, pursuant to resolution passed on December 4, 2017 | **Public Limited Company**<br>ShreeOswal Psyllium Exports India Limited<br>**Private Limited Company**<br>Nil<br>**Limited Liability Partnership**<br>Nil |
| 3. | **Name:** Kiran Devi Begani<br>**Father's Name:** Ajit Kumar Tatbo<br>**Age:** 41 Years<br>**Designation:** Director<br>**Address**: House No. 475, 14/2 Vikas Nagar, Ward No.29 Neemuch 458441 Madhya Pradesh, India.<br>**Occupation:** Business<br>**Nationality:** Indian<br>**DIN:** 07921018<br>**Term**: Liable to retire by rotation | Appointed as Director w.e.f. December 01, 2017 | **Public Limited Company**<br>ShreeOswal Psyllium Exports India Limited<br>**Private Limited Company**<br>Nil<br>**Limited Liability Partnership**<br>Nil |

| Sr. No. | Name/Father's Name, Age Designation, Address, Occupation, Nationality, Term and DIN | Date of Appointment/ Reappointment as Director | Other Directorship |
|---|---|---|---|
| 4. | **Name:** Padma Nahta<br>**Father's Name:** Rajmal Chhajed<br>**Age:** 41 Years<br>**Designation:** Non-executive Director<br>**Address**: 94/2, Station Road, Jawahar Marg, Neemuch 458441, Madhya Pradesh, India.<br>**Occupation:** Business<br>**Nationality:** Indian<br>**DIN:** 07921042<br>**Term**: Liable to retire by rotation | Appointed as Director on December 01, 2017.<br><br>Re-designated as Non-Executive Director on January 08, 2018. | **Public Limited Company**<br>ShreeOswal Psyllium Exports India Limited<br><br>**Private Limited Company**<br>Nil<br><br>**Limited Liability Partnership**<br>Nil |
| 5. | **Name:** Gopal Lal Agarwal<br>**Father's Name:** Rameshwar Lal Agarwal<br>**Age:** 56 Years<br>**Designation:** Additional Independent Director<br>**Address**: House.No.22,Scheme No.30, Neemuch Goma Bai Hospiatal Road, Sanjivani Colony Ke Samne Neemuch 458441 India.<br>**Occupation:** Retired<br>**Nationality:** Indian<br>**DIN:** 08042715<br>**Term**: 5 years w.e.f. January 08, 2018 | Appointed as Additional Independent Director w.e.f. January 08, 2018 | **Public Limited Company**<br>Nil<br><br>**Private Limited Company**<br>Nil<br><br>**Limited Liability Partnership**<br>Nil |
| 6. | **Name:** Sunil Kumar Agarwal<br>**Father's Name:** Damodar Lal Agarwal<br>**Age:** 58 Years<br>**Designation:** Additional Independent Director<br>**Address**: Ward No.14,Rani Kheda Darwaja, Nimbahera , Chittorg Nimbahera 312601<br>**Occupation:** Business<br>**Nationality:** Indian<br>**DIN:** 08046616<br>**Term**: 5 years w.e.f. January 08, 2018 | Appointed as Additional Independent Director w.e.f. January 08, 2018 | **Public Limited Company**<br>Nil<br><br>**Private Limited Company**<br>Nil<br><br>**Limited Liability Partnership**<br>Nil |

## BRIEF PROFILE OF OUR DIRECTORS

**Sanjay Kumar Baigani, Promoter, Chairman & Managing Director**

Sanjay Kumar Baigani, aged 45 years is the Promoter and Chairman & Managing Director of the Company. He is associated with our Company since Incorporation. He has practical and hands on experience in field related with taxation, accounting and computer. He has work experience of more than 10 years with Anil Kumar Sanjay Kumar Jain and was responsible in handling day-to-day working and dealing in seeds, fertilizers, grains etc. including its marketing He is the guiding force behind the strategic decisions of our Company and has been instrumental in planning and formulating the overall business

strategy and developing business relations of our Company. He majorly looks after accounts department and finance department of our Company.

**Anil Kumar Nahata, Promoter, Director and Chief Executive Officer**

Anil Kumar Nahata, aged 42 years is the Promoter and Director of the Company and has been designated as the Chief Executive Officer of the Company. He has been on the Board of the Company since incorporation. He looks after the overall business affairs majorly taking care of sales department, purchase department, production department and marketing department of our Company. He has work experience of more than 9 years with M/s. Nahata Brothers and was responsible in handling day-to-day working and dealing in seeds, fertilizers, grains etc. including its marketing. Further, he has also participated in many conventions related with Agri-Industry, ICAR- National Research Centre on seed spices and India Expo, which was held in Karachi Expo. Center, Pakistan.

**Kiran Devi Begani, Promoter and Director**

Kiran Devi Begani, aged 41 years is the Director of the Company. She is taking care of Human Resources Department of our Company. She is the Director of the Company since incorporation.

**Padma Nahta, Promoter and Non-executive Director**

Padma Nahta, aged 41 years is the Director of the Company. She is associated with our Company since incorporation and has been re-designated as Non-executive Director as on January 08, 2017

**Gopal Lal Agarwal. Additional Independent Director**

Gopal Lal Agarwal, aged 56 years is an Independent Director of the Company. He holds Bachelor's degree in commerce from Rajasthan University, Jaipur. Rajasthan. Prior to joining our Company, he was associated with as State Bank of India as Branch manager and has knowledge and experience on all types of financial analysis, customer relation, statutory obligation, liasoning, housekeeping, customer relation, general and life insurance business, recovery in difficult accounts etc.

**Sunil Kumar Agrawal, Additional Independent Director**

Sunil Kumar Agrawal, aged 58 years is an Independent Director of the Company. He has completed Secondary School from Board of Secondary Education, Rajasthan.

## RELATIONSHIP BETWEEN DIRECTORS

As on the date of this Red Herring Prospectus:

1. Except as disclosed below, none of the Directors of the Company are related to each other within the meaning of section 2(77) of the Companies Act, 2013:

| Director | Other Director | Relationship |
|---|---|---|
| Sanjay Kumar Baigani | Kiran Devi Begani | Husband-Wife |
| Anil Kumar Nahata | Padma Nahta | Husband-Wife |

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

None of the Directors were paid any remuneration during the financial year ended on March 31, 2017:

**Terms and conditions of employment of our Managing Director:**

Mr. Sanjay Kumar Baigani has been appointed as Managing Director of our Company for a period of 3 years with effect from December 04, 2017 upto December 3, 2020. He will be paid remuneration for a period of 3 years as per the terms and conditions mentioned in the resolution dated December 04, 2017 extract of which is given below:

| | |
|---|---|
| **Remuneration** | Rs. 1,00,000/- |
| **Terms of Appointment** | 3 Years |
| **Perquisites** | (a) Contribution to provided fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;<br>(b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and<br>(c) Encashment of leave at the end of the tenure. |

However, the total managerial remuneration payable to the Managing Director shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time (i.e as per section 1 of Part II of Schedule V) or whether in case in any financial year, during his currency of tenure of a managerial person, the Company has no profits or its profits are inadequate, it may without approval of Central Government pay, the remuneration to above managerial personnel not exceeding the ceiling (not exceeding the highest of the limit prescribed under section 2 of Part II of Schedule V of the Act.

**Terms and conditions of employment of our Independent Directors and Non-executive Directors**

Non-executive and Independent Directors of our Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the AoA, the Companies Act, 2013 and other applicable laws and regulations.

## SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY

As per the AoA 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 Red Herring Prospectus:

| Sr. No. | Name of the Director | No. of Equity Shares | % of Pre Issue Equity Share Capital | % of Post Issue Equity Share Capital |
|---|---|---|---|---|
| 1. | Sanjay Kumar Baigani | 53,34,470 | 50.00% | 34.99% |
| 2. | Anil Kumar Nahata | 53,34,470 | 50.00% | 34.99% |
| 3. | Kiran Devi Begani | 10 | Negligible | Negligible |
| 4. | Padma Nahta | 10 | Negligible | Negligible |

## INTERESTS OF DIRECTORS

**Interest in promotion of our Company**

Our Directors, Sanjay Kumar Baigani, Anil Kumar Nahata, Kiran Devi Begani and Padma Nahta 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 scatterings in respect of the aforesaid Equity Shares. For further details, refer to chapter titled *"Related Party Transactions"* beginning on page 181 of this Red Herring Prospectus.

**Interest in the property of our Company**

Except as stated/referred to in the heading titled *"Immovable Properties"* under the chapter titled *"Our Business"* beginning on page 133 and chapter titled *"Related Party Transaction"* on page 181 of the Red Herring Prospectus, our Directors have not entered into any contract, agreement or arrangements within a period of two years preceding the date of Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Further, our Directors do not have any interest in any immovable property to be acquired by the Company except otherwise disclosed in the heading titled *"Immovable Properties"* under the chapter titled *"Our Business"* beginning on page 133 of the Red Herring Prospectus.

**Interest by way of Remuneration from the Company**

Our Directors, Sanjay Kumar Baigani, Anil Kumar Nahata and Kiran Devi Begani 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/ Commission Paid to the Directors* "as disclosed in the chapter titled "*Our Management*" beginning on page 163 of this Red Herring Prospectus. 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 AoA. 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 163 and 181 respectively of this Red Herring Prospectus and described herein above, our Directors do not have any other interest in the business of our Company.

**Interest as member of our Company**

As on date of this Red Herring Prospectus, our Directors together hold 1,06,68,960 Equity Shares in our Company i.e. 100.00 % of the pre Issue paid up Equity Share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

**Interest as a creditor of our Company**

As on the date of this Red Herring Prospectus, our Company has availed loans from the Directors of our Company. For further details, refer to chapter titled *"Financial Indebtedness"* and section titled *"Related Party Transactions"* beginning on page 200 and 181 of this Red Herring Prospectus.

*Except as stated above and under the heading "Financial Statements, as restated – Annexure XXXII – Restated Statement of Related Parties Transactions" on page 183 under the section titled "Financial Information", we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company.*

## 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 183 of this Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Red Herring Prospectus.

## SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

Except as disclosed under the chapter titled *"History and Certain Other Corporate Matters"* on page 159, our Directors do not hold any share in our subsidiary namely, ShreeOswal Psyllium Exports India Limited as on date of filing this Red Herring 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 Red Herring Prospectus:

| Name | Date of event | Nature of event | Reason |
|---|---|---|---|
| Sunil Kumar Agrawal | January 08, 2018 | Appointment | Appointed as an Additional Independent Director |
| Gopal Agarwal | January 08, 2018 | Appointment | Appointed as an Additional Independent Director |
| Padma Nahta | January 08, 2018 | Change in Designation | Appointed as Non-Executive Director of the Company |
| Sanjay Kumar Baigani | December 04, 2017 | Appointment | Appointment as Managing Director of the Company |
| Padma Nahta | December 01, 2017 | Appointment | Appointment as Executive Director of the Company |
| Kiran Devi Begani | December 01, 2017 | Appointment | Appointment as Executive Director of the Company |
| Anil Kumar Nahata | December 01, 2017 | Appointment | Appointment as Executive Director of the Company |
| Anil Kumar Nahata | December 04, 2017 | Appointment | Appointment as Chief Executive Officer of the Company |
| Sanjay Kumar Baigani | December 01, 2017 | Appointment | Appointment as Executive Director of the Company |

## BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at an Extra-ordinary General Meeting of our Company held on January 16, 2018 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. 200 crores.

## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to the corporate governance, provisions of the SEBI Listing Regulations will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

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 SEBI Listing 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 the various committees constituted to oversee specific operational areas.

Currently our Board has six directors out of which two are Independent Directors. The constitution of our Board is in compliance with the requirements of 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 January 08, 2018. The constituted Audit Committee comprises following members:

| Name of the Director | Status | Nature of Directorship |
|---|---|---|
| Gopal Lal Agarwal | Chairman | Independent Director |
| Sunil Kumar Agrawal | Member | Independent Director |
| Sanjay Kumar Baigani | Member | Managing 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 (3) of Section 134 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;
21. To investigate any other matters referred to by the Board of Directors;
22. 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 days 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.

***B)*** **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 January 08, 2018.

The Stakeholder's Relationship Committee comprises the following Directors:

| Name of the Director | Status | Nature of Directorship |
|---|---|---|
| Padma Nahta | Chairperson | Non-Executive Director |
| Sanjay Kumar Baigani | Member | Managing Director |
| Anil Kumar Nahata | Member | 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. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressal of security holders's/investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
3. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
4. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
5. Allotment and listing of shares;
6. Reference to statutory and regulatory authorities regarding investor grievances; and
7. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
8. Any other power specifically assigned by the Board of Directors of the Company

***C)*** **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 January 08, 2018. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

| Name of the Director | Status | Nature of Directorship |
|---|---|---|
| Gopal Lal Agarwal | Chairman | Independent Director |
| Sunil Kumar Agarwal | Member | Independent Director |
| Padma Nahta | Member | Non-Executive 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:**

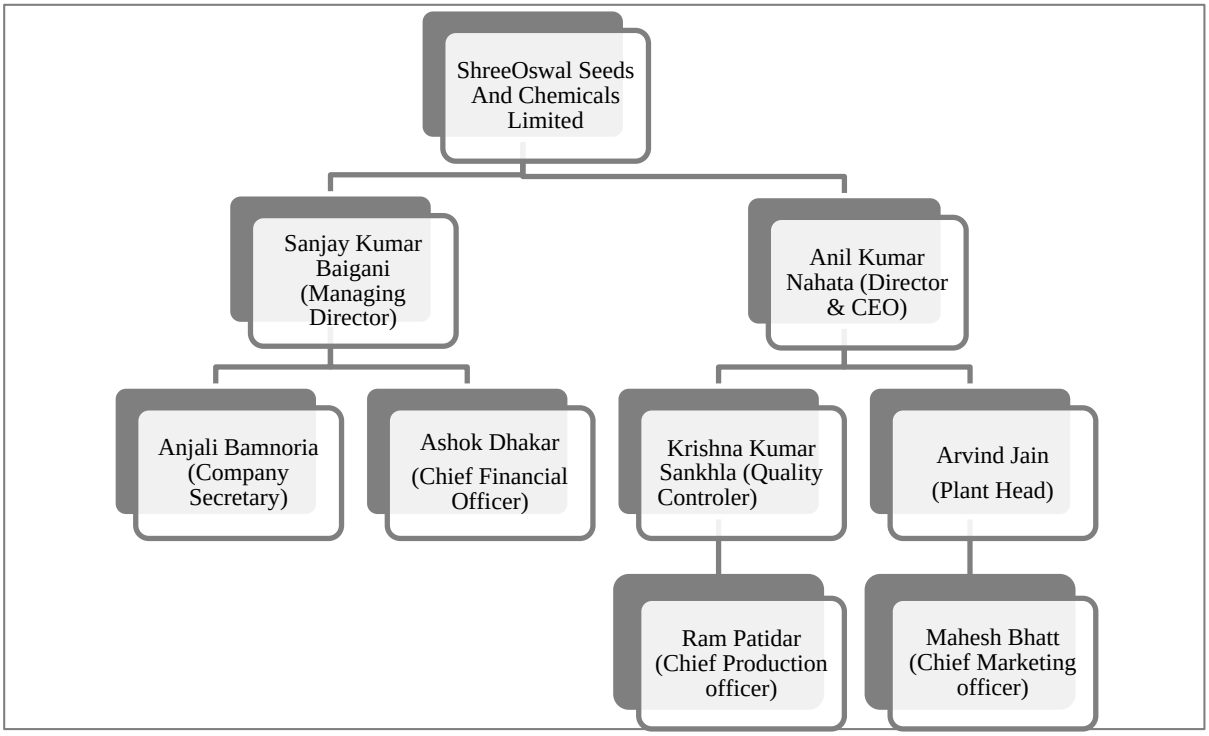
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and the Board;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Devising a policy on Board diversity; and
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

**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 ("SEBI PIT Regulations") will be applicable to our Company immediately upon the listing of its Equity Shares on. EMERGE Platform of National Stock Exchange of India Limited. We shall comply with the requirements of the SEBI PIT Regulations on listing of Equity Shares on Stock Exchanges.

Ms. Anjali Bamboria, 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.

## ORGANIZATION STRUCTURE




## KEY MANAGERIAL PERSONNEL

Set forth below are the details of our Key Management Personnel as prescribed under the Companies Act 2013, in addition to Mr. Sanjay Kumar Baigani, our Chairman and Managing Director and Mr. Anil Kumar Nahata, Chief Executive Officer of our Company as on the date of filing of this Red Herring Prospectus. For details of Mr. Sanjay Kumar Baigani and Mr. Anil Kumar Nahata, see *"Brief Profile of our Directors"* on page 164 of Red Herring Prospectus.

**Ashok Dhakar,** aged 31 years is the Chief Financial Officer of the Company. He holds degree in Bachelor of Arts from Mohan Lal Sukhadia University, Udaipur and also holds Degree in Masters of Social Work from Balkavi Bairagi Mahavidyalaya, Bhopal, Madhya Pradesh.

**Anjali Bamboria,** aged 29 years is the Company Secretary and Compliance Officer of the Company. She is a member of Institute of Companies Secretaries of India. She also holds Degree in Master of Commerce from Vikram University, Ujjain, Madhya Pradesh, India. She served as Commerce Lecturer at Dr. Radha Krishnan Mahavidyalaya for around 2 years. She is entrusted with Legal and Secretarial Department 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.

| Director/Promoter | Key Managerial Personnel | Relationship |
|---|---|---|
| Kiran Devi Begani | Sanjay Kumar Baigani | Wife-Husband |
| Padma Nahta | Anil Kumar Nahata | Wife-Husband |

## 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 Red Herring Prospectus.

| Sr. No. | Name of the Director | No. of Equity Shares | % of Pre Issue Equity Share Capital | % of Post Issue Equity Share Capital |
|---|---|---|---|---|
| 1. | Sanjay Kumar Baigani | 53,34,470 | 50.00% | 34.99% |
| 2. | Anil Kumar Nahata | 53,34,470 | 50.00% | 34.99% |

## 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.

### REMUNERATION/ COMPENSATION TO KEY MANAGERIAL PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel have received any remuneration during the last Financial Year ended 31st March, 2017

| Name of the Key Managerial Personnel | Remuneration paid during FY 2016-17 (Rupees in Lakhs) |
|---|---|
| Sanjay Kumar Baigani | 2.00 |
| Anil Kumar Nahata | 2.00 |

## LOANS TO KEY MANAGERIAL PERSONNEL

The Company has not given any loans and advances to the Key Managerial Personnel except as disclosed in *Annexure XXXII* Related Party Transactions under chapter titled - "*Financial Statements as Restated*" beginning on page 183 of this Red Herring Prospectus.

## INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company have interest in our Company to the extent of the remuneration and/ 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 Red Herring 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 183 of this Red Herring 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:

| Name | Nature of Event | Date of Event | Reason |
|---|---|---|---|
| Sanjay Kumar Baigani | Re-designation | December 04, 2017 | Re-designated as Managing Director |
| Anil Kumar Nahata | Appointment | December 04, 2017 | Appointed as Chief Executive Officer |
| Ashok Dhakar | Designated | December 04, 2017 | Appointed as Chief Financial Officer |
| Anjali Bamboria | Appointment | January 08, 2018 | Appointed as Company Secretary and Compliance Officer |

Other than the above changes, there have been no changes to the Key Managerial Personnel 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 183 of this Red Herring 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

The Promoters of Our Company are Sanjay Kumar Baigani and Anil Kumar Nahata. As on date of this Red Herring Prospectus, our Promoters hold 1,06,68,940 Equity Shares representing 100.00% of the pre-issue paid up Capital of Our Company.

**Brief profile of our Individual Promoters is as under:**

| | |
|---|---|
| | **Sanjay Kumar Baigani, Promoter, Chairman and Managing Director**<br><br>Sanjay Kumar Baigani, aged 45 years is the Promoter and Chairman & Managing Director of the Company. He is associated with our Company since Incorporation. He has practical and hands on experience in field related with taxation, accounting and computer. He has work experience of more than 10 years with Anil Kumar Sanjay Kumar Jain and was responsible in handling day-to-day working and dealing in seeds, fertilizers, grains etc. including its marketing He is the guiding force behind the strategic decisions of our Company and has been instrumental in planning and formulating the overall business strategy and developing business relations of our Company. He majorly looks after accounts department and finance department of our Company.<br><br>**Nationality:** Indian<br>**DIN:** 07921083<br>**Passport No:**M0953075<br>**Driving License:**MP44D-2007-0055632<br>**Voters ID:**GXS1873959<br><br>**Address**: House No. 475, 14/2 Vikas Nagar, Ward No.29 Neemuch- 458441 Madhya Pradesh, India.<br><br>**Firms and ventures promoted by Sanjay Kumar Begani:** Shri Sanjay Kumar (HUF), M/S Shree Nakoda Developers and M/S S.N. Nature Fresh<br><br>For further details relating to Sanjay Kumar Baigani, including terms of appointment as Managing Director and other directorships please refer to the chapter titled *"Our Management"* beginning on page 163 of this Red Herring Prospectus. |
| | **Anil Kumar Nahata, Promoter and CEO**<br><br>Anil Kumar Nahata, aged 42 years is the Promoter and Director of the Company and has been designated as the Chief Executive Officer of the Company. He has been on the Board of the Company since incorporation. He looks after the overall business affairs majorly taking care of sales department, purchase department, production department and marketing department of our Company. He has work experience of more than 9 years with M/s. Nahata Brothers and was responsible in handling day-to-day working and dealing in seeds, fertilizers, grains etc. including its marketing. Further, he has also participated in many conventions related with Agri-Industry, ICAR- National Research Centre on seed spices and India Expo, which was held in Karachi Expo. Center, Pakistan.<br><br>**Nationality:** Indian<br>**DIN:** 07921005<br>**Passport No:**J6556294<br>**Driving License:** MP44N-2016-0031633 |

| | |
|---|---|
| | **Voters ID:**TJW0386532<br><br>**Address**:94/2, Station Road,Jawahar Marg,Neemuch 458441,Madhya Pradesh, India.<br><br>**Firms and ventures promoted by Anil Kumar Nahata:** ANIL KUMAR NAHATA (HUF), M/S Shree Nakoda Developers and M/S S.N. Nature Fresh.<br><br>For further details relating to Anil Kumar Nahata, including terms of appointment as director and CEO please refer to the chapter titled *"Our Management"* beginning on page 163 of this Red Herring Prospectus. |

## DECLARATION

Our Company confirms that the Permanent Account Number, Bank Account Number and Passport Number of our Promoters shall be submitted to the Stock Exchange at the time of filing of this Red Herring Prospectus with it.

## INTEREST OF PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and the dividend receivable, if any and other distributions in respect of the Equity Shares held by them. For details regarding shareholding of our Promoters in our Company, please refer "*Capital Structure"*on page 81 of this Red Herring Prospectus.

Some of our Promoters may also be deemed to be interested in our Company to the extent of their shareholding in our Group Companies with which our company transacts during the course of its operations.

Our Promoters are the Directors of our Company and may be 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 the agreements entered into with our Company, if any and AoA of our Company. For details refer to the chapter titled *"Our Management", "Financial Statements"* and *"Capital Structure"* beginning on pages 163,183 and 81 respectively of this Red Herring Prospectus.

Except as mentioned in the chapter titled *"Our Business"* under *"Land & Property"*, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing of this Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

For details of related party transactions entered into by our Company during last financial year with our Promoters and Group Companies, the nature of transactions and the cumulative value of transactions, see*"Related Party Transactions* on page no 182 of this Red Herring Prospectus.

## OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in the chapter titled "*Our Promoter* and *Our Promoter Group" and "Group Companies*" beginning on page 176 and 180 respectively of this Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests / other interests.

## RELATED PARTY TRANSACTIONS

For details of related party transactions entered into by our Promoters, members of our Promoter Group and Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer chapter titled *"Related Party Transactions"* on page 181 of this Red Herring Prospectus.

## PAYMENT OR BENEFITS TO PROMOTER

Except as stated otherwise in the chapter titled "*Related Party Transactions*" on page 181 of this Red Herring Prospectus, there have been no payments or benefits to the Promoters during the two years prior

to filing of this Red Herring 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:**

| Relationship with Promoters | Sanjay Kumar Baigani | Anil Kumar Nahata |
|---|---|---|
| Father | Late Manohar Lal Baigani | Devi Lal Nahata |
| Mother | Chandra Lekha Begani | Premlata Nahata |
| Brother | Anil Kumar Baigani | N.A |
| Sister's | Kiran Kothari<br>Alka Duggad | Kiran Kothari<br>Sunit Sisodia<br>Rekha Nagori |
| Spouse | Kiran Devi Begani | Padma Nahta |
| Son | Yuvraj Begani | Rohit Nahata<br>Garvit Nahata |
| Daughter | Sakshi Begani | N.A. |
| Spouse's Father | Ajit Kumar Tated | Rajmal Chhajed |
| Spouse's Mother | Ashoka Bai Tated | Sohan Bai Chhajed |
| Spouse's Brother | Narendra Kumar Tated | Shobbhag mal Chhajed<br>Surendra Kumar Chhajed<br>Mahavir Chhajed |
| Spouse's Sister | Reena Jain<br>Sapna Pamecha<br>Aarti Devi | Shakuntla Gopawat<br>Lila Devi<br>Sushma Jain |

**B. Companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:**

1. M/s PurnimaRoadlines, Partapgarh (Raj) (Proprietorship concern of Narendra Kumar Tated)
2. M/s Pratham Spices (Proprietorship concern of Aarti Devi)
3. M/s Nahata Brothers (Proprietorship concern of Devi LalNahata)
4. M/s Adinath Food Industries (A Partnership firm in which Surendra Kumar Chhajed is partner)
5. M/s AdinathSortex(A Partnership firm in which Shobhag mal Chhajed is partner)
6. Anil Kumar Sanjay Kumar Jain (Proprietorship concern of Anil Kumar Baigani)
7. Shri Anil Kumar Baigani HUF
8. M/s P.P. Traders (Proprietorship concern of PremlataNahata)
9. M/s Shankheshwar Enterprises (Proprietorship concern of Anil Kumar Baigani)
10. M/s Shubham Trading Co. (Proprietorship concern of Anil Kumar Baigani HUF)
11. M/s S.N Nature Fresh (Partnership firm of Anil Kumar Nahata And Sanjay Kumar Baigani)
12. Shri Sanjay Kumar Begani HUF
13. Shri Anil Kumar Nahata HUF
14. M/S Nakoda Developers (Partnership firm of Anil Kumar Nahata And Sanjay Kumar Baigani)
15. ShreeOswal Psyllium Exports India Limited

## RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Except as stated below, 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.

| Name of the Director | Name of the Other Director | Relation |
|---|---|---|
| Sanjay Kumar Baigani | Kiran Devi Begani | Husband-Wife |
| Anil Kumar Nahata | Padma Nahta | Husband-Wife |

## DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEAR

None of the promoters of the company have disassociated themselves from any of the entities in the previous three years.

## CHANGES IN CONTROL

There has been no change in the management or control of our Company in the last three years.

## LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoters, refer to the chapter titled *"Outstanding Litigation and Material Developments* on page 203 of this Red Herring Prospectus.

## CONFIRMATIONS

Our Company, our individual Promoters and their relatives (as defined under the Companies Act, 2013) are not Wilful Defaulters and there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or Company in connection with the promotion or formation of our Company.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other Company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in *"Related Party Transactions* "on page 181 of this Red Herring Prospectus, our Promoters are not related to any of the sundry debtors or are not beneficiaries of Loans and Advances given by/to our Company.

## OUR GROUP COMPANY

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, being AS 18 (as mentioned in our Restated Financials) and other companies as per the policy adopted by our Board. Our Board, in its meeting held on dated February 06, 2018 has decided that a company shall be considered as a "Group Company" if: (i) such company is part of the "Promoter Group" of our Company in terms Regulation 2(1)(zb) of the SEBI ICDR Regulations; and (ii) our Company has entered into one or more transactions with such company during the last three completed financial year which in value exceeds 10% of the total consolidated revenue of our Company for that financial year as per the audited financial statements.

Based on the above, there are no Group Companies of our Company.

## RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to *Annexure XXXII each* of restated standalone financial statements and restated consolidated financial statements under the section titled, *Financial Statements as restated*' beginning on page 183 of this Red Herring Prospectus.

## DIVIDEND POLICY

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend for the last five years till March 31, 2017.

Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the "record date" are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

## SECTION V- FINANCIAL STATEMENTS

## FINANCIAL STATMENTS AS RESTATED


| **Particulars** | **Page Number** |
|---|---|
| Standalone Restated Financial Statements | F-1 to F-21 |
| Consolidated Restated Financial Statements | F-22 to F-46 |

## Independent Auditor's Report on Consolidated Restated Financial Statements

**To,**
**The Board of Directors**
**Shreeoswal Seeds and Chemicals Limited**
**Oswal House, Opposite Balkavibairagi College**
**Nasirabad Highway, Village Kanwati,**
**Neemuch, Madhya Pradesh - 458441**

1. We have examined the Consolidated restated summary statement of assets and liabilities of **Shreeoswal Seeds and Chemicals Limited** (hereinafter referred to as "**the Company"**) and its subsidiary **Shreeoswal Psyllium Exports India Limted (formerly a partnership firm known as M/s Oswal Psyllium Exports),** as at March 31, 2018, Consolidated restated summary statement of profit and loss and Consolidated restated summary statement of cash flows for the year ended on March 31, 2018 (collectively referred to as the " **Consolidated restated summary statements**" or " **Consolidated restated financial statements**") annexed to this report and initialed by us for identification purposes. These Consolidated restated financial statements have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering (IPO) on Emerge Platform of NSE Limited ("**NSE**") of the company.

2. These Consolidated restated summary statements have been prepared in accordance with the requirements of:

   (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
   (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations"**) and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI"**)

3. We have examined such Consolidated restated financial statements taking into consideration:

   (i) The terms of reference to our engagement letter with the company dated December 21, 2017 requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on Emerge Platform of NSE Limited("**IPO**" or "**SME IPO**"); and
   (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").

4. The Consolidated restated financial statements of the Company have been extracted by the management from the audited financial statements of the Company for the year ended on March 31, 2018.

5. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:

   **(i)** The "**Consolidated restated statement of asset and liabilities**" of the Company as at March 31,2018, examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the Consolidated restated summary statements to this report.

   **(ii)** The "**Consolidated restated statement of profit and loss**" of the Company for the year ended on March 31,2018 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the Consolidated restated summary statements to this report.

**(iii)** The **"Consolidated restated statement of cash flows**" of the Company for the year ended on March 31, 2018, examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to Consolidated restated summary statements to this report.

6. Based on our examination, we are of the opinion that the Consolidated restated financial statements have been prepared:

   a) using consistent accounting policies for all the reporting periods.

   b) adjustments for prior period and other material amounts in the respective financial years to which they relate.

   c) there are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.

   d) there are no audit qualifications in the audit reports issued by the statutory auditors for the year ended on March 31,2018, which would require adjustments in the Consolidated restated financial statements of the Company.

7. Audit for the year ended on March 31, 2018 was conducted by M/s. Bharat Kumar Agarwal and Co. The financial report included for this period is based solely on the report submitted by them. Further consolidated financials statements for the period ended on March 31, 2018, have been reaudited by us as per the relevant guidelines.

8. 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 year ended on March 31,2018 proposed to be included in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus ("**Offer Document**").

   **Annexure to Consolidated restated financial statements of the Company:-**

   1. Summary statement of Consolidated assets and liabilities, as restated as appearing in ANNEXURE I;
   2. Summary statement of Consolidated profit and loss, as restated as appearing in ANNEXURE II;
   3. Summary statement of Consolidated cash flows as restated as appearing in ANNEXURE III;
   4. Significant accounting policies as restated as appearing in ANNEXURE IV;
   5. Details of Consolidated share capital as restated as appearing in ANNEXURE V to this report;
   6. Details of Consolidated reserves and surplus as restated as appearing in ANNEXURE VI to this report;
   7. Details of Consolidated long term borrowings as restated as appearing in ANNEXURE VII to this report;
   8. Details of Consolidated deferred tax asset/liability as restated as appearing in ANNEXURE VIII to this report;
   9. Details of Consolidated long term provisions as restated as appearing in ANNEXURE IX to this report;
   10. Details of Consolidated short term borrowings as restated as appearing in ANNEXURE X to this report;
   11. Details of Consolidated trade payables as restated as appearing in ANNEXURE XI to this report;
   12. Details of Consolidated other current liabilities as restated as appearing in ANNEXURE XII to this report;
   13. Details of Consolidated short term provisions as restated as appearing in ANNEXURE XIII to this report;
   14. Details of Consolidated fixed assets as restated as appearing in ANNEXURE XIV to this report;
   15. Details of Consolidated non-current investments as restated as appearing in ANNEXURE XV to this report;

16. Details of Consolidated inventories as restated as appearing in ANNEXURE XVI to this report;
17. Details of Consolidated trade receivables as restated as appearing in ANNEXURE XVII to this report;
18. Details of Consolidated cash and cash equivalents as restated as appearing in ANNEXURE XVIII to this report;
19. Details of Consolidated short term loans & advances as restated as appearing in ANNEXURE XIX to this report;
20. Details of Consolidated other current assets as restated as appearing in ANNEXURE XX to this report;
21. Details of Consolidated revenue from operations as restated as appearing in ANNEXURE XXI to this report;
22. Details of Consolidated other income as restated as appearing in ANNEXURE XXII to this report;
23. Details of Consolidated cost of material consumed as restated as appearing in ANNEXURE XXIII to this report;
24. Details of Consolidated changes in inventories of finished goods, work in progress and stock in trade as restated as appearing in ANNEXURE XXIV to this report;
25. Details of Consolidated employee benefit expenses as restated as appearing in ANNEXURE XXV to this report;
26. Details of Consolidated finance cost as restated as appearing in ANNEXURE XXVI to this report;
27. Details of Consolidated depreciation and amortization expense as restated as appearing in ANNEXURE XXVII to this report;
28. Details of Consolidated other expenses as restated as appearing in ANNEXURE XXVIII to this report;
29. Details of Consolidated contingent liabilities as restated as appearing in ANNEXURE XXIX to this report;
30. Details of Consolidated dividend declared as restated as appearing in ANNEXURE XXX to this report;
31. Details of Consolidated related party transactions as restated as appearing in ANNEXURE XXXI to this report;
32. Summary of Consolidated significant accounting ratios as restated as appearing in ANNEXURE XXXII to this report,
33. Consolidated capitalisation statement as at 31st March, 2018 as restated as appearing in ANNEXURE XXXIII to this report;

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 any other firm of Chartered Accountants 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. 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.

**For R T Jain & Co. LLP**
**Chartered Accountants**
**FRN - 103961W/ W100182**

**(CA Bankim Jain)**
**Partner**
**Membership No. - 139447**

**Mumbai, May 14, 2018**

## SHREE OSWAL SEEDS AND CHEMICALS LIMITED

**STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED**

**ANNEXURE - I**

(₹ In Lakhs)

| Sr. No. | Particulars | As at March 31, 2018 |
|---|---|---|
| | | |
| | **EQUITY AND LIABILITIES** | |
| **1)** | **Shareholders Funds** | |
| | a. Share Capital | 1,066.90 |
| | b. Reserves & Surplus | 121.53 |
| | c. Minority Interest | 0.05 |
| | | |
| **2)** | Share Application Money Pending Allotment | - |
| | | |
| **3)** | **Non Current Liabilities** | |
| | a. Long Term Borrowings | 139.26 |
| | b. Deferred Tax Liabilities | 0.24 |
| | c. Other Long Term Liabilities | - |
| | d. Long Term Provisions | 3.97 |
| | | |
| **4)** | **Current Liabilities** | |
| | a. Short Term Borrowings | 2,341.86 |
| | b. Trade Payables | 740.83 |
| | c. Other Current Liabilities | 684.41 |
| | d. Short Term Provisions | 19.33 |
| | | |
| | **T O T A L** | **5,118.38** |
| | | |
| | **ASSETS** | |
| **1)** | **Non Current Assets** | |
| | a. Fixed Assets | |
| | i. Tangible Assets | 344.34 |
| | ii. Intangible Assets | - |
| | Less: Accumulated Depreciation | 112.40 |
| | ii. Intangible Assets under development | - |
| | ii. Capital Work in Progress | - |
| | ***Net Block*** | **231.94** |
| | b. Deferred Tax Assets (Net) | - |
| | c. Non-current Investments | 3.17 |
| | d. Long Term Loans & Advances | - |
| | e. Other Non Current Assets | - |
| | | |
| **2)** | **Current Assets** | |
| | a. Inventories | 3,281.96 |
| | b. Trade Receivables | 1,107.66 |
| | c. Cash and Cash Equivalents | 94.01 |
| | d. Short Term Loans & Advances | 218.56 |
| | e. Other Current Assets | 181.09 |
| | | |
| | **T O T A L** | **5,118.38** |

**For R T Jain & Co LLP**
**Chartered Accountants**
**FRN - 103961W/ W100182**

For and on behalf of Board of Directors

Director (Director)

**(CA Bankim R Jain)**
**Partner**
**Mem No- 139447**

(CFO) (CS)

**Mumbai, May 14, 2018**

## SHREE OSWAL SEEDS AND CHEMICALS LIMITED

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS AS RESTATED** **ANNEXURE - II**

(₹ In Lakhs)

| Sr. No. | Particulars | For the period ended March 31, 2018 |
|---|---|---|
| **A** | **INCOME** | |
| | Revenue from Operations | 7,775.30 |
| | Other Income | 43.27 |
| | **Total Income (A)** | **7,818.57** |
| | | |
| B | **EXPENDITURE** | |
| | Cost of materials Consumed | 7,248.95 |
| | Purchase of Stock-in-Trade | - |
| | Changes in inventories of finished goods, traded goods and work-in-progress | (191.04) |
| | Employee benefit expenses | 43.04 |
| | Finance costs | 249.68 |
| | Depreciation and amortisation expense | 33.47 |
| | Other Expenses | 119.73 |
| | **Total Expenses (B)** | **7,503.84** |
| **C** | **Profit before extraordinary items and tax(A-B)** | **314.73** |
| | Extraordinary items | - |
| **D** | **Profit before tax** | **314.73** |
| | *Tax expense :* | - |
| | (i) Current tax | 87.70 |
| | (ii) Deferred tax | (2.38) |
| **E** | **Total Tax Expense** | **85.33** |
| | | |
| **F** | **Profit for the year/ period (D-E)** | **229.41** |

**For R T Jain & Co LLP**
**Chartered Accountants**
**FRN - 103961W/ W100182**

For and on behalf of Board of Directors

Director (Director)

**(CA Bankim R Jain)**
**Partner**
**Mem No- 139447**

(CFO) (CS)

**Mumbai, May 14, 2018**

**SHREE OSWAL SEEDS AND CHEMICALS LIMITED**

**STATEMENT OF CONSOLIDATED CASH FLOW AS RESTATED** **ANNEXURE - III**

(₹ In Lakhs)

| Particulars | For the period ended March 31, 2018 |
|---|---|
| **Cash Flow From Operating Activities:** | |
| Net Profit after tax as per Profit And Loss A/c | 229.36 |
| **Adjustments for:** | |
| Depreciation & Amortisation Expense | 33.47 |
| Provision for Tax | 87.70 |
| Provision for Deferred Tax | |
| Provision for Gratuity | 0.31 |
| Finance Cost | 249.68 |
| Share of Profit from Partnership Firm | |
| Interest & Finance Income | (12.81) |
| **Operating Profit Before Working Capital Changes** | **557.49** |
| Adjusted for (Increase)/ Decrease in: | |
| Trade Receivables | (1,107.66) |
| Short Term Loans and advances | (218.56) |
| Other Current Assets | (181.09) |
| Inventories | (3,281.96) |
| Trade Payables | 740.83 |
| Other Current Liabilites | 684.41 |
| Short & Long term Provisions | (64.71) |
| **Cash Generated From Operations** | **(2,871.24)** |
| Net Income Tax (paid) / refunded | - |
| **Net Cash Flow from/(used in) Operating Activities: (A)** | **(2,871.24)** |
| | |
| **Cash Flow From Investing Activities:** | |
| Sale/( Purchase) of Fixed Assets (including capital work in progress) | (265.41) |
| Share of Profit from Partnership Firm | 30.46 |
| Interest Income | 12.81 |
| Increase/(decrease) in Minority Interest | 0.05 |
| Investments (made) / sold | (3.17) |
| | |
| **Net Cash Flow from/(used in) Investing Activities: (B)** | **(225.26)** |
| | |
| **Cash Flow from Financing Activities:** | |
| Net Increase/(Decrease) in Short Term Borrowings | 2,341.86 |
| Net Increase/(Decrease) in Long Term Term Borrowings | 139.26 |
| Net Increase/(Decrease) in Share Capital / Partners Capital | 1,078.15 |
| Distribution of Capital Balance among Partners | |
| Interest paid | (249.68) |
| **Net Cash Flow from/(used in) Financing Activities ( C)** | **3,190.51** |
| | |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | 94.01 |
| Cash & Cash Equivalents As At Beginning of the Year / Period | - |
| Cash & Cash Equivalents As At End of the Year / Period | **94.01** |

**For R T Jain & Co LLP**
**Chartered Accountants**
**FRN - 103961W/ W100182**

**For and on behalf of board of directors**

Director Director

**(CA Bankim R Jain)**
**Partner**
Mem No- 139447

(CFO) CS

**Mumbai, May 14, 2018**

**ANNEXURE IV (A)**

**CONSOLIDATED RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:**

**CORPORATE INFORMATION**

Shreeoswal Seeds and Chemicals Limited was originally formed as partnership firm constituted under The Partnership Act, 1932 (the "Partnership Act") in the name of M/s Oswal Seeds and Chemicals, pursuant to a deed of partnership dated May 21, 2004. M/s Oswal Seeds and Chemicals was thereafter converted from a partnership firm to a public limited company on December 1, 2017. The subsidiary Shreeoswal Psyllium Export India Limited was originally formed as partnership firm constituted under the Partnership Act, 1932 in the name of M/s Oswal Psyllium Exports which was subsequently converted from partnership firm to a public limited company on February 28, 2018. Shreeoswal Seeds and Chemicals Limited entered as a partner in Partnership firm M/s Oswal Psyllium Exports w.e.f December 6, 2017. Subsequently upon conversion of M/s Oswal Psyllium Exports into a public limited company w.e.f February 28, 2018 Shreeoswal Seeds and Chemicals Limited hold 99.99% share capital in Shreeoswal Psyllium Export India Limited.

**A. Principles of Consolidation**

The consolidated financial statements relate to Shreeoswal Seeds and Chemicals Limited (the Company‘) and its subsidiary company Shreeoswal Psyllium Export India Limited. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company (erstwhile partnership firm M/s Shreeoswal Seeds and Chemicals) and its subsidiary company (erstwhile partnership firm M/s Oswal Psyllium Exports) are combined on a line-byline basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intragroup transactions in accordance with Accounting Standard (AS) 21 - Consolidated Financial Statement. The consolidation upto February 28, 2018 was done of Shreeoswal Seeds and Chemicals Limited (holding company) and the partnership firm M/s Oswal Psyllium Exports (subsidiary partnership firm). The consolidation for the period March 1, 2018 to March 31, 2018 was done of Shreeoswal Seeds and Chemicals Limited (holding company) and Shreeoswal Psyllium Export India Limited (subsidiary company).
b) The difference between cost of investment in the subsidiary firm on December 6, 2017 and net assets at the time of acquisition of share in profit of the subsidiary partnership firm is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
c) Minority Interest‘s share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
d) Minority Interest‘s share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company‘s shareholders.
e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company‘s separate financial statements.

**B. Basis of preparation of Consolidated Financial Statements:**

The consolidated restated summary statement of assets and liabilities of the Company as at March 31,2018, and the related consolidated restated summary statement of profits and loss and cash flows for the year ended March 31,2018 (herein collectively referred to as (' Consolidated restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the year ended on March 31,2018, approved by the Board of Directors of the Company. Consolidated restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the SEBI Guidelines”) issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Consolidated restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the Emerge Platform of NSE in connection with its proposed Initial public offering of equity shares. The Company’s management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Consolidated restated Summary Statements.

**C. Use of Estimates:**

The preparation of consolidated restated financial statements requires management to make estimates and assumptions that affect amounts in the financial statements and reported notes thereto. Actual results could differ from these estimates. Differences between the actual result and estimates are recognized in periods in which the results are known/ materialized.

**D. Fixed Assets:**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account. Subsidy received towards the asset has been deducted from carrying value of the asset and depreciation on the reduced carrying value has been provided prospectively.

**E. Depreciation:**

Depreciation on fixed assets for the year ended March 31, 2018 is calculated on WDV basis for all the assets using the rates derived as per the useful life for the assets specified in the Schedule II of the Companies Act, 2013. Depreication on assets of the subsidiary partnership firm upto the date of conversion is charged as per rates prescribed in the Income Tax Act, 1961.

**F. Valuation of Inventories:**

Cost of inventory includes all cost of purchases and other cost incurred in bringing the inventories to their present location and condition. Raw Material and Finished Goods are valued at cost or net realizable value whichever is less.

**G. Valuation of Investments:**

i. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

ii. Current Investments are carried at lower of cost and fair value determined on an individual investment basis.

iii. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

**H. Revenue Recognition:**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from sale of manufactured goods is recognized as and when significant risk and rewards of ownership relating to the goods are transferred to the buyer. Revenue from Other sources are recognized on accrual basis.

**I. Government Grants :**

Subsidy received for investment in capital asset has been deducted from the value of the asset and depreciation has been provided on the reduced value prospectively.

**J. Employee Benefits:**

All employee benefits payable within twelve months of rendering of services are classified as short term benefits. Benefits include salaries, wages, awards, ex-gratia, performance pay, etc. and are recognized in the period in which the employee renders the related service. Liability on account of encashment of leave, Bonus to employee is considered as short term compensated expense provided on actual.

**K. Earning Per Share**

Basic earning per share is computed by dividing the net profit after tax for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**L. Taxation & Deferred Tax**

Provision for Current Tax is made in accordance with the provision of Income Tax Act, 1961. Deferred tax is recognized on timing differences between taxable & accounting income / expenditure that originates in one period and are capable of reversal in one or more subsequent period(s).

**M. Contingent Liabilities / Provisions**

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts.

**ANNEXURE IV (B)**

**RECONCILIATION OF RESTATED CONSOLIDATED PROFIT :**

(₹ In Lakhs)

| **Adjustments for** | **For the year ended 31.03.18** |
|---|---|
| | |
| Net Profit/(Loss) after Tax as per Audited Profit & Loss Account | 233.09 |
| | |
| **Adjustments for:** | |
| Gratuity | (0.31) |
| Interest on Loan | 6.51 |
| Depreciation Expense | (7.03) |
| Tax expense : | |
| (i) Current tax | (5.17) |
| (ii) Deferred tax | 2.31 |
| | |
| **Net Profit/ (Loss) After Tax as Restated** | **229.41** |

**Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.**

**Adjustments having impact on Profit**

1. **Gratuity -** The company had not provided for gratuity liability based on the requirements of AS-15, therefore in restatement provision for gratuity has been made based on actuarial valuation.

2. **Interest on Loan-** The Company has not recognized interest expense for the period prior to conversion into company. Thus the same has been now recognized and charged to profit and loss account.

3. **Depreciation -** The company has been formed by conversion of partnership firm vide a certificate of incorporation dated December 1, 2017. Therefore before this date the depreciation provided by the company was as per Income Tax Act, 1961. For the purpose of disclosure requirement the same has been restated to comply with Schedule II of Companies Act, 2013.

4. **Current Tax –** The provision for current tax has been restated as a result of change in profit due to above restatements.

5. **Deferred Tax –** Deferred tax has been restated due to provision for gratuity and change in depreciation.

**DETAILS OF CONSOLIDATED SHARE CAPITAL AS RESTATED** **ANNEXURE - V**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| **EQUITY SHARE CAPITAL :** | |
| **AUTHORISED:** | - |
| Equity Shares of Rs. 10 each | 1,800.00 |
| | **1,800.00** |
| | |
| **ISSUED, SUBSCRIBED AND PAID UP** | |
| Equity Shares of Rs. 10 each | 1,066.90 |
| | - |
| **PARTNER'S CAPITAL ACCOUNT** | - |
| Opening Balance | 312.45 |
| Add: Fresh Capital Introduced During the year / period | 833.63 |
| Add: Remuneration to Partners | 8.14 |
| Add: Share of Profit (Pre acquisition Profit) | 78.55 |
| Less: Capital Withdrawn during the year / period | (545.49) |
| Less: Transferred to Loan Account of Partners as per Modified Partnership Deed | (687.27) |
| | |
| **TOTAL** | **1,066.90** |

**Reconciliation of number of shares outstanding at the end of the year / period:**

| | |
|---|---|
| Equity Shares at the beginning of the year / period | - |
| Add: Shares issued during the year/period | 10,669,000 |
| Equity Shares at the end of the year / period | **10,669,000** |

**Details of Shareholders holding more than 5% of the aggregate shares of the company:**

| Name of Shareholders | As at March 31, 2018 | |
|---|---|---|
| | **No. of Shares Held** | **% of Holding** |
| Anil Kumar Nahata | 5,334,470 | 50.000% |
| Sanjay Kumar Baigani | 5,334,470 | 50.000% |
| | **10,668,940** | **99.999%** |

**DETAILS OF CONSOLIDATED RESERVES AND SURPLUS AS RESTATED** **ANNEXURE - VI**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| **BALANCE OF PROFIT & LOSS ACCOUNT** | |
| Opening Balance | - |
| Add: Net Profit / (Loss) after Tax for the year / period | 229.36 |
| Less: Share of Profit / (Loss) transferred to Capital Account | (119.08) |
| **Closing Balance** | **110.28** |
| | - |
| | |
| **SECURITIES PREMIUM** | |
| Opening Balance | |
| Add: Premium received on issue of shares during the year | 11.25 |
| **Closing Balance** | **11.25** |
| | - |
| **TOTAL** | **121.53** |

**DETAILS OF CONSOLIDATED LONG TERM BORROWINGS AS RESTATED** **ANNEXURE - VII**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| **Secured** | |
| **Term Loans** | - |
| -From Bank | 1.14 |
| **Vehicle Loan** | - |
| -From Bank | |
| | **1.14** |
| **Unsecured** | |
| -From Subsidiary | |
| -From Directors | 138.12 |
| | **138.12** |
| | |
| **TOTAL** | **139.26** |

| Nature of Security | Terms of Repayment |
|---|---|
| Loan from Union Bank is secured against following :- (i) House No. 794, Scheme No. 14/2, Vikas Nagar Extension, Neemuch owned by Shri Kanhaiyalal Nahta s/o Bapulal Nahta admeasuring 1344.00 sq. ft. & constructed area 1937.00 sq. ft. (ii) Shop No. 24 & 25, Shri Balaji Ganesh Market, Station Road, Neemuch owned by Smt. Chandralekha w/o late Manoharlal Baigani, Smt. Sunita w/o Anil Kumar Baigani & Shri Anil Kumar s/o Late Manoharlal Baigani Admeasuring 2257.50 Square Ft. (iii) House No. 297, Scheme No. 14/2, Vikas Nagar Extension, Neemuch. owned by Smt. Chandra Lekha w/o late Manoharlal Baigani admeasuring 600 sq. ft. & consructed area 1200 sq. ft. (iv) House No. 475, Scheme No. 14/2, VIkas nagar Extension, Neemuch owned by Smt. Kiran Devi W/o Sanjay Kumar Baigani, admeasuring 600 sq. ft. & constructed area 1406 sq. ft. (v) Land & Building on Plot No. 6, Industrial Area, Neemuch owned by Oswal Seeds & Chemicals admeasuring 20,000 sq. ft. (vi) Cash collateral of Rs. 15,00,000/- in the form of Term Deposit. (vii) Personal Guarantee of Following - Mr. Sanjay Baigani, Mr. Anil Nahta, Mrs. Chandralekha Baigani, Mr. Kanhaiyalal Nahata, Mrs. Sunita Devi Baigani, Mrs. Kiran Devi Baigani. | Loan from UBI - 1 is repayable in 72 Monthly installments of 90000 each.<br><br>Loan from UBI - 2 is repayable in 21 monthly installments of 200000 each. |

**DETAILS OF CONSOLIDATED DEFERRED TAX LIABILITIES / (ASSETS) AS RESTATED** **ANNEXURE - VIII**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| **Deferred Tax Liability** | |
| -on Account of Depreciation | 0.25 |
| **Deferred Tax Assets** | - |
| -on Account of Depreciation & Gratuity | (0.01) |
| **TOTAL** | **0.24** |

**DETAILS OF LONG TERM PROVISIONS AS RESTATED** **ANNEXURE - IX**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| Provision for Employee Benefits | 3.97 |
| **TOTAL** | **3.97** |

**DETAILS OF CONSOLIDATED SHORT TERM BORROWING AS RESTATED** **ANNEXURE - X**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| Cash Credit | 1,198.30 |
| Letter of Credit | 73.47 |
| Loan against warehouse receipts | 1,070.09 |
| **TOTAL** | **2,341.86** |

**DETAILS OF CONSOLIDATED TRADE PAYABLES AS RESTATED** **ANNEXURE - XI**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| Due to Micro, Small & Medium Enterprises | - |
| Due to others | 740.83 |
| **TOTAL** | **740.83** |

**DETAILS OF CONSOLIDATED OTHER CURRENT LIABILITIES AS RESTATED** **ANNEXURE - XII**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| Current maturities of long term debt | 5.40 |
| Statutory Dues | 3.38 |
| Creditors for Expenses | 10.41 |
| Advance received from Customers | 647.33 |
| Deposits Received | 17.90 |
| **TOTAL** | **684.41** |

**DETAILS OF CONSOLIDATED SHORT TERM PROVISIONS AS RESTATED** **ANNEXURE - XIII**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| Provision for Taxes | 19.24 |
| Provision for employee benefits | 0.09 |
| **TOTAL** | **19.33** |

**DETAILS OF CONSOLIDATED NON-CURRENT INVESTMENTS AS RESTATED** **ANNEXURE - XV**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| Gold Held for Scheme Distribution | 3.17 |
| **TOTAL** | **3.17** |

| | |
|---|---|
| Aggregate Cost of Quoted Investments | - |
| Aggregate Cost of Unquoted Investments | 3.17 |
| Aggregate Market Value of Quoted Investments | - |

**DETAILS OF CONSOLIDATED INVENTORIES AS RESTATED** **ANNEXURE - XVI**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| | |
| Raw Material | 2,202.72 |
| Finished Goods | 1,079.24 |
| **TOTAL** | **3,281.96** |

**DETAILS OF CONSOLIDATED TRADE RECEIVABLES AS RESTATED** **ANNEXURE - XVII**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| Unsecured, considered good | |
| - Outstanding for more than Six Months | - |
| From related party | - |
| From others | 89.97 |
| - Outstanding for less than Six Months | - |
| From related party | - |
| From others | 1,017.69 |
| **TOTAL** | **1,107.66** |

**DETAILS OF CONSOLIDATED CASH & CASH EQUIVALENTS AS RESTATED** **ANNEXURE - XVIII**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| Cash In Hand | 2.24 |
| Balance with Scheduled Banks | 36.41 |
| FD with Bank | 55.36 |
| **TOTAL** | **94.01** |

**DETAILS OF SHORT TERM LOAN AND ADVANCES AS RESTATED** **ANNEXURE - XIX**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| Loans & Advances to others | 185.90 |
| Loan to Subsidiary | 16.41 |
| Input Tax Credit | 1.68 |
| Deposit with Revevnue Authorities | 14.57 |
| **TOTAL** | **218.56** |

**DETAILS OF CONSOLIDATED OTHER CURRENT ASSETS AS RESTATED** **ANNEXURE - XX**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| Advance to Suppliers | 140.00 |
| Prepaid Expenses | 2.72 |
| Company Creation & Preliminary Expenses | 38.37 |
| **TOTAL** | **181.09** |

**DETAILS OF CONSOLIDATED REVENUE FROM OPERATIONS AS RESTATED** **ANNEXURE - XXI**

(₹ In Lakhs)

| Particulars | For the period ended March 31, 2018 |
|---|---|
| | - |
| Sale of Manufactured Goods | 7,775.30 |
| Sale of Traded Goods | - |
| Sale of Services | - |
| | - |
| Turnover in respect of products not normally dealt with | - |
| | - |
| **TOTAL** | **7,775.30** |

**DETAILS OF CONSOLIDATED COST OF MATERIAL CONSUMED AS RESTATED** **ANNEXURE - XXIII**

(₹ In Lakhs)

| Particulars | For the period ended March 31, 2018 |
|---|---|
| Opening Stock of Raw Material, Stores & Spares | 5,416.29 |
| Add : Purchases(Net of Inventory) | 6,017.37 |
| Add: Direct Expenses | - |
| Packing Material Consumed | 5.98 |
| Chemicals | 1.63 |
| Freight Charges | 32.42 |
| Hammali Expenses | 39.64 |
| Sortex Grading Charges | - |
| Seeds Certification Fees | 29.46 |
| Wages Expenses | 19.00 |
| Closing Stock of Raw Material, Stores & Spares | (4,312.86) |
| **TOTAL** | **7,248.95** |

**DETAILS OF CONSOLIDATED CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE AS RESTATED** **ANNEXURE - XXIV**

(₹ In Lakhs)

| Particulars | For the period ended March 31, 2018 |
|---|---|
| Opening Stock | 536.44 |
| Less : Closing Stock | (727.48) |
| **TOTAL** | **(191.04)** |

**DETAILS OF CONSOLIDATED EMPLOYEE BENEFITS EXPENSE AS RESTATED** **ANNEXURE - XXV**

(₹ In Lakhs)

| Particulars | For the period ended March 31, 2018 |
|---|---|
| Salary and incentives | 26.24 |
| Directors Remuneration | 10.10 |
| Gratuity Expenses | 0.31 |
| Remuneration to Partner | 6.40 |
| **TOTAL** | **43.04** |

**DETAILS OF CONSOLIDATED CONSOLIDATED FINANCE COST AS RESTATED** **ANNEXURE - XXVI**

(₹ In Lakhs)

| Particulars | For the period ended March 31, 2018 |
|---|---|
| Interest on Bank Term Loan & Credit Limit | 171.05 |
| Interest on Unsecured Loan & Sundry Creditors | 18.83 |
| Interest on Loan to Partner | 32.31 |
| Interest on capital to partner | 8.64 |
| Remuneration to Partner | 2.55 |
| Loan Processing & Other Bank Charges | 16.29 |
| **TOTAL** | **249.68** |

**DETAILS OF CONSOLIDATED DEPRECIATION & AMORTIZATION EXPENSE AS RESTATED** **ANNEXURE - XXVII**

(₹ In Lakhs)

| Particulars | For the period ended March 31, 2018 |
|---|---|
| | |
| Depreciation on Fixed Assets | 33.47 |
| | |
| **TOTAL** | **33.47** |

**DETAILS OF CONSOLIDATED OTHER EXPENSES AS RESTATED** **ANNEXURE - XXVIII**

(₹ In Lakhs)

| Particulars | For the period ended March 31, 2018 |
|---|---|
| Dalali Charges | 2.60 |
| Rates & Taxes | 11.97 |
| Power Charges | 20.72 |
| Rate Difference & Discount | 37.90 |
| Advertisement Charges | 0.45 |
| Travelling Charges | 6.76 |
| Rent Expense | 23.11 |
| Repair & Maintenance | 4.16 |
| Insurance Charges | 0.33 |
| Conveyance & Vehicle Expenses | 1.94 |
| Postage & Courier | 0.12 |
| Office Expenses | 1.54 |
| Telephone Expenses | 0.50 |
| Fees & Subscriptions | 0.16 |
| Sales Promotion Expenses | 1.86 |
| Loss on sale of Asset | 1.12 |
| Audit fees | 2.40 |
| Printing & Stationery | 1.49 |
| Professional Charges | 0.61 |
| | |
| **TOTAL** | **119.73** |

**DETAILS OF CONSOLIDATED FIXED ASSETS AS RESTATED** **ANNEXURE- XIV**

| FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | AS AT 01.04.2017 | ADDITIONS | DEDUCTIONS / ADJUSTMENTS | AS AT 31.03.2018 | UPTO 01.04.2017 | FOR THE YEAR | DEDUCTIONS / ADJUSTMENTS | UPTO 31.03.2018 | AS AT 31.03.2018 |
| **Tangible Assets** | | | | | | | | | |
| Land | 8.62 | - | - | 8.62 | - | - | - | - | 8.62 |
| Furniture & Fixtures | 4.73 | - | - | 4.73 | 1.65 | 0.41 | - | 2.06 | 2.67 |
| Computer | 3.43 | 0.95 | - | 4.39 | 2.98 | 0.35 | - | 3.33 | 1.06 |
| Building | 127.38 | 0.26 | 3.61 | 124.03 | 29.50 | 7.04 | - | 36.54 | 87.49 |
| Plant & Machinery | 191.88 | 6.41 | 8.42 | 189.86 | 42.90 | 22.90 | - | 65.80 | 124.06 |
| Air Conditioner | 0.48 | - | - | 0.48 | 0.37 | 0.05 | - | 0.42 | 0.06 |
| Toll Kanta | 2.41 | - | - | 2.41 | 0.05 | 0.15 | - | 0.20 | 2.20 |
| Mobile | 0.14 | - | - | 0.14 | 0.14 | - | - | 0.14 | - |
| LED TV | 0.18 | - | - | 0.18 | 0.11 | 0.03 | - | 0.14 | 0.04 |
| Office Equipment | 0.14 | - | - | 0.14 | - | - | - | - | 0.14 |
| Vehicles | 11.75 | - | - | 11.75 | 3.59 | 2.53 | - | 6.13 | 5.62 |
| **Grand Total** | **351.14** | **7.62** | **12.03** | **346.73** | **81.29** | **33.46** | **-** | **114.76** | **231.96** |

**DETAILS OF CONSOLIDATED OTHER INCOME AS RESTATED** **ANNEXURE - XXII**

(₹ In Lakhs)

| Particulars | For the period ended March 31, 2018 | Nature |
|---|---|---|
| Other Incon | 43.27 | |
| | | |
| Net Profit Before Tax as Restated | 314.73 | |
| | | |
| **Percentage** | **13.75%** | |

**Source of Income**

| | | |
|---|---|---|
| st received o | 7.79 | Recurring and not related to business activity. |
| st received c | 4.74 | Recurring and not related to business activity. |
| on Electricity | 0.27 | Recurring and not related to business activity. |
| fit from Part | 30.46 | Non recurring and not related to business activity |
| **al Other inco** | **43.27** | |

**DETAILS OF CONSOLIDATED RELATED PARTY TRANSACTION AS RESTATED**

**ANNEXURE - XXXI**

(₹ In Lakhs)

| Particulars | Nature of Relationship | Nature of Transaction | Amount of transaction during the period from 01.04.17 to 31.03.18 | Amount outstanding as on March 31, 2018 (Payable)/ Receivable |
|---|---|---|---|---|
| Sanjay Baigani | Director (Partner) | Remuneration | - | (622.07) |
| | | Share of Profit | 13.25 | |
| | | Interest on Capital | - | |
| | | Capital Introduced | 230.63 | |
| | | Loan received | 660.30 | |
| | | Loan repaid | 571.68 | |
| | | Withdrawals | 68.83 | |
| Anil Nahata | Director (Partner) | Remuneration | - | (533.45) |
| | | Share of Profit | 13.25 | |
| | | Interest on Capital | - | |
| | | Capital Introduced | 230.63 | |
| | | Loan received | 452.16 | |
| | | Loan repaid | 413.63 | |
| | | Withdrawals | 69.87 | |
| Kiran Devi Begani | Wife of Director (Partner) | Capital Introduced | 0.00 | (0.00) |
| | | Share of Profit | 0.00 | |
| | | Loan received | 0.00 | |
| | | Loan repaid | 0.00 | |
| | | Withdrawals | 0.00 | |
| Padma Nahta | Wife of Director (Partner) | Capital Introduced | 0.00 | (0.00) |
| | | Share of Profit | 0.00 | |
| | | Loan received | 0.00 | |
| | | Loan taken | 0.00 | |
| | | Loan repaid | 0.00 | |
| Anil Kumar Begani | Brother of Director (Partner) | Capital Introduced | 0.00 | (0.00) |
| | | Share of Profit | 0.00 | |
| | | Loan received | 0.00 | |
| | | Loan taken | 0.00 | |
| | | Loan repaid | 0.00 | |
| Nahta Brothers | Director's Father is proprietor of the concern | Interest | - | - |
| | | Loan Taken | 89.21 | |
| | | Loan Repaid | 89.21 | |
| PP Traders | Director's Mother is proprietor of the concern | Interest | - | - |
| | | Loan Taken | 25.00 | |
| | | Loan Repaid | 22.25 | |
| Anil Kumar Sanjay Kumar | Firm of Brother of Director | Interest | - | - |
| | | Loan Taken | 5.00 | |
| | | Loan repaid | 5.00 | |

**Note : Following Transaction with below mentioned Related Parties have taken place for the period of 1.4.17 to 31.3.18. The same is showing zero value above as the amount is "in lacs"**

**Amount (In Rs.)**

| **Particulars** | **Kiran Devi Begani** | **Padma Nahta** | **Anil Kumar Begani** |
|---|---|---|---|
| Capital Introduced (1.4.17 to 30.11.17) | 100 | 100 | 100 |
| Add: Share of Profit (1.4.17 to 30.11.17) | 52 | 52 | 52 |
| **Closing Balance (30.11.17)** | **152** | **152** | **152** |
| Opening Balance (1.12.17) | 152 | 152 | 152 |
| Less: Withdrawals (1.12.17 to 31.1.18) | -52 | -52 | -52 |
| **Closing Balance (31.1.18)** | **100** | **100** | **100** |

**DETAILS OF CONSOLIDATED CONTINGENT LIABILITIES AS RESTATED** **ANNEXURE - XXIX**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| | |
| NIL | - |
| | |
| **T O T A L** | **-** |

**DETAILS OF CONSOLIDATED DIVIDENDS DECLARED AS RESTATED** **ANNEXURE - XXX**

(₹ In Lakhs)

| Particulars | As at March 31, 2018 |
|---|---|
| | |
| NIL | - |
| | |
| **T O T A L** | **-** |

**DETAILS OF CONSOLIDATED ACCOUNTING RATIOS AS RESTATED** ANNEXURE - XXXII

(₹ In Lakhs, except per share data)

| Particulars | As at March 31, 2018 |
|---|---|
| Restated Profit after Tax as per Profit & Loss Statement | 229.41 |
| | |
| Weighted Average Number of Equity Shares at the end of the Year/Period* | 6,588,178 |
| Number of Equity Shares outstanding at the end of the Year/Period | 10,669,000 |
| Net Worth | 1,150.06 |
| | |
| **Earnings Per Share** | |
| Basic & Diluted | 3.48 |
| **Return on Net Worth (%)** | **19.95%** |
| **Net Asset Value Per Share (Rs)** | **10.78** |
| Nominal Value per Equity share (Rs.) | 10.00 |

1. Ratios have been calculated as below

Basic and Diluted Earnings Per Share (EPS) (Rs.)

$$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$$

Return on Net Worth (%)

$$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$$

Net Asset Value per equity share (Rs.)

$$\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year / period}}$$

-

**Consolidated Capitalisation Statement as at 31st March, 2018** **ANNEXURE -** XXXIII

(₹ In Lakhs)

| Particulars | Pre Issue | Post Issue |
|---|---|---|
| **Borrowings** | | |
| Short term debt (A) | 2,341.86 | 2,341.86 |
| Long Term Debt (B) | 139.26 | 139.26 |
| **Total debts (C)** | **2,481.12** | **2,481.12** |
| | | |
| **Shareholders' funds** | | |
| Equity share capital | 1,066.90 | |
| Reserve and surplus - as restated | 83.16 | - |
| | | |
| **Total shareholders' funds** | **1,150.06** | |
| | | |
| **Long term debt / shareholders funds** | 0.12 | - |
| **Total debt / shareholders funds** | 2.16 | - |

**Notes**

1. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at March 31, 2018
2. Short term Debts includes current maturities of long term debt.
3. For post issue Capitalization calculation has been done considering the allotment of shares in the IPO.

## Independent Auditor's Report on Standalone Restated Financial Statements

**To,**
**The Board of Directors**
**Shreeoswal Seeds and Chemicals Limited**
**Oswal House, Opposite Balkavibairagi College**
**Nasirabad Highway, Village Kanwati,**
**Neemuch, Madhya Pradesh - 458441**

1. We have examined the standalone restated summary statement of assets and liabilities of **Shreeoswal Seeds and Chemicals Limited,** (hereinafter referred to as "**the Company") (Erstwhile Partnership Firm named "M/s Oswal Seeds and Chemicals")** as at March 31, 2018, November 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013, standalone restated summary statement of profit and loss and standalone restated summary statement of cash flows for the period / financial year ended on March 31, 2018 (1.12.17 to 31.3.18), November 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 (collectively referred to as the " **Standalone restated summary statements**" or " **Standalone restated financial statements**") annexed to this report and initialed by us for identification purposes. These Standalone restated financial statements have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering (IPO) on Emerge Platform of NSE Limited ("**NSE**") of the company.

2. These Standalone restated summary statements have been prepared in accordance with the requirements of:

   (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
   (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations"**) and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI"**)

3. We have examined such Standalone restated financial statements taking into consideration:

   (i) The terms of reference to our engagement letter with the company dated December 21, 2017 requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on Emerge Platform of NSE Limited("**IPO**" or "**SME IPO**"); and
   (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").

4. The Standalone restated financial statements of the Company have been extracted by the management from the audited financial statements of the Company for the period / year ended on March 31, 2018 (1.12.17 to 31.3.18), November 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013.

5. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:

   **(i)** The "**Standalone restated statement of asset and liabilities**" of the Company as at March 31, 2018, November 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the Standalone restated summary statements to this report.

   **(ii)** The "**Standalone restated statement of profit and loss**" of the Company for the financial year/period ended on March 31,2018 (1.12.17 to 31.3.18), November 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the

audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the Standalone restated summary statements to this report.

**(iii)** The **"Standalone restated statement of cash flows**" of the Company for the financial year/period ended on March 31,2018 (1.12.17 to 31.3.18), November 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to Standalone restated summary statements to this report.

6. Based on our examination, we are of the opinion that the Standalone restated financial statements have been prepared:

   a) using consistent accounting policies for all the reporting periods.

   b) adjustments for prior period and other material amounts in the respective financial years to which they relate.

   c) there are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.

   d) there are no audit qualifications in the audit reports issued by the statutory auditors for the financial year/ period ended on March 31,2018 (1.12.17 to 31.3.18), November 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 which would require adjustments in the Standalone restated financial statements of the Company.

7. Audit for the financial year/period ended on March 31, 2018 (1.12.17 to 31.3.18), November 30, 2017, was conducted by M/s. Bharat Kumar Agarwal and Co. and for the year ended March 31, 2017, 2016, 2015, 2014 and 2013 was conducted by M/s G. L. Jindani & Co. The financial report included for these years is based solely on the report submitted by them. Further financial statements for the financial year/period ended on March 31, 2018 and November 30, 2017 have been reaudited by us as per the relevant guidelines.

8. 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/period ended on March 31,2018 (1.12.17 to 31.3.18), November 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 proposed to be included in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus ("**Offer Document**").

   **Annexure to Standalone restated financial statements of the Company:-**

   1. Summary statement of standalone assets and liabilities, as restated as appearing in ANNEXURE I;
   2. Summary statement of standalone profit and loss, as restated as appearing in ANNEXURE II;
   3. Summary statement of standalone cash flows as restated as appearing in ANNEXURE III;
   4. Significant accounting policies as restated as appearing in ANNEXURE IV;
   5. Details of standalone share capital as restated as appearing in ANNEXURE V to this report;
   6. Details of standalone reserves and surplus as restated as appearing in ANNEXURE VI to this report;
   7. Details of standalone long term borrowings as restated as appearing in ANNEXURE VII to this report;
   8. Details of standalone deferred tax asset/liability as restated as appearing in ANNEXURE VIII to this report;
   9. Details of standalone long term provisions as restated as appearing in ANNEXURE IX to this report;
   10. Details of standalone short term borrowings as restated as appearing in ANNEXURE X to this report;
   11. Details of standalone trade payables as restated as appearing in ANNEXURE XI to this report;

12. Details of standalone other current liabilities as restated as appearing in ANNEXURE XII to this report;
13. Details of standalone short term provisions as restated as appearing in ANNEXURE XIII to this report;
14. Details of standalone fixed assets as restated as appearing in ANNEXURE XIV to this report;
15. Details of standalone non-current investments as restated as appearing in ANNEXURE XV to this report;
16. Details of standalone long term loans and advances as restated as appearing in ANNEXURE XVI to this report;
17. Details of standalone inventories as restated as appearing in ANNEXURE XVII to this report;
18. Details of standalone trade receivables as restated as appearing in ANNEXURE XVIII to this report;
19. Details of standalone cash and cash equivalents as restated as appearing in ANNEXURE XIX to this report;
20. Details of standalone short term loans & advances as restated as appearing in ANNEXURE XX to this report;
21. Details of standalone other current assets as restated as appearing in ANNEXURE XXI to this report;
22. Details of standalone revenue from operations as restated as appearing in ANNEXURE XXII to this report;
23. Details of standalone other income as restated as appearing in ANNEXURE XXIII to this report;
24. Details of standalone cost of material consumed as restated as appearing in ANNEXURE XXIV to this report;
25. Details of standalone changes in inventories of finished goods, work in progress and stock in trade as restated as appearing in ANNEXURE XXV to this report;
26. Details of standalone employee benefit expenses as restated as appearing in ANNEXURE XXVI to this report;
27. Details of standalone finance cost as restated as appearing in ANNEXURE XXVII to this report;
28. Details of standalone depreciation and amortization expense as restated as appearing in ANNEXURE XXVIII to this report;
29. Details of standalone other expenses as restated as appearing in ANNEXURE XXIX to this report;
30. Details of standalone contingent liabilities as restated as appearing in ANNEXURE XXX to this report;
31. Details of standalone dividend declared as restated as appearing in ANNEXURE XXXI to this report;
32. Details of standalone related party transactions as restated as appearing in ANNEXURE XXXII to this report;
33. Summary of standalone significant accounting ratios as restated as appearing in ANNEXURE XXXIII to this report,
34. Standalone capitalisation statement as at 31st March, 2018 as restated as appearing in ANNEXURE XXXIV to this report;
35. Standalone statement of tax shelters as restated as appearing in ANNEXURE XXXV to this report;

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 any other firm of Chartered Accountants 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. 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.

**For R T Jain & Co. LLP**
**Chartered Accountants**
**FRN - 103961W/ W100182**

**(CA Bankim Jain)**
**Partner**
**Membership No. - 139447**

**Mumbai, May 14, 2018**

## SHREE OSWAL SEEDS AND CHEMICALS LIMITED

**STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS RESTATED** **ANNEXURE - I**

(₹ In Lakhs)

| Sr. No. | Particulars | As at March 31, | As at November 30, | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|---|
| | | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| | | | | | | | | |
| | **EQUITY AND LIABILITIES** | | | | | | | |
| 1) | **Shareholders Funds** | | | | | | | |
| | a. Share Capital | 1,066.90 | 755.31 | 605.06 | 487.49 | 505.09 | 310.28 | 265.57 |
| | b. Reserves & Surplus | 102.36 | - | - | - | - | - | - |
| 2) | Share Application Money Pending Allotment | - | - | - | - | - | - | - |
| | | | | | | | | |
| 3) | **Non Current Liabilities** | | | | | | | |
| | a. Long Term Borrowings | 18.57 | 6.27 | 59.00 | 122.46 | 132.91 | 109.79 | 106.21 |
| | b. Deferred Tax Liabilities | 0.25 | 0.87 | 2.62 | 5.34 | 2.23 | 1.73 | 1.57 |
| | c. Other Long Term Liabilities | - | - | - | - | - | - | - |
| | d. Long Term Provisions | 3.97 | 3.79 | 3.66 | 2.74 | 1.77 | 1.32 | 1.15 |
| | | | | | | | | |
| 4) | **Current Liabilities** | | | | | | | |
| | a. Short Term Borrowings | 1,218.54 | 926.62 | 1,329.99 | 1,479.91 | 1,660.31 | 889.42 | 300.72 |
| | b. Trade Payables | 50.08 | 137.48 | 10.24 | 7.55 | 11.17 | 19.41 | 7.93 |
| | c. Other Current Liabilities | 660.52 | 23.63 | 681.89 | 382.38 | 692.61 | 1,508.64 | 795.20 |
| | d. Short Term Provisions | 11.52 | 30.71 | 42.42 | 2.01 | 3.07 | 3.35 | 1.60 |
| | | | | | | | | |
| | **T O T A L** | **3,132.71** | **1,884.68** | **2,734.88** | **2,489.88** | **3,009.16** | **2,843.94** | **1,479.95** |
| | | | | | | | | |
| | **ASSETS** | | | | | | | |
| 1) | **Non Current Assets** | | | | | | | |
| | a. Fixed Assets | | | | | | | |
| | i. Tangible Assets | 262.30 | 259.36 | 268.28 | 256.19 | 155.91 | 130.00 | 110.78 |
| | Less: Accumulated Depreciation | 111.50 | 101.78 | 81.29 | 46.48 | 27.55 | 14.42 | 1.18 |
| | ii. Capital Work in Progress | - | - | - | - | 1.63 | - | - |
| | ***Net Block*** | **150.80** | **157.58** | **186.99** | **209.71** | **129.99** | **115.58** | **109.60** |
| | b. Deferred Tax Assets (Net) | - | - | - | - | - | - | - |
| | c. Non-current Investments | 353.16 | 3.17 | - | - | - | - | - |
| | d. Long Term Loans & Advances | - | 332.76 | - | - | - | - | - |
| | e. Other Non Current Assets | - | - | - | - | - | - | - |
| | | | | | | | | |
| 2) | **Current Assets** | | | | | | | |
| | a. Inventories | 1,759.28 | 291.87 | 1,491.10 | 1,948.26 | 2,574.25 | 2,550.72 | 1,273.28 |
| | b. Trade Receivables | 493.65 | 971.74 | 619.61 | 134.08 | 85.22 | 21.40 | 29.82 |
| | c. Cash and Cash Equivalents | 68.46 | 71.24 | 398.84 | 60.16 | 184.99 | 31.62 | 32.20 |
| | d. Short Term Loans & Advances | 230.37 | 36.25 | 38.34 | 137.67 | 34.71 | 124.62 | 35.05 |
| | e. Other Current Assets | 76.99 | 20.07 | - | - | - | - | - |
| | | | | | | | | |
| | **T O T A L** | **3,132.71** | **1,884.68** | **2,734.88** | **2,489.88** | **3,009.16** | **2,843.94** | **1,479.95** |

**For R T Jain & Co LLP**
**Chartered Accountants**
**FRN - 103961W/ W100182**

**For and on behalf of Board of Directors**

**(Director)** **(Director)**

**(CA Bankim Jain)**
**Partner**
**Mem No- 139447**

**(CFO)** **(CS)**

**Mumbai, May 14, 2018**

## SHREE OSWAL SEEDS AND CHEMICALS LIMITED

**STATEMENT OF STANDALONE PROFIT AND LOSS AS RESTATED** **ANNEXURE -** II

(₹ In Lakhs)

| Sr. No. | Particulars | For the period from 01.12.17 to 31.3.18 | For the period ended Novmeber 30, | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|---|
| | | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| A | **INCOME** | | | | | | | |
| | Revenue from Operations | 1,294.26 | 3,520.06 | 4,284.24 | 3,878.02 | 5,853.62 | 3,342.94 | 2,252.71 |
| | Other Income | 36.59 | 10.10 | 15.88 | 9.02 | 6.63 | 7.17 | 1.62 |
| | **Total Income (A)** | **1,330.85** | **3,530.16** | **4,300.12** | **3,887.04** | **5,860.25** | **3,350.11** | **2,254.33** |
| | | | | | | | | |
| B | **EXPENDITURE** | | | | | | | |
| | Cost of materials Consumed | 1,628.40 | 2,845.65 | 3,548.30 | 3,366.27 | 5,317.09 | 3,533.54 | 2,307.30 |
| | Purchase of Stock-in-Trade | - | - | - | - | - | - | - |
| | Changes in inventories of finished goods, traded goods and work-in-progress | -519.26 | 328.22 | 262.42 | 40.20 | 109.93 | -435.87 | -204.56 |
| | Employee benefit expenses | 18.88 | 18.10 | 22.95 | 25.58 | 28.76 | 24.70 | 25.64 |
| | Finance costs | 50.37 | 127.22 | 159.59 | 237.96 | 152.34 | 101.15 | 47.92 |
| | Depreciation and amortisation expense | 9.72 | 20.47 | 34.82 | 18.93 | 13.13 | 13.25 | 1.18 |
| | Other Expenses | 30.52 | 57.93 | 118.77 | 151.58 | 194.18 | 87.70 | 58.76 |
| | **Total Expenses (B)** | **1,218.63** | **3,397.59** | **4,146.85** | **3,840.52** | **5,815.43** | **3,324.47** | **2,236.24** |
| C | **Profit before extraordinary items and tax(A-B)** | **112.22** | **132.57** | **153.27** | **46.52** | **44.82** | **25.64** | **18.09** |
| | Extraordinary items | - | - | - | - | - | - | - |
| D | **Profit before tax** | **112.22** | **132.57** | **153.27** | **46.52** | **44.82** | **25.64** | **18.09** |
| | *Tax expense :* | | | | | | | |
| | (i) Current tax | 21.70 | 45.71 | 53.59 | 11.20 | 13.34 | 7.78 | 4.02 |
| | (ii) Deferred tax | (0.61) | (1.76) | (2.71) | 3.11 | 0.50 | 0.15 | 1.57 |
| | (iii) MAT Credit Entitlement | - | - | - | | - | - | - |
| E | **Total Tax Expense** | **21.09** | **43.95** | **50.88** | **14.31** | **13.84** | **7.93** | **5.59** |
| | | | | | | | | |
| F | **Profit for the year/ period (D-E)** | **91.13** | **88.62** | **102.39** | **32.21** | **30.98** | **17.71** | **12.50** |

**For R T Jain & Co LLP**
**Chartered Accountants**
**FRN - 103961W/ W100182**

**For and on behalf of Board of Directors**

**(Director)** **(Director)**

**(CA Bankim Jain)**
**Partner**
**Mem No- 139447**

**(CFO)** **(CS)**

**Mumbai, May 14, 2018**

## SHREE OSWAL SEEDS AND CHEMICALS LIMITED

**STATEMENT OF STANDALONE CASH FLOW AS RESTATED** **ANNEXURE -** III

(₹ In Lakhs)

| Particulars | For the period during 01.12.17 to 31.3.18 | For the period ended November 30, | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Cash Flow From Operating Activities:** | | | | | | | |
| Net Profit before tax as per Profit And Loss A/c | 112.19 | 132.58 | 153.30 | 46.51 | 44.80 | 25.66 | 18.10 |
| **Adjustments for:** | | | | | | | |
| Depreciation & Amortisation Expense | 9.72 | 20.48 | 34.81 | 18.93 | 13.13 | 13.24 | 1.17 |
| Provision for Gratuity | 0.19 | 0.11 | 0.95 | 0.99 | 0.46 | 0.18 | 0.25 |
| Finance Cost | 50.38 | 127.21 | 159.58 | 237.97 | 152.35 | 101.15 | 47.92 |
| Interest Income | (36.59) | (10.10) | (15.88) | (9.01) | (6.63) | (7.17) | (1.62) |
| **Operating Profit Before Working Capital Changes** | **135.89** | **270.29** | **332.77** | **295.39** | **204.11** | **133.07** | **65.83** |
| Adjusted for (Increase)/ Decrease in: | | | | | | | |
| Trade Receivables | 478.10 | (352.13) | (485.53) | (48.87) | (63.81) | 8.42 | 7.29 |
| Short Term Loans and advances | (194.12) | 2.11 | 99.31 | (102.96) | 89.92 | (89.57) | (34.56) |
| Other Current Assets | (56.92) | (20.06) | - | - | - | - | - |
| Inventories | (1,467.41) | 1,199.23 | 457.15 | 626.00 | (23.53) | (1,277.45) | (599.92) |
| Trade Payables | (87.40) | 127.24 | 2.68 | (3.62) | (8.26) | 11.50 | (296.81) |
| Other Current Liabilites | 636.90 | (658.28) | 299.51 | (310.23) | (816.02) | 713.43 | 792.51 |
| Short term Provisions | (40.90) | (57.41) | 48.35 | (0.85) | 0.13 | 1.70 | 1.73 |
| **Cash Generated From Operations Before Extra-Ordinary Items** | **-595.87** | **510.99** | **754.24** | **454.84** | **-617.46** | **-498.91** | **-63.92** |
| Add:- Extra-Ordinary Items | | | | | | | |
| **Cash Generated From Operations** | **(595.87)** | **510.99** | **754.24** | **454.84** | **(617.46)** | **(498.91)** | **(63.92)** |
| Net Income Tax (paid) / refunded | - | - | (61.55) | (11.43) | (13.76) | (7.75) | (4.17) |
| **Net Cash Flow from/(used in) Operating Activities: (A)** | **(595.87)** | **510.99** | **692.70** | **443.42** | **(631.22)** | **(506.65)** | **(68.08)** |
| | | | | | | | |
| **Cash Flow From Investing Activities:** | | | | | | | |
| Purchase of Fixed Assets (including capital work in progress) | (2.93) | 8.91 | (12.08) | (98.65) | (27.54) | (19.20) | (106.90) |
| Interest Income | 36.59 | 10.10 | 15.88 | 9.01 | 6.63 | 7.17 | 1.62 |
| Investments (made) / sold | (349.99) | (3.17) | - | - | - | - | - |
| Long Term Loans & Advances Given | 332.76 | (332.76) | - | - | - | - | - |
| | | | | | | | |
| **Net Cash Flow from/(used in) Investing Activities: (B)** | **16.42** | **(316.91)** | **3.80** | **(89.64)** | **(20.91)** | **(12.03)** | **(105.28)** |
| | | | | | | | |
| **Cash Flow from Financing Activities:** | | | | | | | |
| Net Increase/(Decrease) in Short Term Borrowings | 291.92 | (403.36) | (149.92) | (180.40) | 770.88 | 588.72 | 300.72 |
| Net Increase/(Decrease) in Long Term Term Borrowings | 12.29 | (52.73) | (63.46) | (10.44) | 23.12 | 3.57 | (267.23) |
| Net Increase/(Decrease) in Share Capital / Partners Capital | | | | | | | |
| Interest paid | (50.38) | (127.21) | (159.58) | (237.97) | (152.35) | (101.15) | (47.92) |
| **Net Cash Flow from/(used in) Financing Activities ( C)** | **576.68** | **(521.68)** | **(357.83)** | **(478.61)** | **805.51** | **518.11** | **197.41** |
| | | | | | | | |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | (2.78) | (327.60) | 338.68 | (124.83) | 153.37 | (0.58) | 24.04 |
| Cash & Cash Equivalents As At Beginning of the Year / Period | 71.24 | 398.84 | 60.16 | 184.99 | 31.62 | 32.20 | 8.16 |
| Cash & Cash Equivalents As At End of the Year / Period | **68.46** | **71.24** | **398.84** | **60.16** | **184.99** | **31.62** | **32.20** |

**For R T Jain & Co LLP**
**Chartered Accountants**
**FRN - 103961W/ W100182**

**For and on behalf of Board of Directors**

**(Director)** **(Director)**

**(CA Bankim Jain)**
**Partner**
**Mem No- 139447**

**(CFO)** **(CS)**

**Mumbai, May 14, 2018**

**ANNEXURE IV (A)**

**STANDALONE RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:**

**CORPORATE INFORMATION**

Shreeoswal Seeds and Chemicals Limited was originally formed as partnership firm constituted under the Partnership Act, 1932 (the "Partnership Act") in the name of M/s Oswal Seeds and Chemicals, pursuant to a deed of partnership dated May 21, 2004. M/s Oswal Seeds and Chemicals was thereafter converted from a partnership firm to a public company in the year 2017.

**A. Basis of preparation of Financial Statements:**

The standalone restated summary statement of assets and liabilities of the Company as at March 31,2018, November 30, 2017 , March 2017, 2016, 2015, 2014 and 2013 and the related standalone restated summary statement of profits and loss and cash flows for the period / years ended March 31,2018 (01.12.17 to 31.03.18), November 30, 2017, March 2017, 2016, 2015, 2014 and 2013 (herein collectively referred to as (' Standalone restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the period /years ended on March 31,2018 (01.12.17 to 31.03.18), November 30, 2017, March 2017, 2016, 2015, 2014 and 2013 , approved by the Board of Directors of the Company. Standalone restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Standalone restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the Emerge Platform of NSE in connection with its proposed Initial public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Standalone restated Summary Statements.

**B. Use of Estimates:**

The preparation of standalone restated financial statements requires management to make estimates and assumptions that affect amounts in the financial statements and reported notes thereto. Actual results could differ from these estimates. Differences between the actual result and estimates are recognized in periods in which the results are known/ materialized.

**C. Fixed Assets:**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account. Subsidy received towards the asset has been deducted from carrying value of the asset and depreciation on the reduced carrying value has been provided prospectively.

**D. Depreciation:**

Depreciation on fixed assets for the year ended on March 31, 2014 and 2013 is calculated on WDV basis for all assets using the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on fixed assets for the year ended March 31, 2015, 2016 and 2017 and for the period ended March 31, 2018 (1.12.17 to 31.3.18), November 30, 2017 is calculated on WDV basis for all the assets using the rates derived as per the useful life for the assets specified in the Schedule II of the Companies Act, 2013.

**E. Valuation of Inventories:**

Cost of inventory includes all cost of purchases and other cost incurred in bringing the inventories to their present location and condition. Raw Material and Finished Goods are valued at cost or net realizable value whichever is less.

**F. Valuation of Investments:**

i. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

ii. Current Investments are carried at lower of cost and fair value determined on an individual investment basis.

iii. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

**G. Revenue Recognition:**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from sale of manufactured goods is recognized as and when significant risk and rewards of ownership relating to the goods are transferred to the buyer. Revenue from Other sources are recognized on accrual basis.

**H. Government Grants :**

Subsidy received for investment in capital asset has been deducted from the value of the asset and depreciation has been provided on the reduced value prospectively.

**I. Employee Benefits:**

All employee benefits payable within twelve months of rendering of services are classified as short term benefits. Benefits include salaries, wages, awards, ex-gratia, performance pay, etc. and are recognized in the period in which the employee renders the related service. Liability on account of encashment of leave, Bonus to employee is considered as short term compensated expense provided on actual.

**J. Earning Per Share**

Basic earning per share is computed by dividing the net profit after tax for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year /period.

**K. Taxation & Deferred Tax**

Provision for Current Tax is made in accordance with the provision of Income Tax Act, 1961. Deferred tax is recognized on timing differences between taxable & accounting income / expenditure that originates in one period and are capable of reversal in one or more subsequent period(s).

**L. Contingent Liabilities / Provisions**

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts.

**ANNEXURE IV (B)**

**RECONCILIATION OF RESTATED PROFIT:**

(₹ In Lakhs)

| Adjustments for | For the period from 01.12.17 to 31.03.18 | For the period ended November 30,2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| | | | | | | | |
| Net Profit/(Loss) after Tax as per Audited Profit & Loss Account | 92.38 | 91.04 | 100.18 | 36.45 | 43.17 | 23.76 | 13.01 |
| | | | | | | | |
| **Adjustments for:** | - | - | - | - | - | - | - |
| Gratuity | (0.19) | (0.11) | (0.95) | (0.99) | (0.45) | (0.18) | (0.25) |
| Interest on FD | - | - | - | - | - | 1.40 | - |
| Interest received on loan | - | 6.51 | - | - | - | - | - |
| Depreciation Expense | (1.46) | (5.57) | (7.86) | 11.06 | 2.09 | 0.66 | 5.33 |
| Tax expense : | - | - | - | - | - | - | - |
| (i) Current tax | (0.15) | (5.00) | 8.30 | (11.20) | (13.33) | (7.78) | (4.02) |
| (ii) Deferred tax | 0.55 | 1.76 | 2.71 | (3.11) | (0.49) | (0.15) | (1.57) |
| | | | | | | | |
| **Net Profit/ (Loss) After Tax as Restated** | **91.13** | **88.62** | **102.39** | **32.21** | **30.98** | **17.71** | **12.50** |

**Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.**

**Adjustments having impact on Profit**

1. **Gratuity -** The company had not provided for gratuity liability based on the requirements of AS-15, therefore in restatement provision for gratuity has been made based on actuarial valuation.

2. **Interest on FD -** Interest accrued on FD during the year 2013-14 was not recognized as revenue as per accrual concept. The restatement has been done to give effect of the same.

3. **Interest on unsecured loan –** In the period ended November 30, 2017, liability for interest payable on loan was recognized only upto 30.09.17. The restatement has been done to recognize liability for interest payable upto November 30, 2017.

4. **Depreciation -** The company has been formed by conversion of partnership firm vide a certificate of incorporation dated December 1, 2017. Therefore before this date the depreciation provided by the company was as per Income Tax Act, 1961. For the purpose of disclosure requirement the same has been restated to comply with Schedule II of Companies Act, 2013.

5. **Current Tax –** The company (erstwhile firm) had not provided for provision for tax upto the year ended 2015-16. The same has been restated in order to provide for the same in those years as well as to provide for tax effect of the above mentioned restatement adjustments.

6. **Deferred Tax –** Company (Erstwhile "Firm") had not provided for deferred tax in earlier years. The restatement has been done to give effect of the requirements of AS-22.

**Adjustments having no impact on Profit**

**Material Regrouping**

W.e.f, April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements.

Appropriate adjustments have been made in the Standalone restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

**DETAILS OF STANDALONE SHARE CAPITAL AS RESTATED** **ANNEXURE -** V

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| **EQUITY SHARE CAPITAL :** | | | | | | | |
| **AUTHORISED:** | - | - | - | - | - | - | - |
| Equity Shares of Rs. 10 each | 1,800.00 | - | - | - | - | - | - |
| | **1,800.00** | - | - | - | - | - | - |
| | | | | | | | |
| **ISSUED, SUBSCRIBED AND PAID UP** | | | | | | | |
| Equity Shares of Rs. 10 each | 1,066.90 | - | - | - | - | - | - |
| | | | | | | | |
| **PARTNER'S CAPITAL ACCOUNT** | | | | | | | |
| Opening Balance | - | 605.06 | 487.49 | 505.09 | 310.28 | 265.57 | 42.15 |
| Add: Fresh Capital Introduced During the year / period | - | 691.15 | 1,134.87 | 518.50 | 199.50 | 101.25 | 240.75 |
| Add: Inerest on Capital | - | 29.17 | 8.22 | 20.39 | 39.39 | 35.57 | 3.79 |
| Add: Remuneration to Partners | - | 6.40 | 4.00 | 10.00 | 10.00 | 9.60 | 16.38 |
| Add: Share of Profit | - | 88.62 | 102.43 | 32.20 | 30.95 | 17.73 | 11.58 |
| Less: Capital Withdrawn during the year / period | - | (665.10) | (1,131.96) | (598.69) | (85.03) | (119.45) | (49.08) |
| | | | | | | | |
| **TOTAL** | **1,066.90** | **755.31** | **605.06** | **487.49** | **505.09** | **310.28** | **265.57** |

**Reconciliation of number of shares outstanding at the end of the year / period:**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Equity Shares at the beginning of the year / period | - | - | - | - | - | - | - |
| Add: Shares issued during the year/period | 10,669,000 | - | - | - | - | - | - |
| Equity Shares at the end of the year / period | **10,669,000** | **-** | **-** | **-** | **-** | **-** | **-** |

The Company has been formed by conversion of partnership Firm into company vide a certificate of incorporation dated December 1, 2017 with paid up equity share capital of Rs 6,16,90,000 divided into 61,69,000 equity shares of Rs 10 each.

**Details of Shareholders holding more than 5% of the aggregate shares of the company:**

| Name of Shareholders | As at March 31, 2018 | |
|---|---|---|
| | No. of Shares Held | % of Holding |
| Anil Kumar Nahata | 5,334,470 | 49.9997% |
| Sanjay Kumar Baigani | 5,334,470 | 49.9997% |
| | **10,668,940** | **99.9994%** |

**DETAILS OF STANDALONE RESERVES AND SURPLUS AS RESTATED** **ANNEXURE -** VI

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| **BALANCE OF PROFIT & LOSS ACCOUNT** | | | | | | | |
| Opening Balance | - | - | - | - | - | - | - |
| Add: Net Profit / (Loss) after Tax for the year / period | 91.11 | 88.62 | 102.43 | 32.20 | 30.95 | 17.73 | 12.51 |
| Less: Adjustment of Gratuity based on acturial valuation as per AS - 15 | - | - | - | - | - | - | (0.93) |
| Less: Share of Profit / (Loss) transferred to Capital Account | - | (88.62) | (102.43) | (32.20) | (30.95) | (17.73) | (11.58) |
| Closing Balance | **91.11** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | | | | | | |
| **SECURITIES PREMIUM** | | | | | | | |
| Opening Balance | | | | | | | |
| Premium received on issue of shares during the year | 11.25 | - | - | - | - | - | - |
| **Closing Balance** | **11.25** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | | | | | | |
| | | | | | | | |
| **TOTAL** | **102.36** | **-** | **-** | **-** | **-** | **-** | **-** |

**DETAILS OF STANDALONE LONG TERM BORROWINGS AS RESTATED** **ANNEXURE -** VII

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Secured** | | | | | | | |
| **Term Loans** | | | | | | | |
| -From Bank | 1.14 | 6.27 | 23.76 | 55.95 | 34.29 | 45.09 | 24.79 |
| | **1.14** | **6.27** | **23.76** | **55.95** | **34.29** | **45.09** | **24.79** |
| **Unsecured** | | | | | | | |
| -From Directors/Partners | 17.43 | - | - | - | - | 4.00 | 3.87 |
| -From Others | - | - | 35.24 | 66.51 | 98.62 | 60.70 | 77.55 |
| | **17.43** | **-** | **35.24** | **66.51** | **98.62** | **64.70** | **81.42** |
| | | | | | | | |
| **TOTAL** | **18.57** | **6.27** | **59.00** | **122.46** | **132.91** | **109.79** | **106.21** |

| Nature of Security | Terms of Repayment |
|---|---|
| Loan from Union Bank is secured against following :- (i) House No. 794 owned by relative of director (ii) Shop No. 24 & 25 owned by relative of director (iii) House No. 297 owned by relative of director (iv) House No. 475 owned by relative of director (v) Land & Building on Plot No. 6, Industrial Area, Neemuch owned by Oswal Seeds & Chemicals (vi) Cash collateral of Rs. 15,00,000/- in the form of Term Deposit. (vii) Personal Guarantee of Following - Mr. Sanjay Baigani, Mr. Anil Nahta, Mrs. Chandralekha Baigani, Mr. Kanhaiyalal Nahata, Mrs. Sunita Devi Baigani, Mrs. Kiran Devi Baigani. | Loan from UBI - 1 is repayable in 72 Monthly installments of 90000 each. |
| | Loan from UBI - 2 is repayable in 21 monthly installments of 200000 each. |
| Loan from directors and others are unsecured and terms of repayment in respect of these loans are not fixed. | |

**DETAILS OF STANDALONE DEFERRED TAX LIABILITIES / (ASSETS) AS RESTATED** **ANNEXURE -** VIII

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| **Deferred Tax Liability** | | | | | | | |
| -on Account of Depreciation | 0.25 | 0.87 | 2.62 | 5.34 | 2.23 | 1.73 | 1.57 |
| **Deferred Tax Assets** | - | - | - | - | - | - | - |
| -on Account of Depreciation & Gratuity | - | - | - | - | - | - | - |
| **TOTAL** | **0.25** | **0.87** | **2.62** | **5.34** | **2.23** | **1.73** | **1.57** |

**DETAILS OF STANDALONE LONG TERM PROVISIONS AS RESTATED** **ANNEXURE -** IX

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Provision for Employee Benefits | 3.97 | 3.79 | 3.66 | 2.74 | 1.77 | 1.32 | 1.15 |
| **TOTAL** | **3.97** | **3.79** | **3.66** | **2.74** | **1.77** | **1.32** | **1.15** |

**DETAILS OF STANDALONE SHORT TERM BORROWING AS RESTATED** **ANNEXURE -** X

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Cash Credit | 695.31 | 692.60 | 696.97 | 698.38 | 699.82 | 156.84 | - |
| Letter of Credit | 73.47 | 73.47 | 73.47 | 73.47 | - | - | - |
| Credit against warehouse receipts | 449.76 | 160.55 | 559.55 | 708.06 | 960.49 | 732.58 | 300.72 |
| **TOTAL** | **1,218.54** | **926.62** | **1,329.99** | **1,479.91** | **1,660.31** | **889.42** | **300.72** |

The credit limit from axis bank is secured against pledge of warehouse receipts and personal guarantee of directors. Interest is charged and falls due at monthly intervals. The rate of interest for the same is 1.80% (Non CBF Warehouses) / 2.75% (CBF warehouses) above the base rate of the bank. The Letter of Credit is for the purchase of sortex machine. Rate of interest on the same is applicable as per scheme of food & agro processing unit. Rate of interest on cash credit is "1 year MCLR (Dec) + 4.15%". The same is secured against security specified against Loan from UBI - 1 & Loan from UBI - 2.

**DETAILS OF STANDALONE TRADE PAYABLES AS RESTATED** **ANNEXURE -** XI

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Due to Micro, Small & Medium Enterprises | - | - | - | - | - | - | - |
| Due to others | 50.08 | 137.48 | 10.24 | 7.55 | 11.17 | 19.41 | 7.93 |
| **TOTAL** | **50.08** | **137.48** | **10.24** | **7.55** | **11.17** | **19.41** | **7.93** |

**DETAILS OF STANDALONE OTHER CURRENT LIABILITIES AS RESTATED** **ANNEXURE -** XII

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Current maturities of long term debt | 5.40 | - | 10.80 | 10.80 | 10.80 | 10.80 | 8.10 |
| Statutory Dues | 1.03 | 0.10 | 0.09 | 0.71 | 2.17 | 1.01 | 1.60 |
| Creditors for Expenses | 3.86 | 1.20 | 0.47 | 2.72 | 0.55 | 0.65 | 0.64 |
| Creditors for Fixed Assets | - | 1.09 | 1.56 | 2.35 | 7.87 | 0.54 | 4.03 |
| Advance received from Customers | 647.33 | 18.34 | 666.02 | 362.85 | 668.37 | 1,494.24 | 779.43 |
| Deposits Received | 2.90 | 2.90 | 2.95 | 2.95 | 2.85 | 1.40 | 1.40 |
| **TOTAL** | **660.52** | **23.63** | **681.89** | **382.38** | **692.61** | **1,508.64** | **795.20** |

**DETAILS OF STANDALONE SHORT TERM PROVISIONS AS RESTATED** **ANNEXURE -** XIII

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Provision for Taxes | 11.43 | 30.63 | 42.33 | 1.94 | 3.02 | 3.31 | 1.58 |
| Provision for Employee Benefits | 0.09 | 0.08 | 0.09 | 0.07 | 0.05 | 0.04 | 0.02 |
| **TOTAL** | **11.52** | **30.71** | **42.42** | **2.01** | **3.07** | **3.35** | **1.60** |

**DETAILS OF STANDALONE NON-CURRENT INVESTMENTS AS RESTATED** **ANNEXURE -** XV

(₹ In Lakhs, except no of shares)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Share in Partnership Firm | 349.99 | - | - | - | - | - | - |
| Gold Held for Scheme Distribution | 3.17 | 3.17 | - | - | - | - | - |
| **TOTAL** | **353.16** | **3.17** | **-** | **-** | **-** | **-** | **-** |
| | | | | | | | |
| Aggregate Cost of Quoted Investments | - | - | - | - | - | - | - |
| Aggregate Cost of Unquoted Investments | 353.16 | 3.17 | - | - | - | - | - |
| Aggregate Market Value of Quoted Investments | - | - | - | - | - | - | - |

**DETAILS OF STANDALONE LONG TERM LOAN AND ADVANCES AS RESTATED** **ANNEXURE -** XVI

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| | | | | | | | |
| Loans and Advances to related parties | - | 332.76 | - | - | - | - | - |
| | | | | | | | |
| **TOTAL** | **-** | **332.76** | **-** | **-** | **-** | **-** | **-** |

**DETAILS OF STANDALONE INVENTORIES AS RESTATED** **ANNEXURE -** XVII

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Raw Material | 1,135.92 | 187.76 | 1,058.77 | 1,253.51 | 1,839.30 | 1,705.84 | 864.26 |
| Finished Goods | 623.36 | 104.11 | 432.33 | 694.75 | 734.95 | 844.88 | 409.02 |
| **TOTAL** | **1,759.28** | **291.87** | **1,491.10** | **1,948.26** | **2,574.25** | **2,550.72** | **1,273.28** |

**DETAILS OF STANDALONE TRADE RECEIVABLES AS RESTATED** **ANNEXURE -** XVIII

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Unsecured, considered good | - | - | - | - | - | - | - |
| - Outstanding for more than Six Months | - | - | - | - | - | - | - |
| From related party | - | - | - | - | - | - | - |
| From others | 28.98 | 127.50 | 64.73 | 54.11 | 45.69 | 15.94 | 2.54 |
| - Outstanding for less than Six Months | - | - | - | - | - | - | - |
| From related party | - | 66.02 | - | - | - | 0.10 | - |
| From others | 464.67 | 778.22 | 554.88 | 79.97 | 39.53 | 5.36 | 27.28 |
| **TOTAL** | **493.65** | **971.74** | **619.61** | **134.08** | **85.22** | **21.40** | **29.82** |

**DETAILS OF STANDALONE CASH & CASH EQUIVALENTS AS RESTATED** **ANNEXURE -** XIX

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Cash In Hand | 1.82 | 13.66 | 24.86 | 1.68 | 7.08 | 1.07 | 1.08 |
| Balance with Scheduled Banks | 11.28 | 5.44 | 322.51 | 10.63 | 135.16 | 14.22 | 16.05 |
| FD with Bank | 55.36 | 52.14 | 51.47 | 47.85 | 42.75 | 16.33 | 15.07 |
| **TOTAL** | **68.46** | **71.24** | **398.84** | **60.16** | **184.99** | **31.62** | **32.20** |

**DETAILS OF STANDALONE SHORT TERM LOAN AND ADVANCES AS RESTATED** **ANNEXURE -** XX

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Loans & Advances to others | 185.90 | 27.15 | 32.51 | 132.60 | 33.00 | 124.57 | 35.00 |
| Loan to Subsidiary | 33.77 | - | - | - | - | - | - |
| Deposit with Revevnue Authorities | 10.70 | 9.10 | 5.83 | 5.07 | 1.71 | 0.05 | 0.05 |
| **TOTAL** | **230.37** | **36.25** | **38.34** | **137.67** | **34.71** | **124.62** | **35.05** |

**DETAILS OF STANDALONE OTHER CURRENT ASSETS AS RESTATED** **ANNEXURE -** XXI

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30 | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Accrued interest on FDR | - | 1.91 | - | - | - | - | - |
| Advance to Suppliers | 42.00 | - | - | - | - | - | - |
| Prepaid Expenses | 1.30 | - | - | - | - | - | - |
| Company Creation & Preliminary Expenses | 33.69 | 18.16 | - | - | - | - | - |
| **TOTAL** | **76.99** | **20.07** | **-** | **-** | **-** | **-** | **-** |

**DETAILS OF STANDALONE REVENUE FROM OPERATIONS AS RESTATED** **ANNEXURE -** XXII

(₹ In Lakhs)

| Particulars | For the period from 01.12.17 to 31.3.18 | For the period ended November 30, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| | | | | | | | |
| Sale of Manufactured Goods | 1,294.26 | 3,520.06 | 4,284.24 | 3,878.02 | 5,853.62 | 3,342.94 | 2,252.71 |
| Sale of Traded Goods | - | - | - | - | - | - | - |
| Sale of Services | - | - | - | - | - | - | - |
| | | | | | | | |
| Turnover in respect of products not normally dealt with | - | - | - | - | - | - | - |
| | | | | | | | |
| **TOTAL** | **1,294.26** | **3,520.06** | **4,284.24** | **3,878.02** | **5,853.62** | **3,342.94** | **2,252.71** |

**DETAILS OF STANDALONE COST OF MATERIAL CONSUMED AS RESTATED** **ANNEXURE -** XXIV

(₹ In Lakhs)

| Particulars | For the period from 01.12.17 to 31.3.18 | For the period ended November 30, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Opening Stock of Raw Material, Stores & Spares | 187.76 | 1,058.77 | 1,253.51 | 1,839.30 | 1,705.84 | 864.25 | 468.98 |
| Add : Purchases(Net of Inventory) | 2,551.51 | 1,900.23 | 3,249.25 | 2,647.72 | 5,247.35 | 4,253.44 | 2,606.26 |
| Add: Direct Expenses | - | - | - | - | - | - | - |
| Packing Material Consumed | 0.22 | 5.77 | 0.47 | - | - | 0.86 | 24.50 |
| Chemicals | - | 1.63 | 0.05 | 0.50 | 0.05 | 8.23 | 2.65 |
| Freight Charges | 3.60 | 8.99 | 16.36 | 54.87 | 98.71 | 18.93 | 19.06 |
| Hammali Expenses | 7.42 | 27.35 | 50.44 | 43.29 | 36.79 | 23.17 | 10.64 |
| Sortex Grading Charges | - | - | 3.32 | 1.47 | 31.42 | 38.42 | 16.48 |
| Seeds Certification Fees | 8.13 | 21.32 | 18.43 | 17.09 | 19.67 | 25.40 | 19.94 |
| Wages Expenses | 5.68 | 9.35 | 15.24 | 15.54 | 16.56 | 6.68 | 3.04 |
| Closing Stock of Raw Material, Stores & Spares | (1,135.92) | (187.76) | (1,058.77) | (1,253.51) | (1,839.30) | (1,705.84) | (864.25) |
| **TOTAL** | **1,628.40** | **2,845.65** | **3,548.30** | **3,366.27** | **5,317.09** | **3,533.54** | **2,307.30** |

**DETAILS OF STANDALONE CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE AS RESTATED** **ANNEXURE -** XXV

(₹ In Lakhs)

| Particulars | For the period from 01.12.17 to 31.3.18 | For the period ended November 30, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Opening Stock | 104.11 | 432.33 | 694.75 | 734.95 | 844.88 | 409.01 | 204.45 |
| Less : Closing Stock | (623.37) | (104.11) | (432.33) | (694.75) | (734.95) | (844.88) | (409.01) |
| **TOTAL** | **(519.26)** | **328.22** | **262.42** | **40.20** | **109.93** | **(435.87)** | **(204.56)** |

**DETAILS OF STANDALONE EMPLOYEE BENEFITS EXPENSE AS RESTATED** **ANNEXURE -** XXVI

(₹ In Lakhs)

| Particulars | For the period from 01.12.17 to 31.3.18 | For the period ended November 30, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Salary and incentives | 10.09 | 11.59 | 18.00 | 14.59 | 18.30 | 14.92 | 9.01 |
| Directors Remuneration | 8.60 | - | - | - | - | - | - |
| Gratuity Expenses | 0.19 | 0.11 | 0.95 | 0.99 | 0.46 | 0.18 | 0.25 |
| Remuneration to Partner | - | 6.40 | 4.00 | 10.00 | 10.00 | 9.60 | 16.38 |
| **TOTAL** | **18.88** | **18.10** | **22.95** | **25.58** | **28.76** | **24.70** | **25.64** |

**DETAILS OF STANDALONE FINANCE COST AS RESTATED** **ANNEXURE -** XXVII

(₹ In Lakhs)

| Particulars | For the period from 01.12.17 to 31.3.18 | For the period ended November 30, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Interest on Bank Loan | 45.47 | 87.08 | 139.04 | 199.99 | 81.62 | 54.00 | 27.44 |
| Interest on Unsecured Loan | - | 3.19 | 6.59 | 11.50 | 19.83 | 9.94 | 15.35 |
| Interest on Capital to Partner | - | 29.17 | 8.22 | 20.39 | 39.39 | 35.57 | 3.79 |
| Loan Processing Charges | 4.90 | 7.78 | 5.74 | 6.08 | 11.50 | 1.64 | 1.34 |
| **TOTAL** | **50.37** | **127.22** | **159.59** | **237.96** | **152.34** | **101.15** | **47.92** |

**DETAILS OF STANDALONE DEPRECIATION & AMORTIZATION EXPENSE AS RESTATED** **ANNEXURE -** XXVIII

(₹ In Lakhs)

| Particulars | For the period from 01.12.17 to 31.3.18 | For the period ended November 30, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Depreciation on Fixed Assets | 9.72 | 20.47 | 34.82 | 18.93 | 13.13 | 13.25 | 1.18 |
| **TOTAL** | **9.72** | **20.47** | **34.82** | **18.93** | **13.13** | **13.25** | **1.18** |

**DETAILS OF STANDALONE OTHER EXPENSES AS RESTATED** **ANNEXURE -** XXIX

(₹ In Lakhs)

| Particulars | For the period from 01.12.17 to 31.3.18 | For the period ended November 30, 2017 | For the year ended March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Dalali Charges | - | 0.05 | 0.19 | 0.28 | 0.40 | 0.21 | 0.29 |
| Rates & Taxes | 0.36 | 1.28 | 0.81 | 0.78 | 1.28 | 0.60 | 2.64 |
| Research Expenses | - | - | 4.97 | 6.16 | 3.46 | 3.32 | 0.52 |
| Power Charges | 5.36 | 12.40 | 22.65 | 22.45 | 6.71 | 4.80 | 1.83 |
| Rate Difference & Discount | 12.31 | 20.13 | 34.08 | 57.50 | 109.55 | 35.28 | 27.93 |
| Travelling Charges | 2.01 | 4.52 | 5.39 | 6.07 | 13.25 | 4.25 | 2.26 |
| Rent Expense | 5.84 | 12.21 | 25.55 | 32.69 | 31.04 | 15.35 | 13.18 |
| Repair & Maintenance | 0.87 | 2.02 | 4.96 | 7.26 | 6.24 | 3.34 | 1.32 |
| Insurance Charges | 0.03 | 0.21 | 1.96 | 1.04 | 0.36 | 0.86 | 0.42 |
| Conveyance & Vehicle Expenses | 0.24 | 1.55 | 1.61 | 1.72 | 1.48 | 1.51 | 0.56 |
| Postage & Courier | 0.01 | 0.08 | 0.08 | 0.21 | 0.10 | 0.14 | 0.09 |
| Office Expenses | 0.54 | 0.71 | 0.59 | 3.87 | 4.02 | 1.38 | 0.88 |
| Telephone Expenses | 0.10 | 0.12 | 0.33 | 0.58 | 0.39 | 0.38 | 0.53 |
| Fees & Subscriptions | 0.08 | 0.09 | 0.31 | 1.71 | 2.14 | - | - |
| Sales Promotion Expenses | 0.20 | 1.66 | 8.74 | 3.08 | 5.98 | 8.82 | 0.61 |
| Audit fees | 1.65 | 0.10 | 0.15 | 0.19 | 0.15 | 0.21 | 0.18 |
| Printing & Stationery | 0.61 | 0.80 | 5.81 | 5.17 | 7.06 | 6.85 | 5.16 |
| Professional Charges | 0.31 | - | 0.59 | 0.82 | 0.57 | 0.40 | 0.36 |
| | | | | | | | |
| **TOTAL** | **30.52** | **57.93** | **118.77** | **151.58** | **194.18** | **87.70** | **58.76** |

**DETAILS OF STANDALONE FIXED ASSETS AS RESTATED** **ANNEXURE- XIV**

(₹ In Lakhs)

| FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | AS AT 01.04.2012 | ADDITIONS | DEDUCTIONS / ADJUSTMENTS | AS AT 31.03.2013 | UPTO 01.04.2012 | FOR THE YEAR | DEDUCTIONS / ADJUSTMENTS | UPTO 31.03.2013 | AS AT 31.03.2013 |
| | | | | | | | | | |
| **Tangible Assets** | | | | | | | | | |
| Furniture & Fixtures | 0.43 | - | - | 0.43 | - | 0.08 | - | 0.08 | 0.35 |
| Computer | 0.01 | 0.11 | - | 0.12 | - | 0.02 | - | 0.02 | 0.10 |
| Building | 1.25 | 81.58 | - | 82.83 | - | 0.15 | - | 0.15 | 82.69 |
| Plant & Machinery | 1.62 | 24.78 | - | 26.40 | - | 0.76 | - | 0.76 | 25.65 |
| Air Conditioner | 0.12 | - | - | 0.12 | - | 0.02 | - | 0.02 | 0.11 |
| Toll Kanta | 0.09 | - | - | 0.09 | - | 0.01 | - | 0.01 | 0.07 |
| Mobile | 0.14 | - | - | 0.14 | - | 0.02 | - | 0.02 | 0.12 |
| Vehicles | 0.22 | 0.43 | - | 0.65 | - | 0.12 | - | 0.12 | 0.53 |
| | | | | | | | | | |
| **Grand Total** | **3.88** | **106.90** | **-** | **110.78** | **-** | **1.18** | **-** | **1.18** | **109.62** |

| FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | AS AT 01.04.2013 | ADDITIONS | DEDUCTIONS / ADJUSTMENTS | AS AT 31.03.2014 | UPTO 01.04.2013 | FOR THE YEAR | DEDUCTIONS / ADJUSTMENTS | UPTO 31.03.2014 | AS AT 31.03.2014 |
| | | | | | | | | | |
| **Tangible Assets** | | | | | | | | | |
| Furniture & Fixtures | 0.43 | 2.04 | - | 2.47 | 0.08 | 0.31 | - | 0.39 | 2.08 |
| Computer | 0.12 | 1.30 | - | 1.42 | 0.02 | 0.46 | - | 0.48 | 0.94 |
| Building | 82.83 | 8.82 | - | 91.66 | 0.15 | 8.27 | - | 8.42 | 83.24 |
| Plant & Machinery | 26.40 | 7.04 | - | 33.45 | 0.76 | 4.03 | - | 4.78 | 28.66 |
| Air Conditioner | 0.12 | - | - | 0.12 | 0.02 | 0.01 | - | 0.03 | 0.09 |
| Toll Kanta | 0.09 | - | - | 0.09 | 0.01 | 0.01 | - | 0.02 | 0.06 |
| Mobile | 0.14 | - | - | 0.14 | 0.02 | 0.02 | - | 0.04 | 0.11 |
| Vehicles | 0.65 | - | - | 0.65 | 0.12 | 0.14 | - | 0.26 | 0.39 |
| | | | | | | | | | |
| **Grand Total** | **110.78** | **19.20** | **-** | **130.00** | **1.18** | **13.25** | **-** | **14.42** | **115.57** |

| FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | AS AT 01.04.2014 | ADDITIONS | DEDUCTIONS / ADJUSTMENTS | AS AT 31.03.2015 | UPTO 01.04.2014 | FOR THE YEAR | DEDUCTIONS / ADJUSTMENTS | UPTO 31.03.2015 | AS AT 31.03.2015 |
| | | | | | | | | | |
| **Tangible Assets** | - | - | - | - | - | - | - | - | - |
| Furniture & Fixtures | 2.47 | 0.28 | - | 2.75 | 0.39 | 0.21 | - | 0.60 | 2.15 |
| Computer | 1.42 | 0.84 | - | 2.26 | 0.48 | 0.51 | - | 0.99 | 1.27 |
| Building | 91.66 | - | - | 91.66 | 8.42 | 7.31 | - | 15.73 | 75.93 |
| Plant & Machinery | 33.45 | 20.83 | - | 54.27 | 4.78 | 3.74 | - | 8.52 | 45.75 |
| Air Conditioner | 0.12 | 0.36 | - | 0.48 | 0.03 | 0.06 | - | 0.10 | 0.39 |
| Toll Kanta | 0.09 | - | - | 0.09 | 0.02 | 0.01 | - | 0.03 | 0.05 |
| Mobile | 0.14 | - | - | 0.14 | 0.04 | 0.07 | - | 0.10 | 0.04 |
| Vehicles | 0.65 | 3.61 | - | 4.26 | 0.26 | 1.22 | - | 1.48 | 2.78 |
| **Total (A)** | **130.00** | **25.92** | **-** | **155.91** | **14.42** | **13.13** | **-** | **27.55** | **128.36** |
| | | | | | | | | | |
| **Capital Work in Progress** | - | - | - | - | - | - | - | - | - |
| Building | - | 1.63 | - | 1.63 | - | - | - | - | 1.63 |
| **Total (B)** | **-** | **1.63** | **-** | **1.63** | **-** | **-** | **-** | **-** | **1.63** |
| | | | | | | | | | |
| **Grand Total (A+B)** | **130.00** | **25.92** | **-** | **155.91** | **14.42** | **13.13** | **-** | **27.55** | **128.36** |

| FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | AS AT 01.04.2015 | ADDITIONS | DEDUCTIONS / ADJUSTMENTS | AS AT 31.03.2016 | UPTO 01.04.2015 | FOR THE YEAR | DEDUCTIONS / ADJUSTMENTS | UPTO 31.03.2016 | AS AT 31.03.2016 |
| | | | | | | | | | |
| **Tangible Assets** | - | - | - | - | - | - | - | - | - |
| Furniture & Fixtures | 2.75 | 0.04 | - | 2.80 | 0.60 | 0.61 | - | 1.21 | 1.59 |
| Computer | 2.26 | 0.96 | - | 3.22 | 0.99 | 1.26 | - | 2.25 | 0.96 |
| Building | 91.66 | 7.19 | 9.72 | 89.13 | 15.73 | 7.29 | - | 23.01 | 66.12 |
| Plant & Machinery | 54.27 | 121.90 | 20.28 | 155.89 | 8.52 | 8.62 | - | 17.14 | 138.76 |
| Air Conditioner | 0.48 | - | - | 0.48 | 0.10 | 0.18 | - | 0.28 | 0.21 |
| Toll Kanta | 0.09 | - | - | 0.09 | 0.03 | 0.01 | - | 0.04 | 0.04 |
| Mobile | 0.14 | - | - | 0.14 | 0.10 | 0.02 | - | 0.13 | 0.01 |
| LED TV | - | 0.18 | - | 0.18 | - | 0.06 | - | 0.06 | 0.12 |
| Vehicles | 4.26 | - | - | 4.26 | 1.48 | 0.88 | - | 2.36 | 1.89 |
| | | | | | | | | | |
| **Total (A)** | **155.91** | **130.27** | **30.00** | **256.19** | **27.55** | **18.93** | **-** | **46.48** | **209.70** |
| | | | | | | | | | |
| **Capital Work in Progress** | - | - | - | - | - | - | - | - | - |
| Building | 1.63 | 2.71 | 4.34 | - | - | - | - | - | - |
| | | | | | | | | | |
| **Total (B)** | **1.63** | **2.71** | **4.34** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | | | | | | | | |
| **Grand Total (A+B)** | **157.54** | **132.98** | **34.34** | **256.19** | **27.55** | **18.93** | **-** | **46.48** | **209.70** |

**Note : Subsidy received during the year for Building and Plant & Machinery has been deducted from carrying value of the asset and depreciation has been charged on the reduced value prospectively.**

| FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | AS AT 01.04.2016 | ADDITIONS | DEDUCTIONS / ADJUSTMENTS | AS AT 31.03.2017 | UPTO 01.04.2016 | FOR THE YEAR | DEDUCTIONS / ADJUSTMENTS | UPTO 31.03.2016 | AS AT 31.03.2017 |
| | | | | | | | | | |
| **Tangible Assets** | | | | | | | | | |
| Furniture & Fixtures | 2.80 | - | - | 2.80 | 1.21 | 0.44 | - | 1.65 | 1.15 |
| Computer | 3.22 | 0.17 | - | 3.38 | 2.25 | 0.73 | - | 2.98 | 0.40 |
| Building | 89.13 | 0.36 | - | 89.50 | 23.01 | 6.49 | - | 29.50 | 59.99 |
| Plant & Machinery | 155.89 | 4.14 | - | 160.04 | 17.14 | 25.76 | - | 42.90 | 117.14 |
| Air Conditioner | 0.48 | - | - | 0.48 | 0.28 | 0.10 | - | 0.37 | 0.11 |
| Toll Kanta | 0.09 | - | - | 0.09 | 0.04 | 0.01 | - | 0.05 | 0.03 |
| Mobile | 0.14 | - | - | 0.14 | 0.13 | 0.01 | - | 0.14 | 0.01 |
| LED TV | 0.18 | - | - | 0.18 | 0.06 | 0.05 | - | 0.11 | 0.07 |
| Vehicles | 4.26 | 7.41 | - | 11.67 | 2.36 | 1.23 | - | 3.59 | 8.07 |
| | | | | | | | | | |
| **Grand Total** | **256.19** | **12.08** | **-** | **268.28** | **46.48** | **34.82** | **-** | **81.29** | **186.97** |

| FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | AS AT 01.04.2017 | ADDITIONS | DEDUCTIONS / ADJUSTMENTS | AS AT 30.11.2017 | UPTO 01.04.2017 | FOR THE YEAR | DEDUCTIONS / ADJUSTMENTS | UPTO 30.11.2017 | AS AT 30.11.2017 |
| | | | | | | | | | |
| **Tangible Assets** | | | | | | | | | |
| Furniture & Fixtures | 2.80 | - | - | 2.80 | 1.65 | 0.21 | - | 1.86 | 0.93 |
| Computer | 3.38 | - | - | 3.38 | 2.98 | 0.17 | - | 3.15 | 0.23 |
| Building | 89.50 | 0.26 | 3.61 | 86.14 | 29.50 | 3.93 | - | 33.43 | 52.72 |
| Plant & Machinery | 160.04 | 2.87 | 8.42 | 154.48 | 42.90 | 14.42 | - | 57.32 | 97.16 |
| Air Conditioner | 0.48 | - | - | 0.48 | 0.37 | 0.03 | - | 0.41 | 0.08 |
| Toll Kanta | 0.09 | - | - | 0.09 | 0.05 | - | - | 0.06 | 0.03 |
| Mobile | 0.14 | - | - | 0.14 | 0.14 | - | - | 0.14 | - |
| LED TV | 0.18 | - | - | 0.18 | 0.11 | 0.02 | - | 0.13 | 0.05 |
| Vehicles | 11.67 | - | - | 11.67 | 3.59 | 1.69 | - | 5.28 | 6.38 |
| | | | | | | | | | |
| **Grand Total** | **268.28** | **3.13** | **12.03** | **259.36** | **81.29** | **20.47** | **-** | **101.78** | **157.58** |

| FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK |
|---|---|---|---|---|---|---|---|---|---|
| | AS AT 01.12.2017 | ADDITIONS | DEDUCTIONS / ADJUSTMENTS | AS AT 31.03.2018 | UPTO 01.12.2017 | FOR THE YEAR | DEDUCTIONS / ADJUSTMENTS | UPTO 31.03.2018 | AS AT 31.03.2018 |
| | | | | | | | | | |
| **Tangible Assets** | | | | | | | | | |
| Furniture & Fixtures | 2.80 | - | - | 2.80 | 1.86 | 0.11 | - | 1.97 | 0.83 |
| Computer | 3.38 | 0.49 | - | 3.88 | 3.15 | 0.12 | - | 3.28 | 0.60 |
| Building | 86.14 | - | - | 86.14 | 33.43 | 1.83 | - | 35.26 | 50.88 |
| Plant & Machinery | 154.48 | 2.44 | - | 156.92 | 57.32 | 6.79 | - | 64.11 | 92.81 |
| Air Conditioner | 0.48 | - | - | 0.48 | 0.41 | 0.02 | - | 0.42 | 0.06 |
| Toll Kanta | 0.09 | - | - | 0.09 | 0.06 | - | - | 0.06 | 0.03 |
| Mobile | 0.14 | - | - | 0.14 | 0.14 | - | - | 0.14 | - |
| LED TV | 0.18 | - | - | 0.18 | 0.13 | 0.01 | - | 0.14 | 0.04 |
| Vehicles | 11.67 | - | - | 11.67 | 5.28 | 0.84 | - | 6.12 | 5.55 |
| | | | | | | | | | |
| **Grand Total** | **259.36** | **2.93** | **-** | **262.30** | **101.78** | **9.72** | **-** | **111.50** | **150.80** |

**DETAILS OF STANDALONE OTHER INCOME AS RESTATED** **ANNEXURE -** XXIII

(₹ In Lakhs)

| Particulars | for the period during 01.12.17 to 31.3.18 | for the period ended November 30, 2017 | For the year ended March 31, | | | | | Nature |
|---|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 | |
| Other Income | 36.59 | 10.10 | 15.88 | 9.02 | 6.63 | 7.17 | 1.62 | |
| | | | | | | | | |
| Net Profit Before Tax as Restated | 112.22 | 132.57 | 153.27 | 46.52 | 44.82 | 25.64 | 18.09 | |
| | | | | | | | | |
| **Percentage** | **32.61%** | **7.62%** | **10.36%** | **19.39%** | **14.79%** | **27.96%** | **8.96%** | |

**Source of Income**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Interest received on Loan | - | 7.79 | 11.56 | 4.24 | 5.05 | 5.77 | - | Recurring and not related to business activity. |
| Interest received on FDR | 2.62 | 2.12 | 4.03 | 3.97 | 1.58 | 1.40 | 1.62 | Recurring and not related to business activity. |
| Interest on Electricity Deposit | 0.09 | 0.19 | 0.29 | 0.14 | - | - | - | Recurring and not related to business activity. |
| Share of Profit from Partnership Firm | 30.46 | - | - | - | - | - | - | Non recurring and not related to business activity |
| Interest received on capital from Partnership Firm | 3.42 | - | - | - | - | - | - | Non recurring and not related to business activity |
| Godown Rent | - | - | - | 0.67 | - | - | - | Recurring and not related to business activity. |
| **Total Other income** | **36.59** | **10.10** | **15.88** | **9.02** | **6.63** | **7.17** | **1.62** | |

**DETAILS OF STANDALONE RELATED PARTY TRANSACTION AS RESTATED**

ANNEXURE - XXXII

(₹ In Lakhs)

| Particulars | Nature of Relationship | Nature of Transaction | Amount of transaction during the period from 01.12.17 to 31.3.18 | Amount outstanding as on March 31, 2018 (Payable)/ Receivable | Amount of transaction during the period ended Novemeber 30, 2017 | Amount outstanding as on November 30,2017 (Payable)/ Receivable | Amount of transaction during the year ended March 31, 2017 | Amount outstanding as on March 31 ,2017 (Payable)/ Receivable | Amount of transaction during the year ended March 31, 2016 | Amount outstanding as on March 31 ,2016 (Payable)/ Receivable | Amount of transaction during the year ended March 31, 2015 | Amount outstanding as on March 31 ,2015 (Payable)/ Receivable | Amount of transaction during the year ended March 31, 2014 | Amount outstanding as on March 31 ,2014 (Payable)/ Receivable | Amount of transaction during the year ended March 31, 2013 | Amount outstanding as on March 31 ,2013 (Payable)/ Receivable |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sanjay Baigani | Director (Partner) | Remuneration | - | 542.30 | 3.20 | (371.65) | 2.00 | (406.00) | 5.00 | (353.17) | 5.00 | (296.99) | 4.80 | (203.70) | 8.19 | (156.14) |
| | | Share of Profit | - | | 45.52 | | 50.09 | | 18.23 | | 21.58 | | 11.88 | | 6.50 | |
| | | Interest on Capital | - | | 14.07 | | 4.32 | | 7.46 | | 25.40 | | 21.18 | | 2.90 | |
| | | Capital Introduced | - | | 554.20 | | 881.56 | | 432.50 | | 103.00 | | 72.70 | | 135.50 | |
| | | Loan received | 467.72 | | - | | | | | | | | | | | |
| | | Loan repaid | 297.06 | | - | | | | | | | | | | | |
| | | Withdrawals | - | | 651.34 | | 885.13 | | 407.00 | | 61.70 | | 63.00 | | 29.24 | |
| Anil Nahata | Director (Partner) | Remuneration | - | (308.45) | 3.20 | (372.69) | 2.00 | (185.68) | 5.00 | (125.25) | 5.00 | (207.06) | 4.80 | (106.95) | 8.19 | (108.42) |
| | | Share of Profit | - | | 45.52 | | 50.09 | | 18.23 | | 21.58 | | 11.88 | | 6.50 | |
| | | Interest on Capital | - | | 15.10 | | 3.90 | | 12.93 | | 13.99 | | 14.39 | | 0.89 | |
| | | Capital Introduced | - | | 136.95 | | 253.32 | | 86.00 | | 96.50 | | 30.89 | | 105.25 | |
| | | Loan received | 467.72 | | - | | | | | | | | | | | |
| | | Loan repaid | 298.10 | | - | | | | | | | | | | | |
| | | Withdrawals | - | | 13.76 | | 248.88 | | 203.97 | | 36.96 | | 63.45 | | 22.28 | |
| Kiran Devi Begani | Relative of Director (Partner) | Capital Introduced | - | (0.00) | 0.00 | (0.00) | - | - | - | - | - | - | - | 0.08 | - | 0.29 |
| | | Share of Profit | - | | 0.00 | | - | | - | | - | | 0.03 | | 0.04 | |
| | | Loan taken | - | | - | | - | | - | | 0.10 | | - | | - | |
| | | Loan repaid/Withdrawals | 0.00 | | - | | - | | - | | 0.19 | | 0.23 | | 0.06 | |
| Padma Nahta | Relative of Director (Partner) | Capital Introduced | - | (0.00) | 0.00 | (0.00) | - | - | - | | - | | - | | - | 0.04 |
| | | Share of Profit | - | | 0.00 | | - | | - | | - | | - | | 5.60 | |
| | | Loan taken | - | | - | | 0.20 | | 0.01 | | 0.20 | | 0.12 | | - | |
| | | Loan repaid/Withdrawals | 0.00 | | - | | 0.20 | | 0.01 | | 0.20 | | 0.16 | | 14.56 | |
| Anil Kumar Begani | Brother of Director (Partner) | Capital Introduced | - | (0.00) | 0.00 | (0.00) | - | | - | | - | | - | | - | |
| | | Share of Profit | - | | 0.00 | | - | | - | | - | | - | | - | |
| | | Loan taken | - | | - | | - | | - | | - | | - | | - | |
| | | Loan repaid/Withdrawals | 0.00 | | - | | - | | - | | - | | - | | - | |
| Sanjay Kumar Begani HUF | HUF of Director (Partner) | Interest | - | - | - | - | 6.57 | | 3.99 | 62.35 | 0.89 | 25.16 | - | 0.10 | - | - |
| | | Sales | - | | - | | - | | - | | 15.00 | | 15.50 | | - | |
| | | Loan Taken | - | | 3.95 | | 117.72 | | 13.40 | | 17.00 | | 15.50 | | - | |
| | | Loan Repaid | - | | 3.95 | | 48.80 | - | 46.60 | | 26.16 | | 0.10 | | - | |
| Anil Kumar Nahta HUF | HUF of Director (Partner) | Interest | - | - | 0.01 | - | 1.12 | 0.37 | 0.24 | 5.00 | - | - | - | - | - | - |
| | | Loan Taken | - | | 0.38 | | 23.00 | | 1.24 | | - | | - | | - | |
| | | Loan Repaid | - | | - | | 17.25 | | 6.00 | | - | | - | | - | |
| Anil Kumar Begani HUF | HUF of Director (Partner) | Interest | - | - | - | - | - | | - | | - | | 0.73 | - | 0.98 | (9.07) |
| | | Loan Taken | - | | - | | - | | - | | - | | - | | - | |
| | | Loan Repaid | - | | - | | - | | - | | - | | 9.79 | | 0.10 | |
| Nahta Brothers | Associate Concern | Interest | - | - | - | - | - | | - | | - | | 2.40 | 69.66 | - | |
| | | Loan Taken | - | | 62.00 | | 10.00 | | - | | 69.66 | | 20.24 | | - | |
| | | Loan Repaid | - | | 62.00 | | 10.00 | | - | | - | | 87.50 | | - | |
| PP Traders | Associate Concern | Interest | - | - | - | 10.00 | - | - | - | - | - | - | 2.12 | 4.91 | - | 35.00 |
| | | Loan Taken | 10.00 | | 120.00 | | - | | - | | 69.91 | | 32.41 | | 8.00 | |
| | | Loan Repaid | - | | 130.00 | | - | | - | | 65.00 | | 0.20 | | 35.00 | |
| Devilal Ji Nahta | Relative of Director (Partner) | Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | Loan Taken | - | | 0.53 | | 3.34 | | 7.53 | | 5.50 | | 2.77 | | 1.12 | |
| | | Loan repaid | - | | 0.53 | | 3.34 | | 7.53 | | 5.50 | | 2.77 | | 1.12 | |
| Oswal Psyllium Exports | Partnership Firm of Directors / Subsidiary | Interest | 7.67 | - | - | 379.49 | - | - | - | (2.26) | - | - | - | (4.00) | - | - |
| | | Loan Taken | 445.93 | | 131.58 | | 274.62 | | 748.48 | | 535.57 | | 375.75 | | 895.08 | |
| | | Loan repaid | 52.39 | | 457.82 | | 502.75 | | 17.22 | | 1,162.91 | | 491.18 | | 681.76 | |
| | | Purchases | - | | - | | 228.77 | | 5.19 | | 729.15 | | 115.43 | | - | |
| | | Sales | - | | 59.64 | | - | | 732.25 | | 115.43 | | - | | 213.31 | |
| | | Power Charges | 6.39 | | 6.39 | | 6.51 | | 5.19 | | 6.03 | | 4.00 | | - | |
| | | Rent | 3.30 | | - | | 3.60 | | 3.25 | | 3.60 | | 0.45 | | - | |
| Shree Oswal Psyllium Export India Ltd | Subsidiary Company | Loan taken | 439.00 | | - | | | | | | | | | | | |
| | | Loan paid | 439.00 | | - | | | | | | | | | | | |
| Anil Kumar Sanjay Kumar | Associate Concern | Interest | - | - | - | - | 0.48 | | - | | - | | - | - | - | - |
| | | Loan Taken | - | | - | | 10.48 | | - | | - | | - | | - | |
| | | Loan repaid | - | | - | | 10.00 | | - | | - | | - | | - | |

Note : Following Transaction with below mentioned Related Parties have taken place for the period of 1.4.17 to 30.11.17 and 1.12.17 to 31.3.18. The same is showing zero value above as the amount is "in lacs"

**Amount (In Rs.)**

| **Particulars** | **Kiran Devi Begani** | **Padma Nahta** | **Anil Kumar Begani** |
|---|---|---|---|
| Capital Introduced (1.4.17 to 30.11.17) | 100 | 100 | 100 |
| Add: Share of Profit (1.4.17 to 30.11.17) | 52 | 52 | 52 |
| **Closing Balance (30.11.17)** | **152** | **152** | **152** |
| | | | |
| Opening Balance (1.12.17) | 152 | 152 | 152 |
| Less: Withdrawals (1.12.17 to 31.3.18) | -52 | -52 | -52 |
| **Closing Balance (31.3.18)** | **100** | **100** | **100** |

**DETAILS OF STANDALONE CONTINGENT LIABILITIES AS RESTATED** **ANNEXURE -** XXX

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30, | As at March 31 | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| NIL | - | | - | - | - | - | - |
| **T O T A L** | **-** | | **-** | **-** | **-** | **-** | **-** |

**DETAILS OF STANDALONE DIVIDENDS DECLARED AS RESTATED** **ANNEXURE -** XXXI

(₹ In Lakhs)

| Particulars | As at March 31, | As at November 30, | As at March 31 | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2017 | 2016 | 2015 | 2014 | 2013 |
| NIL | - | - | - | - | - | - | - |
| **T O T A L** | **-** | | **-** | **-** | **-** | **-** | **-** |

**DETAILS OF STANDALONE ACCOUNTING RATIOS AS RESTATED**

**ANNEXURE -** XXXIII

(₹ In Lakhs, except per share data)

| Particulars | As at March 31, 2018 (1.12.17 to 31.3.18) | As at November 30, 2017 (1.4.17 to 30.11.17) | As at March 31, | | | | |
|---|---|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Restated Profit after Tax as per Profit & Loss Statement | 91.13 | 88.62 | 102.39 | 32.21 | 30.98 | 17.71 | 12.50 |
| | | | | | | | |
| Weighted Average Number of Equity Shares at the end of the Year/Period* | 7,433,463 | 6,169,000 | 6,169,000 | 6,169,000 | 6,169,000 | 6,169,000 | 6,169,000 |
| Number of Equity Shares outstanding at the end of the Year/Period | 10,669,000 | 6,169,000 | 6,169,000 | 6,169,000 | 6,169,000 | 6,169,000 | 6,169,000 |
| Net Worth | 1,135.57 | 737.15 | 605.06 | 487.49 | 505.09 | 310.28 | 265.57 |
| | | | | | | | |
| **Earnings Per Share** | | | | | | | |
| Basic & Diluted | 1.23 | 1.44 | 1.66 | 0.52 | 0.50 | 0.29 | 0.20 |
| **Return on Net Worth (%)** | **8.03%** | **12.02%** | **16.92%** | **6.61%** | **6.13%** | **5.71%** | **4.71%** |
| **Net Asset Value Per Share (Rs)** | **10.64** | **11.95** | **9.81** | **7.90** | **8.19** | **5.03** | **4.30** |
| Nominal Value per Equity share (Rs.) | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |

1. Ratios have been calculated as below

Basic and Diluted Earnings Per Share (EPS) (Rs.) = $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$

Return on Net Worth (%) = $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$

Net Asset Value per equity share (Rs.) = $\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year / period}}$

**Notes:-**

- The Company has been formed by conversion of partnership Firm into company vide a certificate of incorporation dated December 1, 2017. The company has been converted with paid up equity share capital of Rs 6,16,90,000 divided into 61,69,000 equity shares of Rs 10 each. Hence, EPS and NAV per share for all the years has been calculated by considering the number of shares outstanding post conversion of Partnership Firm into Company (i.e. 61,69,000 shares) in all years.

- Figures for the period ended March 31, 2018 (1.12.17 to 31.3.18) and November 30, 2017 are not annualised.

**Capitalisation Statement as at 31st March, 2018** **ANNEXURE -** XXXIV

(₹ In Lakhs)

| Particulars | Pre Issue | Post Issue |
|---|---|---|
| **Borrowings** | | |
| Short term debt (A) | 1,223.94 | 1,223.94 |
| Long Term Debt (B) | 18.57 | 18.57 |
| **Total debts (C)** | **1,242.51** | **1,242.51** |
| | | |
| **Shareholders' funds** | | |
| Equity share capital | 1,066.90 | - |
| Reserve and surplus - as restated | 68.67 | - |
| | | |
| **Total shareholders' funds** | **1,135.57** | **-** |
| | | |
| **Long term debt / shareholders funds** | 0.02 | - |
| **Total debt / shareholders funds** | 1.09 | - |

**Notes**

1. The figures disclosed above are based on restated statement of Assets and Liabilities of the company as at March 31, 2018
2. Short term Debts includes current maturities of long term debt.
3. For post issue Capitalization calculation has been done considering the allotment of shares in the IPO.

**STANDALONE STATEMENT OF TAX SHELTERS** **ANNEXURE** · XXXV

(₹ In Lakhs)

| Particulars | Period Ended 01.12.17 to 31.3.18 | Period ended November 30, 2017 | Year ended March 31, 2017 | Year ended March 31, 2016 | Year ended March 31, 2015 | Year ended March 31, 2014 | Year ended March 31, 2013 |
|---|---|---|---|---|---|---|---|
| Profit before tax as per books (A) | 112.22 | 132.57 | 153.27 | 46.52 | 44.82 | 25.64 | 18.09 |
| Income Tax Rate (%) | 25.75% | 33.06% | 33.06% | 30.90% | 30.90% | 30.90% | 30.90% |
| MAT Rate (%) | 19.06% | 20.39% | 20.39% | 19.06% | 19.06% | 19.06% | 19.06% |
| Tax at notional rate on profits | 28.90 | 43.83 | 50.68 | 14.37 | 13.85 | 7.92 | 5.59 |
| **Adjustments :** | | | | | | | |
| **Permanent Differences(B)** | | | | | | | |
| *Expenses disallowed under Income Tax Act, 1961* | | | | | | | |
| **Total Permanent Differences(B)** | - | - | - | - | - | - | - |
| **Income considered separately (C)** | | | | | | | |
| Rent Income | - | - | - | 0.67 | - | - | - |
| Share of Profit from Partnership Firm | 30.32 | - | - | - | - | - | - |
| **Total Income considered separately (C)** | 30.32 | - | - | 0.67 | - | - | - |
| **Timing Differences (D)** | | | | | | | |
| Gratuity expenses disallow under the Act | 0.19 | 0.11 | 0.95 | 0.99 | 0.46 | 0.18 | 0.25 |
| Difference between tax depreciation and book depreciation | 2.19 | 5.57 | 7.83 | -11.05 | -2.09 | -0.68 | -5.34 |
| **Total Timing Differences (D)** | **2.38** | **5.68** | **8.78** | **(10.06)** | **(1.63)** | **(0.50)** | **(5.09)** |
| **Net Adjustments E = (B+C+D)** | **(27.94)** | **5.68** | **8.78** | **(10.73)** | **(1.63)** | **(0.50)** | **(5.09)** |
| **Tax expense / (saving) thereon** | (7.19) | 1.88 | 2.90 | (3.32) | (0.50) | (0.15) | (1.57) |
| **Income u/h House Property** | - | - | - | - | - | - | - |
| Rent Income | - | - | - | 0.67 | - | - | - |
| Less: Standard Deduction @ 30% | - | - | - | (0.20) | - | - | - |
| **Income U/H House Property** | - | - | - | **0.47** | - | - | - |
| **Exempt Income** | | | | | | | |
| Share of Profit from Partnership Firm | 30.46 | - | - | - | - | - | - |
| **Set-off from Brought Forward Losses** | - | - | - | - | - | - | - |
| Taxable Income/(Loss) as per Income Tax (A+E+F) | **84.28** | **138.25** | **162.05** | **36.26** | **43.19** | **25.14** | **13.00** |
| **Taxable Income/(Loss) as per MAT** | 81.87 | 132.58 | 153.30 | 46.51 | 44.80 | 25.66 | 18.10 |
| **Income Tax as returned/computed** | 21.70 | 45.71 | 53.59 | 11.20 | 13.34 | 7.78 | 4.02 |
| Tax paid as per normal or MAT | Normal | Normal | Normal | Normal | Normal | Normal | Normal |

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our Restated Standalone Financial Statements which have been included in this Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Standalone Financial Statements for the years ended March 31, 2017, 2016, 2015,for the period April 01, 2017 to November 30, 2017 and for the period December 01, 2017 to March 31, 2018 including the related notes and reports, included in this Red Herring Prospectus have been prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective years and for the respective period ended. Accordingly, the degree to which our Restated Standalone Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.*

*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 described under "Risk Factors" and "Forward Looking Statements" beginning on pages 19 and 18respectively, and elsewhere in this Red Herring Prospectus.*

*Our FY ends on March 31 of each year. Accordingly, all references to a particular FY are to the 12 months ended March 31 of that year.*

### OVERVIEW

Our Company, ShreeOswal Seeds and Chemicals Limited an ISO 22000:2005 certified Company is engaged in the business of production, processing and sale of different kind of agricultural seeds, maize and soyabean.

Our journey of production, processing and sale of agricultural seed began in the year 2002 by our promoters Sanjay Kumar Baigani and Anil Kumar Nahata, as a partnership concern by the name of M/s Oswal Seeds and Chemicals. By gaining an insight of the industry coupled with an foreseeing growth opportunity, we converted our partnership concern into public limited Company in the year 2017. Our Promoters are the guiding force behind the strategic decisions of our Company. They manage and control the major affairs of our business operations. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues.

Our Company processes various kinds of seeds at its processing unit which is located at Neemuch, Madhya Pradesh. At present, our Company processes 5 varieties of wheat seed, 5 varieties of soya bean seed, 3 varieties of Mustard seed, 1 variety of black gram, 1 variety of corn seeds and 1 Variety of isabgol/psyllium. Our products are marketed under the brand name of OSWAL. The majority of our sales are through our own Brand which contributed 66.00 %, 85.32 %, 95.25 % and 98.56 % respectively to our total sales for the financial year ended March 31, 2015, 2016, 2017 and 2018 respectively.

Our Company has a diversified customer base covering states like Bihar, Jharkhand, Maharashtra, Madhya Pradesh, Rajasthan, Uttar Pradesh, and Punjab. We mainly market our product through different revenue channels which includes network of distributors, marketing agents and direct to consumers.

Liaising/Contracting with individual farmers is one of the major step in our production mechanism and our Company enters into contract farming only with the farmers of Madhya Pradesh. Upto March 31, 2018 we have entered into contracts with 752 farmers, thereby giving us an access to around 3809 hectares of land.

In Crop production quality of seeds play a vital role and to maintain the quality of our seeds our Company adopts different processes at its own laboratory such as Physical Purity Test, Moisture Test and Germination Test among others. Apart from this our Company also conducts seed production programme among farmers for spreading awareness on the methods to improve the quality and yield of the seeds.

From FY 2012-13 to FY 2017-18, as per our Restated Financial Statements, i) our total revenue has shown growth from Rs. 2254.33 lakhs to Rs. 4,861.01 lakhs, representing a CAGR of 13.66% ii) our EBITDA has shown growth from Rs. 67.19 lakhs to Rs. 452.57 lakhs, representing a CAGR of 37.40 % iii) our profit after tax has shown growth from Rs. 12.50 lakhs to a profit of Rs. 102.39 lakhs representing a CAGR of 55.94%.

## SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Red Herring 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.

## FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled *"Risk Factors"* beginning on page 19 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Cost and availability of raw material
- Credit availability
- Technological changes
- Competition from existing and new entrants;
- General economic and demographic conditions;
- Changes in laws and regulations that apply to the industry in which operate.
- Adverse impact due to natural calamity like draught

## SIGNIFICANT ACCOUNTING POLICIES

**A. Basis of preparation of Financial Statements:**

The standalone restated summary statement of assets and liabilities of the Company as at March 31,2018, November 30, 2017 , March 2017, 2016, 2015, 2014 and 2013 and the related standalone restated summary statement of profits and loss and cash flows for the period / years ended March 31,2018 (01.12.17 to 31.03.18), November 30, 2017, March 2017, 2016, 2015, 2014 and 2013 (herein collectively referred to as (' Standalone restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the period /years ended on March 31,2018 (01.12.17 to 31.03.18), November 30, 2017, March 2017, 2016, 2015, 2014 and 2013 , approved by the Board of Directors of the Company. Standalone restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Standalone restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the Emerge Platform of NSE in connection with its proposed Initial public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Standalone restated Summary Statements.

**B. Use of Estimates:**

The preparation of standalone restated financial statements requires management to make estimates and assumptions that affect amounts in the financial statements and reported notes thereto. Actual results could differ from these estimates. Differences between the actual result and estimates are recognized in periods in which the results are known/ materialized.

**C. Fixed Assets:**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss

account. Subsidy received towards the asset has been deducted from carrying value of the asset and depreciation on the reduced carrying value has been provided prospectively.

**D. Depreciation:**

Depreciation on fixed assets for the year ended on March 31, 2014 and 2013 is calculated on WDV basis for all assets using the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on fixed assets for the year ended March 31, 2015, 2016 and 2017 and for the period ended March 31, 2018 (1.12.17 to 31.3.18), November 30, 2017 is calculated on WDV basis for all the assets using the rates derived as per the useful life for the assets specified in the Schedule II of the Companies Act, 2013.

**E. Valuation of Inventories:**

Cost of inventory includes all cost of purchases and other cost incurred in bringing the inventories to their present location and condition. Raw Material and Finished Goods are valued at cost or net realizable value whichever is less.

**F. Valuation of Investments:**

i. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

ii. Current Investments are carried at lower of cost and fair value determined on an individual investment basis.

iii. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

**G. Revenue Recognition:**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from sale of manufactured goods is recognized as and when significant risk and rewards of ownership relating to the goods are transferred to the buyer. Revenue from Other sources are recognized on accrual basis.

**H. Government Grants :**

Subsidy received for investment in capital asset has been deducted from the value of the asset and depreciation has been provided on the reduced value prospectively.

**I. Employee Benefits:**

All employee benefits payable within twelve months of rendering of services are classified as short term benefits. Benefits include salaries, wages, awards, ex-gratia, performance pay, etc. and are recognized in the period in which the employee renders the related service. Liability on account of encashment of leave, Bonus to employee is considered as short term compensated expense provided on actual.

**J. Earning Per Share**

Basic earning per share is computed by dividing the net profit after tax for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year /period.

**K. Taxation & Deferred Tax**

Provision for Current Tax is made in accordance with the provision of Income Tax Act, 1961. Deferred tax is recognized on timing differences between taxable & accounting income / expenditure that originates in one period and are capable of reversal in one or more subsequent period(s).

**L. Contingent Liabilities / Provisions**

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts.

## OVERVIEW OF REVENUE AND EXPENSES

**Revenue and Expenses**

Our revenue and expenses are reported in the following manner:

***Total Revenue***

Our Total Revenue comprises of revenue from operations and other income.

*Revenue from operations:* Our revenue from operations primarily comprises of revenue from sale of different kind of processed agricultural seeds such as mustard, black gram, wheat, soyabean, etc.

*Other Income:* Our other income generally comprises of interest income on term deposit, interest income on loans, etc.

***Expenses***

Our expenses comprise of cost of materials consumed, changes in inventories of finished goods and work in progress, employee benefit expenses, finance costs, depreciation and amortisation expenses and other expenses.

*Cost of materials consumed:* Cost of materials consumed consist of consumption of raw material, purchase of seeds, packaging materials consumed, seed certification charges, hammali charges, chemical, wages, sortex grading charges and freight charges

*Changes in Inventories of Finished goods and work in progress:* Change in Inventory of Finished goods and work in progress consist of change in inventory at the beginning of the period and at the end of the period.

*Employee benefit expense:* Our employee benefit expenses mainly includes salary & wages, directors' remuneration, gratuity expenses and remuneration to partners.

*Finance costs:* Our finance costs generally comprise of interest expense and other borrowing cost.

*Depreciation and amortisation expenses:* Depreciation and amortisation expenses comprise of depreciation on tangible fixed assets.

*Other expenses:* Our other expenses mainly comprise of rate & taxes, research expenses, power charges, rate difference & discount charges, travelling charges, rent expenses, repair & maintenance expenses, conveyance & vehicle expenses, sales promotion expenses, etc.

**Our Results of Operations**

The following table sets forth select financial data from our restated standalone financial statement of profit and loss for the financial years 2017, 2016, 2015, for the period April 01, 2017 to November 30, 2017 and for the period December 01, 2017 to March 31, 2018 the components of which are also expressed as a percentage of total revenue for such periods:

***(Rs. in Lakhs)***

| Particulars | For the period December 01, 2017 to March 31,2018 | For the period April 01, 2017 to November 30, 2017 | For the Year ended March 31, | | |
|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 |
| ***Total Revenue:*** | | | | | |
| Revenue from operations | 1294.26 | 3520.06 | 4284.24 | 3878.02 | 5853.62 |
| As a % of Total Revenue | 97.25% | 99.71% | 99.63% | 99.77% | 99.89% |
| Other income | 36.59 | 10.10 | 15.88 | 9.02 | 6.63 |
| As a % of Total Revenue | 2.75% | 0.29% | 0.37% | 0.23% | 0.11% |
| **Total Revenue** | **1330.85** | **3530.16** | **4300.12** | **3887.04** | **5860.25** |
| ***Expenses:*** | | | | | |
| Cost of material consumed | 1,628.40 | 2845.65 | 3548.30 | 3366.27 | 5317.09 |
| As a % of Total Revenue | 122.36% | 80.61% | 82.52% | 86.60% | 90.73% |
| Changes in inventories of finished goods | (519.26) | 328.22 | 262.42 | 40.20 | 109.93 |
| As a % of Total Revenue | (39.02%) | 9.30% | 6.10% | 1.03% | 1.88% |
| Employee benefit expenses | 18.88 | 18.10 | 22.95 | 25.58 | 28.76 |
| As a % of Total Revenue | 1.42% | 0.51% | 0.53% | 0.66% | 0.49% |
| Finance costs | 50.37 | 127.22 | 159.59 | 237.96 | 152.34 |
| As a % of Total Revenue | 3.78% | 3.60% | 3.71% | 6.12% | 2.60% |
| Depreciation and amortization expense | 9.72 | 20.47 | 34.82 | 18.93 | 13.13 |
| As a % of Total Revenue | 0.73% | 0.58% | 0.81% | 0.49% | 0.22% |
| Other expenses | 30.52 | 57.93 | 118.77 | 151.58 | 194.18 |
| As a % of Total Revenue | 2.29% | 1.64% | 2.76% | 3.90% | 3.31% |
| **Total Expenses** | **1218.63** | **3397.59** | **4146.85** | **3840.52** | **5815.43** |
| As a % of Total Revenue | 91.57% | 96.24% | 96.44% | 98.80% | 99.24% |
| **Profit before exceptional, extraordinary items and tax** | **112.22** | **132.57** | **153.27** | **46.52** | **44.82** |
| As a % of Total Revenue | 8.43% | 3.76% | 3.56% | 1.20% | 0.76% |
| Exceptional items | - | - | - | - | - |
| **Profit before extraordinary items and tax** | **112.22** | **132.57** | **153.27** | **46.52** | **44.82** |
| As a % of Total Revenue | 8.43% | 3.76% | 3.56% | 1.20% | 0.76% |
| Extraordinary items | - | - | - | - | - |
| **Profit before tax** | **112.22** | **132.57** | **153.27** | **46.52** | **44.82** |
| PBT Margin | 8.43% | 3.76% | 3.56% | 1.20% | 0.76% |
| Tax expense : | | | | | |
| (i) Current tax | 21.70 | 45.71 | 53.59 | 11.20 | 13.34 |
| (ii) Deferred tax | (0.61) | (1.76) | (2.71) | 3.11 | 0.50 |
| (iii) MAT Credit | - | - | - | - | - |
| **Total Tax Expense** | **21.09** | **43.95** | **50.88** | **14.31** | **13.84** |
| As a % of Total Revenue | **1.58%** | 1.24% | 1.18% | 0.37% | 0.24% |
| **Profit for the year/ period** | **91.13** | **88.62** | **102.39** | **32.21** | **30.98** |
| **PAT Margin** | **6.85%** | **2.51%** | **2.38%** | **0.83%** | **0.53%** |

***Review of operations for the period December 01, 2017 to March 31, 2018***

***Total Revenue***

*Revenue from operations*

Our Revenue from operations for the period December 01, 2017 to March 31, 2018 amounted to Rs. 1294.26 lakhs which was primarily on account of revenue from sale of different kind of processed agricultural seeds such as mustard, black gram, wheat, soyabean, etc.

*Other income*

Our Other income was Rs. 36.59 lakhs for the period December 01, 2017 to March 31, 2018 which was on account of share of from partnership firm amounting to Rs. 30.46 lakhs, interest income on partner's capital of Rs. 3.42 lakhs, interest income on term deposit of Rs. 2.62 lakhs and interest income on electricity deposit of Rs 0.09 lakhs.

***Total Expenses***

Our Total expenses, excluding tax amounted to Rs. 1218.63 lakhs for the period December 01, 2017 to March 31, 2018, which consisted of the following components

*Cost of materials consumed*

Our Cost of materials consumed for the period December 01, 2017 to March 31, 2018 were Rs.1628.40 lakhs which was 122.36 % of our total revenue for the period December 01, 2017 to March 31, 2018. This primarily consist of expenses on consumption of raw material of Rs. 1110.97 lakhs, seed certification fees of Rs. 8.13 lakhs, hamali expenses of Rs. 7.42 lakhs, wage expenses of Rs. 5.68 lakhs, packaging material expense of Rs0.22 lakhs and freight charges of Rs. 3.60 lakhs.

*Changes in inventories of finished goods and work in progress*

Our Changes in inventories of finished goods and work in progress amounted to net decrease of Rs 519.26 lakhs for the period December 01, 2017 to March 31, 2018. This was attributable to the higher inventory maintained by our Company at the end of the period.

*Employee Benefit Expenses*

Our employee benefit expenses for the period December 01, 2017 to March 31, 2018 were Rs. 18.88 lakhs which primarily comprised of salary and wages of Rs. 10.09 lakhs, gratuity expenses of Rs 0.19 lakhs and directors' remuneration of Rs. 8.60 lakhs.Our employee benefit expenses were 1.42 % of our total revenue for the period December 01, 2017 to March 31, 2018.

*Finance Cost*

Our Finance cost for the period December 01, 2017 to March 31, 2018 were Rs. 50.37 lakhs primarily consisting of interest expense on bank term loan of Rs.45.47 lakhs and loan processing cost of Rs. 4.90 lakhs. Our finance cost was 3.78 % of our total revenue for the period December 01, 2017 to March 31, 2018.

*Depreciation and Amortization Expenses*

Our Depreciation and amortization expenses were Rs. 9.72 lakhs for the period December 01, 2017 to March 31, 2018 comprising of depreciation on tangible fixed assets. Our depreciation and amortization expenses was 0.73 % of our total revenue for the period December 01, 2017 to March 31, 2018.

*Other expenses*

Our other expenses for the period December 01, 2017 to March 31, 2018 were Rs. 30.52 lakhs primarily comprised of rate difference & discount expenses of Rs. 12.31 lakhs, power charges of Rs. 5.36 lakhs, rent expenses of Rs. 5.84 lakhs and travelling expenses of Rs. 2.01 lakhs, audit fees of Rs 1.65 lakhs etc. Our other expenses was 2.29 % of our total revenue for the period December 01, 2017 to March 31, 2018

*Profit before Tax*

Our Profit before tax for the period December 01, 2017 to March 31, 2018 was Rs. 112.22 lakhs which was 8.43 % of our total revenue.

*Tax Expenses*

Our tax expenses for the period December 01, 2017 to March 31, 2018 was Rs. 21.09 lakhs. This was on account of current tax expense of Rs. 21.70 lakhs which was slightly offset by deferred tax credit of Rs. 0.61 lakhs. Our tax expenses was 1.58 % of our total revenue for the period December 01, 2017 to March 31, 2018

*Profit after Tax*

Due to above mentioned reasons, our Profit after tax for the period December 01, 2017 to March 31, 2018 was Rs. 91.13 lakhs which was 6.85 % of our total revenue.

***Review of operations for the period April 01, 2017 to November 30, 2017***

***Total Revenue***

*Revenue from operations*

Our Revenue from operations for the period April 01, 2017 to November 30, 2017 amounted to Rs. 3520.06 lakhs which was primarily on account of revenue from sale of different kind of processed agricultural seeds such as mustard, black gram, wheat, soyabean, etc.

*Other income*

Our Other income was Rs. 10.10 lakhs for the period April 01, 2017 to November 30, 2017 which was primarily on account of interest income on term deposit of Rs. 2.12 lakhs, interest income on loans od Rs. 7.79 lakhs, etc.

***Total Expenses***

Our Total expenses, excluding tax amounted to Rs.3397.59 lakhs for the period April 01, 2017 to November 30, 2017, which consisted of the following components

*Cost of materials consumed*

Our Cost of materials consumed for the period April 01, 2017 to November 30, 2017 were Rs.2845.65 lakhs which was 80.61 % of our total revenue for the period April 01, 2017 to November 30, 2017. This primarily consist of expenses on consumption of raw material of Rs. 2,771.24 lakhs, Hammali expenses of Rs. 27.35 lakhs, seeds certification fees of Rs. 21.32 lakhs,wages of Rs. 9.35 lakhs freight charges of Rs. 8.99 lakhs, packing materials consumed of Rs. 5.77 lakhs and chemicals of Rs. 1.63 lakhs, etc.

*Changes in inventories of finished goods and work in progress*

Our Changes in inventories of finished goods and work in progress amounted to net increase of Rs 328.22 lakhs for the period April 01, 2017 to November 30, 2017. This was attributable to the higher inventory maintained by our Company at the beginning of the period.

*Employee Benefit Expenses*

Our employee benefit expenses for the period April 01, 2017 to November 30, 2017 were Rs. 18.10 lakhs which primarily comprised of salary and incentives of Rs. 11.59 lakhs, remuneration to partners of Rs. 6.40 lakhs. Our employee benefit expenses was 0.51 % of our total revenue for the period April 01, 2017 to November 30, 2017.

*Finance Cost*

Our Finance cost for the period April 01, 2017 to November 30, 2017 were Rs. 127.22 lakhs primarily consisting of interest expense on bank term loan of Rs. 87.08 lakhs, interest on capital to partners of Rs. 29.17 lakhs, loan processing charges of Rs. 7.78 lakhs and interest on unsecured loan of Rs. 3.19 lakhs. Our finance cost was 3.60 % of our total revenue for the period April 01, 2017 to November 30, 2017.

*Depreciation and Amortization Expenses*

Our Depreciation and amortization expenses were Rs. 20.47 lakhs for the period April 01, 2017 to November 30, 2017 comprising of depreciation on tangible fixed assets. Our depreciation and amortization expenses was 0.58 % of our total revenue for the period April 01, 2017 to November 30, 2017.

*Other expenses*

Our other expenses for the period April 01, 2017 to November 30, 2017 were Rs. 57.93 lakhs and primarily comprised of Rate Difference & Discount expenses of Rs. 20.13 lakhs, power charges of Rs. 12.40 lakhs, rent expenses of Rs. 12.21 lakhs, traveling charges of Rs. 4.52 lakhs, repair & maintenance expenses of Rs. 2.02 lakhs, Sales promotion expenses of Rs. 1.66 lakhs, conveyance & vehicle expenses of Rs. 1.55 lakhs, Rates & Taxes of Rs. 1.28 lakhs, etc.

*Profit before Tax*

Our Profit before tax for the period April 01, 2017 to November 30, 2017 was Rs. 132.57 lakhs which was 3.76 % of our total revenue.

*Tax Expenses*

Our tax expenses for the period April 01, 2017 to November 30, 2017 was Rs.43.95 lakhs. This was on account of current tax of Rs. 45.71 lakhs and netted off by deferred tax credit of Rs. 1.76 lakhs.

*Profit after Tax*

Due to above mentioned reasons, our Profit after tax for the period April 01, 2017 to November 30, 2017 was Rs.88.62 lakhs which was 2.51 % of our total revenue.

**FINANCIAL YEAR 2016-17 COMPARED WITH FINANCIAL YEAR 2015-16**

***Total Revenue***

Our total revenue increased by 10.63 % to Rs. 4300.12 lakhs for the financial year 2016-17 from Rs. 3887.04 lakhs for the financial year 2015-16 due to the factors described below:

Revenue from operations: Our revenue from operations increased by 10.47 % to Rs. 4284.24 lakhs for the financial year 2016-17 from Rs. 3878.02 lakhs for the financial year 2015-16. The increase in revenue was mainly due to increase in quantity of wheat seeds sold by our Company in the financial year 2016-17.

*Other income*: Our other income increased by 76.05 % to Rs. 15.88 lakhs for the financial year 2016-17 from Rs.9.02 lakhs for the financial year 2015-16. This was mainly due to increase in interest income received on loan by Rs. 7.32 lakhs. The increase in interest income on loans was primarily due to increase in amount of unsecured loans given to different parties during the fiscal 2016-17.

***Total Expenses***

Our total expenses increased by 7.98 % to Rs. 4146.85 lakhs for the financial year 2016-17 from Rs.3840.52 lakhs for the financial year 2015-16, due to the factors described below:

*Cost of material consumed:* Our cost of material consumed increased by 5.41 % to Rs. 3548.30 lakhs for the financial year 2016-17 from Rs. 3366.27 lakhs for the financial year 2015-16 .The increase is primarily due to increase in our revenue from operations resulting in increase in consumption of raw material by Rs. 210.08 lakhs. Apart, from this our hammali charges increased by Rs 7.15 lakhs, grading charges increased by Rs 1.85 lakhs and seed certification fees increased by Rs 1.34 lakhs.

*Changes in inventory of finished goods and work in progress:* Our inventory of finished goods and work in progress changed by 552.79 % to Rs. 262.42 lakhs for the financial year 2016-17 as against Rs. 40.20 lakhs for the financial year 2015-16. This was primarily due to lower level of closing stock maintained at the end of FY 2016-17 as against FY 2015-16.

*Employee benefits expenses:* Our employee benefit expenses decreased by 10.28 % to Rs. 22.95 lakhs for the financial year 2016-17 from Rs. 25.58 lakhs for the financial year 2015-16. The decrease was mainly

due to decrease in salary to partners by 6.00 lakhs in the financial year 2016-17. However the decrease was offset by increase in salary and incentives by Rs. 3.41 lakhs.

*Finance costs:* Our finance costs decreased by 32.93 % to Rs. 159.59 lakhs for the financial year 2016-17 from Rs. 237.96 lakhs for the financial year 2015-16. The decrease was mainly on account of decrease in interest expense on bank loan by Rs 60.95 lakhs, interest expense on unsecured loan by Rs 4.91 lakhs, interest on capital to partners by Rs 12.17 lakhs and loan processing charges by Rs 0.34 lakhs in the financial year 2016-17. Decrease in interest expense on bank term loan was mainly due to decrease in term loan to Rs 6.27 lakhs in the financial year 2016-17 from Rs 23.76 lakhs in the financial year 2015-16 and decrease in our loan against warehouse to Rs 559.55 lakhs in the financial year 2016-17 from Rs 708.06 lakhs in the financial year 2015-16.

*Depreciation and amortisation expense*: Our depreciation and amortization expense increased by 83.94 % to Rs. 34.82 lakhs for the financial year 2016-17 from Rs. 18.93 lakhs for the financial year 2015-16. Our gross block increased to Rs 268.28 lakhs in the financial year 2016-17 from Rs 256.19 lakhs in the financial year 2015-16.

*Other expenses:* Our other expenses decreased by 32.81 % to Rs. 118.77 lakhs for the financial year 2016-17 from Rs. 151.58 lakhs for the financial year 2015-16. The decrease was mainly due to decrease in research expense by Rs 1.19 lakhs, rate difference & discount expenses by Rs 23.42 lakhs, rent expenses by Rs 7.14 lakhs, repair and maintenance expenses by Rs 2.30 lakhs and office expenses by Rs 3.28 lakhs among others in the financial year 2016-17. However, the decrease was offset by increase in sales promotion expenses by Rs. 5.66 lakhs, insurance charges by Rs. 0.92 lakhs among others in the financial year 2016-17.

*Profit before tax:* Our profit before tax increased by 229.47 % to Rs. 153.27 lakhs for the financial year 2016-17 from Rs. 46.52 lakhs for the financial year 2015-16.The increase was mainly due to higher margins and decrease in our other expenses and finance cost.

*Tax expenses:* Our tax expenses increased by 255.56 % to Rs. 50.88 lakhs for the financial year 2016-17 from Rs.14.31 lakhs for the financial year 2015-16 which was due to increase in current tax expense by Rs 42.39 lakhs and increase in deferred tax benefit by Rs. 5.82 lakhs in the financial year 2016-17.

*Profit after tax:* Due to reasons mentioned above, *o*ur profit after tax increased by 217.88 %to Rs. 102.39 lakhs for the financial year 2016-17 from Rs.32.21 lakhs for the financial year 2015-16.

**FINANCIAL YEAR 2015-16 COMPARED WITH FINANCIAL YEAR 2014-15**

***Total Revenue***

Our total revenue decreased by 33.67 % to Rs. 3887.04 lakhs for the financial year 2015-16 from Rs. 5860.25 lakhs for the financial year 2014-15 due to the factors described below:

*Revenue from operations*: Our revenue from operations decreased by 33.75 % to Rs. 3878.02 lakhs for the financial year 2015-16 from Rs. 5853.62 lakhs for the financial year 2014-15. The decrease was due to decrease in quantity of wheat and soybean seeds sold by our Company.

*Other income*: Our other income increased by 36.05 % to Rs. 9.02 lakhs for the financial year 2015-16 from Rs.6.63 lakhs for the financial year 2014-15. This was mainly due to increase in interest income on FDR by Rs 2.39 lakhs.

***Total Expenses***

Our total expenses decreased by 33.96 % to Rs. 3840.52 lakhs for the financial year 2015-16 from Rs.5815.43 lakhs for the financial year 2014-15, due to the factors described below:

*Cost of material consumed:* Our cost of material consumed decreased by 36.69 % to Rs. 3366.27 lakhs for the financial year 2015-16 from Rs. 5317.09 lakhs for the financial year 2014-15 .The decrease was mainly on account of decreases in consumption of raw materials by Rs. 1,880.38 lakhs, freight charges by Rs. 43.84 lakhs, sortex grading charges by Rs. 29.95 lakhs, seeds certification by Rs. 2.58 lakhs, wages by Rs. 1.02 lakhs. However the decrease was offset by increase in hammali expenses. These items was in line with our revenue from operations.

*Changes in inventory of finished goods and work in progress:* Our inventory of finished goods and work in progress changed by 63.43 % to Rs. 40.20 lakhs for the financial year 2015-16 as against Rs. 109.93 lakhs for the financial year 2014-15. This was primarily due to lower level of closing stock maintained at the end of FY 2015-16 as against FY 2014-15.

*Employee benefits expenses:* Our employee benefit expenses decreased by 11.06 % to Rs. 25.58 lakhs for the financial year 2015-16 from Rs. 28.76 lakhs for the financial year 2014-15. The decrease was mainly due to decrease in salary & incentives by Rs 3.71 lakhs in FY 2015-16. Decrease in our salary & incentives was mainly due to reduction in overtime salary paid to our employees in the financial 2015-16.

*Finance costs:* Our finance costs increased by 56.20 % to Rs. 237.96 lakhs for the financial year 2015-16 from Rs. 152.34 lakhs for the financial year 2014-15. The increase was mainly on account of increase in interest expense on bank loan by Rs 118.37 lakhs which was partially netted off by decrease in interest to partners by Rs 19.00 lakhs , interest on unsecured loans by Rs 8.33 lakhs and loan processing charges by Rs 5.42 lakhs. Increase in interest expense on bank term loan was mainly due to increase in loan during the fiscal 2015-16.

*Depreciation and amortisation expense*: Our depreciation and amortization expense increased by 44.17 % to Rs. 18.93 lakhs for the financial year 2015-16 from Rs. 13.13 lakhs for the financial year 2014-15. Our gross block increased to Rs 256.19 lakhs in the financial year 2015-16 from Rs 155.91 lakhs in the financial year 2014-15.

*Other expenses:* Our other expenses decreased by 21.94 % to Rs. 151.58 lakhs for the financial year 2015-16 from Rs. 194.18 lakhs for the financial year 2014-15. The decrease was mainly due to decrease in rate difference & discount expenses by Rs 52.05 lakhs, travelling charges by Rs. 7.18 lakhs, sales promotion expenses by Rs. 2.90 lakhs and printing & stationary by Rs. 1.89 lakhs. However, the decrease was partially offset by increase in power charges by Rs. 15.74 lakhs, research expenses by Rs. 2.70 lakhs, rent expenses by Rs 1.65 lakhs, repair and maintenance expenses by Rs 1.02 lakhs, among others in the financial year 2015-16.

*Profit before tax:* Our profit before tax increased by 3.79 % to Rs. 46.52 lakhs for the financial year 2015-16 from Rs. 44.82 lakhs for the financial year 2014-15.

*Tax expenses:* Our tax expenses increased by 3.40 % to Rs. 14.31 lakhs for the financial year 2015-16 from Rs.13.84 lakhs for the financial year 2014-15 which was due to decrease in current tax expense by Rs 2.14 lakhs netted by increase in deferred tax expense by Rs. 2.61 lakhs in the financial year 2015-16.

*Profit after tax:* Due to reasons mentioned above, our profit after tax increased by 3.97 % to Rs. 32.21 lakhs for the financial year 2015-16 from Rs. 30.98 lakhs for the financial year 2014-15.

***Other Key Ratios***

The table below summarises key ratios from our Restated Standalone Financial Statements for the financial years ended March 31, 2017, 2016, 2015, for the period ended November 30, 2017 and for the period ended March 31, 2018:

| Particulars | For the period ended March 31, 2018 | For the period ended November 30, 2017 | For the year ended March 31, | | |
|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 |
| Fixed Asset Turnover Ratio | 8.58* | 22.34* | 22.91 | 18.49 | 45.60 |
| Debt Equity Ratio | 1.06 | 1.24 | 2.31 | 3.31 | 3.57 |
| Current Ratio | 1.35 | 1.24 | 1.23 | 1.22 | 1.22 |
| Inventory Turnover Ratio | 1.26* | 3.95* | 2.49 | 1.71 | 2.28 |

** Not Annualized*

*Fixed Asset Turnover Ratio:* This is defined as revenue from operations divided by total net fixed assets, based on Restated Standalone Financial Statements.

*Debt Equity Ratio:* This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturities of long term debt, based on Restated Standalone Financial Statements.

*Current Ratio:* This is defined as current assets divided by current liabilities, based on Restated Standalone Financial Statements.

*Inventory Turnover Ratio*: This is defined as revenue from operations divided by average inventory. Average inventory is computed by dividing the sum of opening inventory and closing inventory by two, based on Restated Standalone Financial Information.

***Cash Flow***

The table below summaries our cash flows from our Restated Financial Information for the financial years 2017, 2016, 2015, for the period ended November 30, 2017 and for the period ended March 31, 2018

***(Rs. in lakhs)***

| Particulars | For the period ended March 31, 2018 | For the period ended November 30, 2017 | For the year ended March 31, | | |
|---|---|---|---|---|---|
| | | | 2017 | 2016 | 2015 |
| Net cash (used in)/ generated from operating activities | (595.87) | 510.99 | 692.70 | 443.42 | (631.22) |
| Net cash (used in)/ generated from investing activities | 16.42 | (316.91) | 3.80 | (89.64) | (20.91) |
| Net cash (used in)/ generated from financing activities | 576.68 | (521.68) | (357.83) | (478.61) | 805.51 |
| Net increase/ (decrease) in cash and cash equivalents | (2.78) | (327.60) | 338.68 | (124.83) | 153.37 |
| Cash and Cash Equivalents at the beginning of the period | 71.24 | 398.84 | 60.16 | 184.99 | 31.62 |
| Cash and Cash Equivalents at the end of the period | 68.46 | 71.24 | 398.84 | 60.16 | 184.99 |

***Operating Activities***

*For the period ended March 31, 2018 (December 01, 2017 to March 31, 2018)*

Our net cash used in operating activities was Rs.595.87 lakhs for period ended March 31, 2018. Our operating profit before working capital changes was Rs.135.89 lakhs for the period ended March 31, 2018 which was primarily adjusted by decrease in trade receivable by Rs 478.10 lakhs, increase in short term loans & advances by Rs 194.12 lakhs, increase in other current assets by Rs 56.92 lakhs, increase in inventories by Rs 1467.41 lakhs, decrease in trade payable by Rs 87.40 lakhs, increase in other current liabilities by Rs 636.90 lakhs and decrease in short term provision by Rs 40.90 lakhs.

*For the period ended November 30, 2017(April 01, 2017 to November 30, 2017)*

Our net cash generated from operating activities was Rs.510.99 lakhs for period ended November 30, 2017. Our operating profit before working capital changes was Rs. 270.29 lakhs for the period ended November 30, 2017 which was primarily adjusted by increase in trade receivable by Rs 352.13 lakhs, decrease in short term loans & advances by Rs 2.11 lakhs, increase in other current assets by Rs 20.06 lakhs, decrease in inventories by Rs 1199.23 lakhs, increase in trade payable by Rs 127.24 lakhs, decrease in other current liabilities by Rs 658.28 lakhs and decrease in short term provision by Rs 57.41 lakhs.

*Financial year 2016-17*

Our net cash generated from operating activities was Rs. 692.70 lakhs for the financial year 2016-17. Our operating profit before working capital changes was Rs. 332.77 lakhs for the financial year 2016-17,

which was primarily adjusted by income tax paid of Rs 61.55 lakhs, increase in trade receivable by Rs 485.53 lakhs, decrease in short term loans & advances by Rs 99.31 lakhs, decrease in inventories by Rs 457.15 lakhs, increase in trade payable by Rs 2.68 lakhs, increase in other current liabilities by Rs 299.51 lakhs and increase in short term provision by Rs 48.35 lakhs.

*Financial year 2015-16*

Our net cash generated from operating activities was Rs. 443.42 lakhs for the financial year 2015-16. Our operating profit before working capital changes was Rs. 295.39 lakhs for the financial year 2015-16, which was primarily adjusted by income tax paid of Rs 11.43 lakhs, increase in trade receivable by Rs 48.87 lakhs, increase in short term loans & advances by Rs 102.96 lakhs, decrease in inventories by Rs 626.00 lakhs, decrease in trade payable by Rs 3.62 lakhs, decrease in other current liabilities by Rs 310.23 lakhs and decrease in short term provision by Rs 0.85 lakhs.

*Financial year 2014-15*

Our net cash used in operating activities was Rs. 631.22 lakhs for the financial year 2014-15. Our operating profit before working capital changes was Rs. 204.11 lakhs for the financial year 2014-15, which was primarily adjusted by income tax paid of Rs 13.76 lakhs, increase in trade receivable by Rs 63.81 lakhs, decrease in short term loans & advances by Rs 89.92 lakhs, increase in inventories by Rs 23.53 lakhs, decrease in trade payable by Rs .26 lakhs, decrease in other current liabilities by Rs 816.02 lakhs and increase in short term provision by Rs. 0.13 lakhs.

***Investing Activities***

*For the period ended March 31, 2018 (December 01, 2017 to March 31, 2018)*

Net cash generated from investing activities was Rs.16.42 lakhs for the period ended March 31, 2018. This was primarily on account of decrease in long term loans and advances given by Rs 332.76 lakhs and interest income of Rs 36.59 lakhs which was partially offset by Investments of Rs 349.99 lakhs and purchase of fixed assets of Rs. 2.93 lakhs.

*For the period ended November 30, 2017(April 01, 2017 to November 30, 2017)*

Net cash used in investi ng activities was Rs. 316.91 lakhs for the period ended November 30, 2017. This was primarily on account of increase in loans and advances given by Rs 332 .76 lakhs, investments made of Rs 3.17 lakhs which was partially offset by interest income of Rs 10.10 lakhs and sale of fixed assets of Rs 8.91 lakhs.

*Financial year 2016-17*

Net cash generated from investing activities was Rs. 3.80 lakhs for the financial year 2016-17. This was primarily on account of purchase of fixed assets of Rs. 12.08 lakhs which was offset by interest income of Rs 15.88 lakhs.

*Financial year 2015-16*

Net cash used in investing activities was Rs. 89.64 lakhs for the financial year 2015-16. This was primarily on account of purchase of fixed assets of Rs. 98.65 lakhs which was partially offset by receipt of interest income of Rs 9.01 lakhs.

*Financial year 2014-15*

Net cash used in investing activities was Rs. 20.91 lakhs for the financial year 2014-15. This was primarily on account of purchase of fixed assets of Rs. 27.54 lakhs which was partially offset by receipt of interest income of Rs 6.63 lakhs.

***Financing Activities***

*For the period ended March 31, 2018 (December 01, 2017 to March 31, 2018)*

Net cash generated from financing activities for the period ended March 31, 2018 was Rs. 576.68 lakhs primarily consisting of proceed from partnership firm as capital of Rs. 322.84 lakhs, proceed from short

term borrowing of Rs 291.92 lakhs and proceeds from long term borrowings of Rs. 12.29 lakhs which was partially offset by finance charges of Rs 50.38 lakhs.

*For the period ended November 30, 2017(April 01, 2017 to November 30, 2017)*

Net cash used in financing activities for the period ended November 30, 2017 was Rs. 521.68 lakhs primarily consisting of finance charges of Rs 127.21 lakhs, repayment of short term borrowing of Rs 403.36 lakhs and repayment of long term borrowings of Rs. 52.73 lakhs.

*Financial year 2016-17*

Net cash used in financing activities for the financial year 2016-17 was Rs. 357.83 lakhs primarily consisting of finance charges of Rs 159.58 lakhs, repayment of short term borrowing of Rs 149.92 lakhs and repayment of long term borrowings of Rs. 63.46 lakhs.

*Financial year 2015-16*

Net cash used from financing activities for the financial year 2015-16 was Rs. 478.61 lakhs primarily consisting of finance charges of Rs 237.97 lakhs, repayment of short term borrowing of Rs 180.40 lakhs and repayment of long term borrowings of Rs. 10.44 lakhs.

*Financial year 2014-15*

Net cash generated from financing activities for the financial year 2014-15 was Rs. 805.51 lakhs primarily consisting of proceeds from short term borrowing of Rs 770.88 lakhs and proceeds from long term borrowings of Rs. 23.13 lakhs which was partially offset by finance charges paid of Rs 152.35 lakhs,

***Financial Indebtedness***

As on March 31, 2018, the total outstanding borrowings of our Company aggregated to Rs 1242.51 lakhs which includes long-term borrowings of Rs.18.57 lakhs, short-term borrowings of Rs. 1218.54 lakhs and current maturity of long-term borrowings of Rs. 5.40 lakhs. For further details, refer chapter titled *"Financial Indebtedness"* beginning on page 200 of this Red Herring Prospectus.

*(Rs. In lakhs)*

| **Particulars** | **As at March 31,2018** |
|---|---|
| **Long Term Borrowings** | |
| *Secured* | |
| Term Loan | 1.14 |
| *Unsecured* | |
| - Loan From Directors | 17.43 |
| **Sub Total (A)** | **18.57** |
| **Short Term Borrowings** | |
| *Secured* | |
| - Cash Credit | 695.31 |
| - Letter of Credit | 73.47 |
| - Loan against warehouse receipts | 449.76 |
| **Sub Total (B)** | **1218.54** |
| **Current Maturities of Long Term Borrowings (C)** | **5.40** |
| **Total (A)+(B)** | **1242.51** |

In the event, any of our lenders declare an event of default, this could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

***Related Party Transactions***

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration payable, loans& advances given, taken and Issue of Equity Shares, etc.. For further

details of such related parties under AS18, refer chapter titled *"Financial Statements"* beginning on page 183 of this Red Herring Prospectus.

***Contingent Liabilities***

As on March 31, 2018 and March 31, 2017 are Company is not having any contingent liability as per restated audited financials.

***Off-Balance Sheet Items***

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

***Qualitative Disclosure about Market Risk***

**Financial Market Risks**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

**Interest Rate Risk**

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

**Effect of Inflation**

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

**Credit Risk**

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

**Reservations, Qualifications and Adverse Remarks**

Except as disclosed in chapter titled *"Financial Statements"* beginning on page 183 of this Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks.

**Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution**

Except as disclosed in chapter titled *"Financial Statements"* beginning on page 183 of this Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company during the period April 1, 2015 up to March 31, 2018.

**Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last five Fiscals and for the period ended March 31, 2018.

**Unusual or Infrequent Events or Transactions**

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

**Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in chapter titled *"Risk Factors"* beginning on page 19 of this Red Herring Prospectus.

**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 described in the section titled *"Risk Factors"* beginning on page 19 of this Red Herring Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known**

Other than as described in chapter titled *"Risk Factors"* beginning on page 19 of this Red Herring Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

**Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices**

Changes in revenue in the last three financial years are as explained in the part *"Financial Year 2016-17 compared with financial year 2015-16 and Financial Year 2015-16 Compared with Financial Year 2014-15"*above.

**Total Turnover of Each Major Industry Segment in Which the Issuer Operates**

Our Company is operating only in one segment, thus segment reporting is not applicable

**Competitive Conditions**

We have competition with Indian and international manufacturers and our results of operations could be affected by competition in the agricultural and allied industry India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled "Risk Factors" beginning on page 19of this Red Herring Prospectus.

**Increase in income**

Increases in our income are due to the factors described above in in this chapter.

**Status of any Publicly Announced New Products or Business Segments**

Except as disclosed elsewhere in the Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

**Significant Dependence on a Single or Few Suppliers or Customers**

Significant proportion of our revenues have historically been derived from a limited number of customers The % of Contribution of our Company's customer and supplier vis-à-vis the total revenue from operations and total raw material purchases respectively as March 31, 2017 & March 2018 is as follows:

| Particulars | Customers | | Suppliers | |
|---|---|---|---|---|
| | March 31, 2017 | March 31,2018 | March 31, 2017 | March 31,2018 |
| Top 5 (%) | 27.68% | 32.61% | 7.65% | 18.59% |
| Top 10 (%) | 42.99% | 41.56% | 11.54% | 21.35% |

**Seasonality of Business**

The nature of business is seasonal. For details, please refer to the chapter titled “Risk Factors” beginning on page 19] of this Red Herring Prospectus.

## FINANCIAL INDEBTNESS

Our Company utilizes various credit facilities from banks and financial institutions from time to time for conducting its business.

As on March 31, 2018, our Company has total outstanding secured borrowings from banks and financial institutions aggregating to Rs. 1225.08 Lakhs.

Set forth below is a brief summary of our aggregate secured borrowings from banks and financial institutions on a standalone basis as on March 31, 2018:

| Category of Borrowing | Sanctioned Amount (in Rs. Lakhs ) | Outstanding Amount (in Rs. Lakhs) |
|---|---|---|
| Term Loan | 75.00 | 6.54 |
| Cash Credit | 700.00 | 695.31 |
| Letter of Credit | 75.00 | 73.47 |
| Loan against Warehouse Receipts | 1,300.00 | 449.76 |
| **Total** | **2,223.68** | **1242.51** |

**SECURED LOAN**

| Name of the lender | Facility | Interest Rate *(% p.a., unless otherwise specified)* | Tenor/ Repayment schedule | Security |
|---|---|---|---|---|
| **Union Bank of India** | Term Loan | BR + 2.50%<br><br>Current Effective rate is 11.45% p.a. | Repayable in 72 Monthly installments of Rs. 90,000 each. | **Primary:**<br>Hypothecation of Stock and Book debts<br>Hypothecation of Machinery<br>**Collateral:**<br>(i) House No. 794, Scheme No. 14/2, Vikas Nagar Extension, Neemuch owned by Shri Kanhaiyalal Nahta s/o Bapulal Nahta admeasuring 1344.00 sq. ft. & constructed area 1937.00 sq. ft.<br>(ii) Shop No. 24 & 25, Shri Balaji Ganesh Market, Station Road, Neemuch owned by Smt. Chandralekha w/o late Manoharlal Baigani, Smt. Sunita w/o Anil Kumar Baigani & Shri Anil Kumar s/o Late Manoharlal Baigani Admeasuring 2257.50 Square Ft.<br>(iii) House No. 297, Scheme No. 14/2, Vikas Nagar Extension, Neemuch. owned by Smt. Chandra Lekha w/o late Manoharlal Baigani admeasuring 600 sq. ft. & consructed area 1200 sq. ft.<br>(iv) House No. 475, Scheme No. 14/2, VIkas nagar Extension, Neemuch owned by Smt. Kiran Devi W/o Sanjay Kumar Baigani, admeasuring 600 sq. ft. & constructed area 1406 sq. ft.<br>(v) Land & Building on Plot No. 6, Industrial Area, Neemuch owned by |
| **Union Bank of India** | Cash Credit | 1 year MCLR + 4.15%<br><br>Current Effective rate is 12.35% p.a. | Repayable on demand | |

| Name of the lender | Facility | Interest Rate *(% p.a., unless otherwise specified)* | Tenor/ Repayment schedule | Security |
|---|---|---|---|---|
| **Union Bank of India** | Letter of Credit | 11.45% p.a. | 1080 Days | Oswal Seeds & Chemicals admeasuring 20,000 sq. ft.<br>(vi) Cash collateral of Rs. 15,00,000/- in the form of Term Deposit.<br>(vii) Land and Building at survey no. 557 and 559 scheme no. 14/02 Chittorgarh road, Gram Kanawati, Neemuch owned by Oswal Pysillum Exports Partner Shri Sanjay Kumar admeasuring 4820 SQM or 51863 Sq. ft.<br><br>**Personal Guarantors:**<br>1. Sanjay Baigani<br>2. Anil Nahta<br>3. Chandralekha Baigani<br>4. Kanhaiyalal Nahata<br>5. Sunita Devi Baigani<br>6. Kiran Devi Baigani. |
| **Axis Bank** | Credit against Pledge of Warehouse Receipts | MCLR +3.00%<br><br>Current Effective rate is 11.30% p.a. | Interest payable on monthly intervals.<br><br>Principal repayment at the end of tenure of each disbursement. | **Primary Security:** Pledge of warehouse receipts/ storage receipts issued with Lien Noted in favor of Axis Bank Ltd.<br><br>**Personal Guarantors:**<br>1. Sanjay Kumar Baigani<br>2. Anil Kumar Nahta<br>3. Kiran Devi Baigani<br>4. Padma Nahta |

**Restrictive Covenants:**

The Company shall not without prior permission of the Bank:

1. create any charge, lien, or encumbrance over the assets of the Company or nay part thereof
2. undertake any guarantee obligation on behalf of any other person other than in the ordinary course of business
3. make any inter firm transfer of funds except for genuine trade transactions
4. sell or transfer any property or collateral security during the currency of the loan
5. declare any dividend unless Company's debt servicing obligation id honoured

This is an indicative list and there may be additional covenants under the various borrowing arrangements entered into by our Company.

## UNSECURED LOAN

Set forth below is a brief summary of our Company's unsecured borrowings.

**(Rs. In Lakhs)**

| Sr. No | Name of Lender | Loan Amount as on March 31, 2018 |
|---|---|---|
| 1. | Directors | 17.43 |

**Note:** Loan from Directors are unsecured and terms of repayment in respect of these loans are not fixed.

For further details please refer to Annexure X of chapter titled—"Financial Statements as Restated" beginning on page 183 of this Red Herring Prospectus.

## SECTION VI- LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT

Except, as stated in this section and mentioned elsewhere in this Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Subsidiaries, Group Companies or against any other company or person/s 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, Subsidiaries 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 February 06, 2018 determined that outstanding dues to creditors in excess of Rs. 5.00 lakhs as per last audited financial statements shall be considered as material dues ("Material Dues").

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered 'material' for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds 4.00 lakhs as determined by our Board, in its meeting held on February 06, 2016.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to the contrary, the information provided is as of the date of this Prospectus.

### LITIGATIONS INVOLVING OUR COMPANY

### LITIGATIONS AGAINST OUR COMPANY

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Income Tax

**AY 2014-15**

The Income Tax Department hereinafter referred to as the "**Income Tax Authority**") has issued an order dated December 04, 2015 bearing reference no. CPC/1415/U5/1520709612 under Section 154 of Income Tax Act, 1961(hereinafter refered to as the "**Act**"), against Oswal Seeds and Chemicals, a partnership firm under the Indian Partnership Act, 1932 vide a deed of partnership dated July 29, 2002 between Shri Anilkumar Nahta and Shri Sanjay Kumar Begant, partners of the partnership firm. Thereafter, it was converted from a partnership firm to public limited company under the provisions of Section 366 of the Companies Act, 2013 with the name of "ShreeOswal Seeds and Chemicals Limited (hereinafter referred to as the "**Assessee Company**") wherein the net amount payable was determined at Rs. 5,20,810/-. The Assessee Company has made a rectification request dated July 24, 2015 against the aforesaid amount payable as determined by the Income Tax Authority. The Company is awaiting reply from Income Tax Authorities. The amount is still outstanding and matter is currently pending.

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Proceedings against Our Company for economic offences/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 frauds against the Company in last five years and action taken by the Companies.**

Nil

**LITIGATIONS FILED BY OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law**

Nil

**LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY**

**LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

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 wilful defaulters of RBI**

Nil

**LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY**

**LITIGATIONS AGAINST OUR PROMOTER/S**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

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 the past.**

Nil

**Adverse finding against Promoter for violation of Securities laws or any other laws**

Nil

**LITIGATIONS FILED BY OUR PROMOTER/S**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**LITIGATIONS INVOLVING OUR GROUP COMPANIES**

**LITIGATIONS AGAINST OUR GROUP COMPANIES**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

NIL

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**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

**LITIGATIONS FILED BY OUR GROUP COMPANIES**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES**

**LITIGATIONS AGAINST OUR SUBSIDIARY COMPANIES**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**Past Penalties imposed on our Subsidiaries**

Nil

**Proceedings initiated against our Subsidiaries 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 Subsidiaries**

Nil

**Adverse finding against Subsidiaries for violation of Securities laws or any other laws**

Nil

**LITIGATIONS BY OUR SUBSIDIARIES**

**Criminal Litigations**

Nil

**Civil Proceedings**

Nil

**Taxation Matters**

Nil

**Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

**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**

Nil

**MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter — "Management Discussion and Analysis of Financial Condition and Result of Operation" on page 184 of this Prospectus, there have been no material developments, since the date of the last audited balance sheet.

**OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

As of March 31, 2018, our Company had 32 creditors, to whom a total amount of Rs. 50.08 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated February 06, 2016, considered creditors to whom the amount due exceeds Rs. 5.00 lakhs as per our Company's restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

| Creditors | Amount (Rs. in Lakhs) |
|---|---|
| Commercial Syn Bag Ltd- Indore | 9.35 |
| Jaiswal Krishi Kendra, Yawatmal(MAH) | 7.36 |
| R.P. Trading Company, Mandsour | 5.10 |
| **Total** | **21.80** |

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see the website of our Company www.oswalseeds.com.

Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company‘s website, www.oswalseeds.com, would be doing so at their own risk.

## 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 Red Herring 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 its renewal. In order to operate our business of production, processing and sale of different kind of agricultural seeds, maize and soybean we require various approvals and/ or licenses under different laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled "*Key Industry Regulations and Policies*" on page 145 of this Red Herring Prospectus.

The Company has its business located at:

**Registered Office and Manufacturing Unit: "**Oswal House**",** Opp. Balkavibairagi College, Nasirabad Highway, Village Kanawati, Neemuch – 458441 Madhya Pradesh, India.

**Warehouse:** 06, Industrial Area, Neemuch, Madhya Pradesh, 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 February 06, 2018, 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 Extra-Ordinary General Meeting/Annual General Meeting held on February 16, 2018 authorized the Issue.

### In- principle approval from the Stock Exchange

We have received an in-principle approval from the National Stock Exchange of India Limited for the listing of our Equity Shares pursuant to letter dated April 24, 2018 bearing reference no. NSE/LIST/86.

### Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated May 07, 2018 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 May 15, 2018 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 INE00IK01011

## INCORPORATION AND OTHER DETAILS

1. The Company was originally formed as a partnership firm under the Indian Partnership Act, 1932 in the name "M/s. Oswal Seeds and Chemicals" vide a deed of partnership dated July 29, 2002 between Shri Anilkumar Nahta and Shri Sanjay Kumar Baigani, partners of the partnership firm.
2. Thereafter, M/s. Oswal Seeds and Chemicals was converted from a partnership firm to public limited company under the provisions of Section 366 of the Companies Act, 2013 with the name of "ShreeOswal Seeds and Chemicals Limited.
3. A fresh Certificate of Incorporation consequent upon conversion was issued on December 01, 2017 by the Registrar of Companies, Gwalior, Madhya Pradesh.
4. The Corporate Identification Number (CIN) of the Company is U01111MP2017PLC044596.

## APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES

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) | Foreign Trade Development Officer, Ministry of Commerce and Industry, Government of India | 5614004491 | February 25, 2015 | In case of change in name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to Import or Export against the IEC after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the IEC by the concerned |

| Sr. No. | Description | Authority | Registration No./ Reference No./ License No. | Date of Issue | Date of Expiry |
|---|---|---|---|---|---|
| | | | | | licensing authority. |
| 2 | Udyog Aadhar Memorandum/ Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit | Ministry of Micro, Small and Medium Enterprises, Government of India | MP33B0005498 (previous registration details: 230181202534) | Date of filing: January 19, 2018 | NA |
| 3 | License to work a factory (under Factories Act, 1948 and Rules 5 of Madhya Pradesh factories Rules, 1962) | Chief Inspector of factories Madhya Pradesh | 30/15945/NMH/2m(i) | February 14, 2018 | December 31, 2018 |

**TAX RELATED APPROVALS/LICENSES/REGISTRATIONS**

| Sr. No. | Authorisation granted | Issuing Authority | Registration No./Reference No./License No. | Date of Issue | Validity |
|---|---|---|---|---|---|
| 1 | Permanent Account Number (PAN) | Income Tax Department, Government of India | AAZCS5695K | December 12, 2017 | Perpetual |
| 2 | Tax Deduction Account Number (TAN) | Income Tax Department Government of India | BPLS19964A | Not traceable | Perpetual |
| 3 | Goods and Service Tax Identification Number (GSTIN) Registration Certificate Form – REG 06 | Government of India | 23AAZCS5695K1ZB | January 04, 2018 | NA |

| Sr. No. | Authorisation granted | Issuing Authority | Registration No./Reference No./License No. | Date of Issue | Validity |
|---|---|---|---|---|---|
| 4 | Certificate of Registration (for employers)<br>(Under section 3(3) of Madhya Pradesh State Professional Tax, Act, 1995) and rules made thereunder) | Profession Tax Officer, Department of Sales Tax Government of Madhya Pradesh | 79629010008 | January 29, 2018 | NA |
| 5 | Certificate of Registration (for persons)<br>(Under section 3(3)of Madhya Pradesh State Professional Tax, Act, 1995) and rules made thereunder) | Profession Tax Officer, Department of Sales Tax Government of Madhya Pradesh | 78599080467 | January 29, 2018 | NA |
| 6 | Import/Export Licence<br>(under Foreign Trade (Development and Regulations) Act, 1992) | Foreign Trade Development Officer, Directorate General of Foreign Trade Government of India | 5630000674/5/12/00 Cus. No. 022/2013 Dt: 18.04.2013 | March 31, 2015 | N.A. |

**LABOUR RELATED APPROVALS/REGISTRATIONS**

| Sr. No. | Description | Authority | Registration No./Reference No./License No. | Date of Issue |
|---|---|---|---|---|
| 1. | Employees Provident Fund Registration for manufacturing unit<br>(under Employees' Provident Funds and Miscellaneous | Employees Provident Fund Organisation, Ministry of Labour, Government of India | MPUJJ1679172000 | January 07, 2018 |

| Sr. No. | Description | Authority | Registration No./Reference No./License No. | Date of Issue |
|---|---|---|---|---|
| | Provisions Act, 1952 and the rules made thereunder) | | | |
| 2 | Registration for Employees State Insurance<br>(under Employees State Insurance Act, 1948 and the rules made thereunder ) | Assistant / Deputy Director, Employees State Insurance Corporation, Indore | 18000290020000301 | January 07, 2018 |

**ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS**

| Sr No. | Description | Authority | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|
| 1 | Consent to Establish the Unit for a product at a particular production capacity issued under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981by State Pollution Control Board. | Madhya Pradesh Pollution Control Board, Ujjain, Madhya Pradesh | Consent No.: CTE-33107 and PCB ID: 54741 | October 13, 2015 | N.A. |
| 2 | Consent to Operate issued by State Pollution Control Board under Section 25 of the Water (Prevention &Control of Pollution) Act, 1974 & under Section 21 | Madhya Pradesh Pollution Control Board, Ujjain, Madhya Pradesh | Consent No. : AW-52205 and PCB ID: 54741 | February 16, 2018 | July 31, 2019 |

| Sr No. | Description | Authority | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|
| | of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules 2008 | | | | |

**OTHER BUSINESS RELATED APPROVALS**

| Sr No. | Description | Authority | Registration Number | Date of Certificate | Date of Expiry |
|---|---|---|---|---|---|
| 1 | Certificate of Registration of Food Safety Management System for ISO 22000:2005 | Director, ROHS Certification Pvt. Ltd. | 17DFCK41 | January 08, 2018 | January 07, 2021 |
| 2 | License to carry on seed the business of a dealer in seed | Shri Nagin Singh Rawat, Collectorate office first floor Neemuch(Licensing Authority) | 21/NMH/1.104 | December 31, 2010 renewed on January 02, 2017 | December 31, 2019 |

**INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS**

**TRADEMARKS**

| Sr. No. | Trademark | Trade mark Type | Class | Applicant | Application No. | Date of Application | Validity/ Renewal | Registration status |
|---|---|---|---|---|---|---|---|---|
| 1. | OSWAL | DEVICE | 31 | SANJAY KUMAR BEGANI | 1585379 | 30/07/2007 | 30/07/2027 (registration renewed for a period of 10 years from 30/07/2017) | Registered |

**COPYRIGHT**

| Sr. No. | Diary Number | Registration No. | Class of Work | Title of Work | Applicant Name | Communication Address | Validity/ Renewal | Registration status |
|---|---|---|---|---|---|---|---|---|
| 1. | 13832/2016-CO/A | A-122071/2017 | Artistic | OSWAL SEEDS (LABEL) | Oswal Seeds & Chemicals (A Partnership Concern) | 213, 3rd Floor, Parmanand Colony, Dr. Mukherjee Nagar, Delhi – 110009 | Date of Application: December 06, 2016 | Registered |

**PENDING APPROVALS:**

1. An Application for change of name of certain above mentioned approvals from "Oswal Seeds and Chemicals", which was the name of the partnership concern is not yet been made by the Company in the name of "ShreeOswal Seeds and Chemicals Limited".
2. The assignment of the trademark from Sanjay Kumar Begani (partner in Partnership firm – "Oswal Seeds and Chemicals") is not yet been made by the Company in the name of "ShreeOswal Seeds and Chemicals Limited"

## OTHER REGULATORY AND STATUTORY DISCLOUSRES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on February 06, 2018 and by the shareholders of our Company vide a special resolution pursuant to Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of our Company held on November February 16, 2018 at the Registered Office of our Company.

### PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company nor any of our Directors, our 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, Promoter, 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 Promoter, nor any of our Directors or persons in control of our Company were or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors are associated with the securities market in any manner, including securities market related business.

### ELIGIBITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with regulation 106M(2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital is more than Rs. 1,000 lakhs and upto 2,500 lakhs. Our Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

**We confirm that:**

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be 100% underwritten and that the BRLM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 70 of this Red Herring 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 section 40 of the Companies Act, 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book running lead manager submits the copy of Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red herring Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled "General Information" beginning on page 70 of this Red Herring Prospectus.
5. Our Company have a track record of more than three years. Our Company was originally formed as a partnership firm under the Indian Partnership Act, 1932 in the name of "M/s Oswal Seeds and Chemicals" pursuant to a deed of partnership dated July 29, 2002. M/s Oswal Seeds and Chemicals, was thereafter converted from a partnership firm to a public limited company under Section 366 of

the Companies Act, 2013 with the name of "ShreeOswal Seeds and Chemicals Limited" and received a fresh certificate of incorporation from the Registrar of Companies, Central Registration Centre, on December 01, 2017 and Corporate Identification Number of our Company is U01111MP2017PLC044596.

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 or a liquidator has not been appointed 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.oswalseeds.com
11. No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.
12. No defaults has been made in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B 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.

## DISCLAIMER CLAUSE OF SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA 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 MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING 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 RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS 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 MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE AND WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER REGISTERING THE RED HERRING PROSPECTUS WITH ROC AND BEFORE OPENING**

**OF THE ISSUE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992**

**"WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:**

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
   - **A. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
   - **B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
   - **C. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS COMPANIES ACT, 1956, APPLICABLE PROVISIONS 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 DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFILL THEIR UNDERWRITING COMMITMENT – NOTED FOR COMPLIANCE**
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 DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. – NOTED FOR COMPLIANCE**

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.– NOTED FOR COMPLIANCE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEM ORANDUM 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 DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.- NOT APPLICABLE, AS IN TERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC ISSUE SHALL BE IN DEMAT FORM ONLY.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    A. **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**

    B. **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – 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 BANKER' AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN "ANNEXURE A"**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS 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 DRAFT RED HERRING PROSPECTUS***

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS – NOT APPLICABLE**

**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 DRAFT RED HERRING 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 DRAFT RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY 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. - NOTED FOR COMPLIANCE**

**(4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE EQUITY SHARES OF THE ISSUER. – NOTED FOR COMPLIANCE**

**(5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO 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 DRAFT RED HERRING PROSPECTUS.**

**(6) WE CONFIRM THAT UNDERWRITING AND 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.**

**Note:**

The filing of this Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34, 35 and 36 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 manager any irregularities or lapses in this Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Gwalior, Madhya Pradesh in terms of Section 26 and 32 of the Companies Act, 2013.

## DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, our Directors and the Book running lead manager accept no responsibility for statements made otherwise than in this Red Herring 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.oswalseeds.com would be doing so at his or her own risk.

**Caution**

The Book running lead manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into between the Book running lead manager and our Company dated March 09 ,2018, the Underwriting Agreement dated March 09, 2018, entered into between the Underwriter and our Company and the Market Making Agreement dated March 09, 2018 entered into among the Market Maker(s), Book running lead manager and our Company.

Our Company and the Book running lead manager 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 manager 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 is not an 'associate' of the Company and is eligible to Book running lead manager 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 manager 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 MANAGER

For details regarding the price information and track record of the past issue handled by Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer "Annexure A" to this Red Herring Prospectus and the website of Book running lead manager at www.pantomathgroup.com

**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 Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with National Stock Exchange of India Limited for its observations and National Stock Exchange of India Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring 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 Red Herring Prospectus in each jurisdiction, including India.

## DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). National Stock Exchange of India Limited has given vide its letter Ref.: NSE/LIST/86 dated April 24, 2018 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 has SEBI issued any observation on the Offer Document in terms of Regulation 106(M) (3). However, a copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI at the SEBI Regional Office ,Western Regional Office, Unit No 002 Ground Floor SAKAR I, Near Gandhigram Railway Station, opposite Nehru Bridge Ashram Road, Ahmedabad-380009, Gujarat, India. A copy of the Red Herring Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at Registrar of Companies, situated at 3rd Floor, 'A' Block ,Sanjay Complex Jayendra Ganj, Gwalior, Madhya Pradesh, India.

## LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in- principle approval from EMERGE Platform of National Stock Exchange of India Limited. However application will be made to the EMERGE Platform of National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The EMERGE Platform of National Stock Exchange of India Limited has given its in-principal approval for using its name in our Prospectus vide its letter No. NSE/LIST/86 dated April 24, 2018

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the EMERGE Platform of National Stock Exchange of India Limited, 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 cent 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 National Stock Exchange of India Limited 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, Statutory Auditor, Peer Reviewed Auditor, Banker to the Company and (b) Book running lead manager, Syndicate Member, Underwriter, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue, to act in their respective capacities have been obtained and is filed along with a copy of the Red Herring Prospectus/ 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/ 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 and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and 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
- Report of the Peer Reviewed Auditor on Restated Financial Statements

## 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. For details of total expenses of the Issue, refer to chapter "Objects of the Issue" beginning on page 95 of this Red Herring Prospectus.

## DETAILS OF FEES PAYABLE

**Fees Payable to the Book running lead manager**

The total fees payable to the Book running lead manager will be as per the Mandate Letter issued by our Company to the Book running lead manager, 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 March 09, 2018 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 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, Banker to issue *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 Issue is as set out in the Underwriting Agreement entered into between our Company and the Book running lead manager. 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) Rules, 2014.

## 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 81 of this Red Herring 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 recognised 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 Red Herring 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 unblocking of funds 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. Anchor Investors are required to address all grievances in relation to the Issue to the BRLM.

## DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances 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/ Investor Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on January 8 2018 For further details, please refer to the chapter titled "*Our Management*" beginning on page 163 of this Red Herring Prospectus.

Our Company has appointed Anjali Bamboria as Company Secretary and Compliance Officer and she may be contacted at the following address:

**Anjali Bamboria**
**ShreeOswal Seeds and Chemicals Limited**
"Oswal House", Opposite Balkavi bairagi College,
Nasirabad Highway, Village Kanwati,
Neemuch, Madhya Pradesh- 458441 India
**Tel:** 7423-297006
**Fax:** 7243-297511
**Email***:* Info@oswalseeds.com
**Website:** www.oswalseeds.com
**Corporate Identification Number:** U01111MP2017PLC044596

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 the auditor of our Company in last three years except that M/s. Bharat Kumar Agarwal and Co; Chartered Accountants were appointed as the auditor of the Company in place of M/s G. L. Jindani & Co, Chartered Accountants w.e.f December 05 ,2017

## CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled "Capital Structure" beginning on page 81 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last five years.

## REVALUATION OF ASSETS

There has been no revaluation of our assets since incorporation.

## PURCHASE OF PROPERTY

Except as disclosed in this Red Herring 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 Red Herring Prospectus.

Except as stated elsewhere in this Red Herring 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 SEBI Listing Regulations, the terms of the Red Herring 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 and transferred in the Issue 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 287 of this Red herring 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, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled *"Dividend Policy"* on page 182 of this Red Herring Prospectus.

### FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Hindi also being the regional language in the place where our Registered Office is located, each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the

relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be prefilled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

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 287 of this Red herring 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 May 15, 2018 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated May 07, 2018 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants.

## MINIMUM NUMBER OF ALLOTTEES

Further in accordance with the 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 the SCSBs shall be unblocked within 4 working 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 BIDDERS

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at 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 BRLM, 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 Manager 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 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

| | |
|---|---|
| Bid / Issue Opening Date | June 07, 2018 |
| Bid / Issue Closing Date | June 12, 2018 |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | June 15, 2018 |
| Initiation of Refunds | June 18, 2018 |
| Credit of Equity Shares to demat accounts of Allottees | June 19, 2018 |
| Commencement of trading of the Equity Shares on the Stock Exchange | June 20, 2018 |

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. 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 Manager 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 Red Herring 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 issue, 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 Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Red Herring Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, 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 Manager 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 devolvement 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 National Stock Exchange of India Limited from SME Exchange on a later date subject to the following:

- *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 National Stock Exchange of India Limited 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*

- *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 EMERGE Platform of National Stock Exchange of India Limited with compulsory market making through the registered Market Maker of the SME Exchange 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 National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled *"General Information"* beginning on page 70 of this Red herring Prospectus.

## ARRANGEMENT FOR DISPOSAL OF ODD LOT

The trading of the equity shares will happen in the minimum contract size of [●] 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 National Stock Exchange of India Limited.

## 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 DEMATERIALISED 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 81 of this Red herring 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 287 of this Red herring 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 Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager 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 Red herring 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 STRUCUTRE

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 exceeds ten crore rupees but does not exceed 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 EMERGE Platform of National Stock Exchange of India Limited). 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 228 and 236 of this Red Herring Prospectus.

**Following is the issue structure:**

Initial Public Issue of Upto 45,76,000 Equity Shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. [●] (including a premium of Rs. [●] aggregating to Rs. [●]. The Issue comprises a Net Issue to the public of up to 43,44,000 Equity Shares (the "Net Issue"). The Issue and Net Issue will constitute upto 30.02% and 28.49%of the post-Issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of upto 2,32,000 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 |
|---|---|---|
| **Number of Equity Shares** | Upto 43,44,000 Equity Shares | Upto 2,32,000Equity Shares |
| **Percentage of Issue Size available for allocation** | 94.93 % of Issue Size | 5.07 % of Issue Size |
| **Basis of Allotment / Allocation if respective category is oversubscribed** | Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each. For further details please refer to the section titled *"Issue Procedure"* beginning *on* page 236 of the Red Herring Prospectus | Firm allotment |
| **Mode of Bid cum Application** | All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only) | Through ASBA Process only |
| **Minimum Bid Size** | ***For QIB and NII***<br>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs 2,00,000<br>***For Retail Individuals***<br>[●] Equity shares | [●] Equity Shares of Face Value of Rs. 10.00 each |
| **Maximum Bid Size** | ***For Other than Retail Individual Investors:***<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.<br>***For Retail Individuals:***<br>[●]Equity Shares | [●] Equity Shares of Face Value of Rs 10 each |
| **Mode of Allotment** | Compulsorily in Dematerialised mode | Compulsorily in Dematerialised mode |
| **Trading Lot** | [●] Equity Shares | [●] Equity Shares, however the Market Maker may accept odd lots if any in the market as |

| Particulars | Net issue to Public* | Market Maker Reservation Portion |
|---|---|---|
| | | required under the SEBI ICDR Regulations |
| **Terms of payment** | The entire Bid Amount will be payable at the time of submission of the Bid Form | |

*subject to finalisation of basis of allotment
**allocation in the net offer to public category shall be made as follows:
(a) minimum fifty per cent. to retail individual investors; and
(b) remaining to:
(i) individual applicants other than retail individual investors; and
(ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
(c) the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.
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 BRLM, 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 Manager 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 for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## BID/ ISSUE OPENING DATE

| | |
|---|---|
| Bid / Issue Opening Date | June 07, 2018 |
| Bid / Issue Closing Date | June 12, 2018 |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | June 15, 2018 |
| Initiation of Refunds | June 18, 2018 |
| Credit of Equity Shares to demat accounts of Allottees | June 19, 2018 |
| Commencement of trading of the Equity Shares on the Stock Exchange | June 20, 2018 |

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 BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company and the BRLM 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 Red Herring 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 Red Herring 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 National Stock Exchange of India Limited 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.*

## PART A

### 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 at least 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. Further if 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. 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 spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM 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 will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the National Stock Exchange of India Limited (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide 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 Form* |
|---|---|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis | 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 [●] Equity Shares and in multiples of [●] 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 [●] 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

a. Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.

b. Our Company shall, after registering the Red Herring Prospectus with the RoC, make 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 Manager shall advertise 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.

c. The Price Band as decided by our Company in consultation with the Book Running Lead Manager is Rs. [●] per Equity Share. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share and the minimum bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.

d. This announcement shall contain 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.

e. 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 Manager 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 Form 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 AND BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and National Stock Exchange of India Limited (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 will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and National Stock Exchange of India Limited (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

## PARTICIPATION BY ASSOCIATED/ AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS

The BRLM 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 BRLM 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 BRLM and the Designated Intermediaries. 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 offering.

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 offering 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 BRLM 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 BRLM may deem fit.

**The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager 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.

## 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.

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 Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks’ own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks’ interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10%

of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

## 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 BRLM 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. [●] 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 UNDERWRIING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

a) Our Company has entered into an Underwriting agreement dated March 09, 2018

b) A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of the Companies Act.

## PRE- ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish 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 shall state 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 REGUARDING 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 DIFFERFENT PRICE LEVELS AND REVISION OF BIDS

a) Our Company in consultation with the BRLM, 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 BRLM, 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 along with a cheque/demand draft 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 National Stock Exchange of India Limited 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 the 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.
5. 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.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

## EQUITY SHARES IN DEMATERIALSED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

a. Agreement dated May 15, 2018 among NSDL, the Company and the Registrar to the Issue;

b. Agreement dated May 07, 2018 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN noINE001K1011

## 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/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal couNational Stock Exchange of India Limited and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants 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/Applicants 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 to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations" beginning on page 3 of this Red Herring Prospectus.

### 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 DRHP.

#### 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.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and up to twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

## 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, 1956 and the Companies Act, 2013 (the "Companies Act"), The Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

(a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.

(b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be 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 the company becomes liable to repay it, than the 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 section 40 of the Companies Act, 2013.

(c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Book Running Lead Manager shall submit the copy of Red Herring Prospectus and Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus and Prospectus with the Registrar of Companies.

(d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.

(e) The company should have track record of at least 3 years

(f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive

(g) The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crore.

(h) The issuer shall mandatorily facilitate trading in demat securities.

(i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.

(j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company

(k) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the issuer

(l) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations 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 7, 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 this issue.

Thus Company is eligible for the issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 1000 Lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

## 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 Price or Price Band in the Red Herring Prospectus (in case of a fixed price Issue) and Floor price or price band in the red herring prospectus (in case of a book built 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/Applicants 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/Issue Period. Details of Bid/Issue 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/Issue Period for QIBs one Working Day prior to the Bid/Issue 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/Issue 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 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:

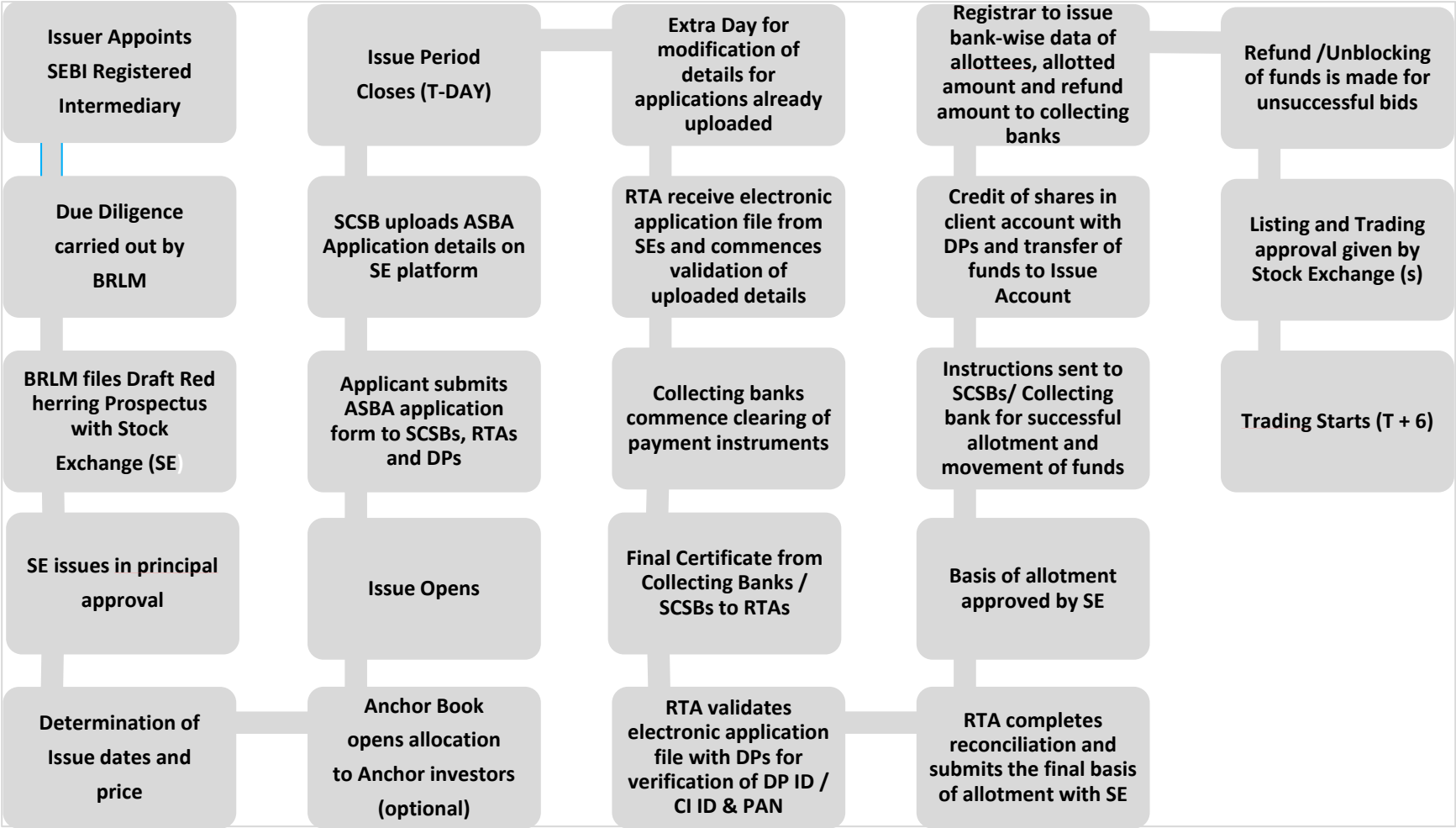
(a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor 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


Issuer Appoints SEBI Registered Intermediary
Due Diligence carried out by BRLM
BRLM files Draft Red herring Prospectus with Stock Exchange (SE
SE issues in principal approval
Determination of Issue dates and price
Anchor Book opens allocation to Anchor investors (optional)
Issue Opens
Issue Period Closes (T-DAY)
SCSB uploads ASBA Application details on SE platform
Applicant submits ASBA application form to SCSBs, RTAs and DPs
Extra Day for modification of details for applications already uploaded
RTA receive electronic application file from SEs and commences validation of uploaded details
Collecting banks commence clearing of payment instruments
Final Certificate from Collecting Banks / SCSBs to RTAs
RTA validates electronic application file with DPs for verification of DP ID / CI ID & PAN
RTA completes reconciliation and submits the final basis of allotment with SE
Basis of allotment approved by SE
Instructions sent to SCSBs/ Collecting bank for successful allotment and movement of funds
Credit of shares in client account with DPs and transfer of funds to Issue Account
Registrar to issue bank-wise data of allottees, allotted amount and refund amount to collecting banks
Refund /Unblocking of funds is made for unsuccessful bids
Listing and Trading approval given by Stock Exchange (s)
Trading Starts (T + 6)

## 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/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to bid/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 DRHP for more details.

Subject to the above, an illustrative list of Bidders/Applicants 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/Applicants 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, bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Book Running Lead Manager, members of the Syndicate, Registered Brokers, Designated Intermediaries at Branches of the Bidding Centres, SCSBs 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 DRHP/RHP.

**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 colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

| **Category** | **Colour of the Bid cum Application Form (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/Applicants 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/ ASBA FORM

Bidders/Applicants 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

COMMON BID CUM APPLICATION FORM

**SHREEOSWAL SEEDS AND CHEMICALS LIMITED - INITIAL PUBLIC ISSUE - R**

Registered Office: Oswal House, Opposite Balkavibhag College Nasirabad Highway, Village Kanwali, Neemuch-458441 Madhya Pradesh, India, Tel. No.: +91 7423 297006; Fax No.: +91 7423 297006;
E-mail: info@oswalseeds.com ; Website : www.oswalseeds.com; CIN NO: U01111MP2017PLC044556

FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

To,
The Board of Directors
SHREEOSWAL SEEDS AND CHEMICALS LIMITED

BOOK BUILT ISSUE
ISIN - INE_____

Bid Cum Application Form No.

| SYNDICATE MEMBER'S STAMP & CODE | BROKER'S / SCSB / CDP / RTA STAMP & CODE |
|---|---|
| | |
| **SUB-BROKER'S / SUB-AGENT'S STAMP & CODE** | **ESCROW BANK / SCSB BRANCH STAMP & CODE** |
| | |
| **BANK BRANCH SERIAL NO.** | **SCSB SERIAL NO.** |
| | |

**1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER**

Mr./Ms./M/s. _____ Age _____

Address _____

Email _____

Tel. No (with STD code) / Mobile _____

**2. PAN OF SOLE/FIRST BIDDER**

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.

**4. BID OPTIONS (Only Retail individual Bidders can BID at "Cut-Off"). Price band Rs. [•]/- to Rs. [•]/-**

| Bid Options | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares) | Price per Equity Share (₹) / "Cut-off" | | | |
|---|---|---|---|---|---|
| | | Bid Price | Retail Discount | Net Price | "Cut-Off" (Please ✓ tick) |
| Option 1 | | | | | ☐ |
| (OR) Option 2 | | | | | ☐ |
| (OR) Option 3 | | | | | ☐ |

**5. CATEGORY**

☐ Retail Individual Bidder

☐ Non Institutional Bidder

☐ QIB

**6. INVESTOR STATUS**

| | |
|---|---|
| ☐ Individual(s) | - IND |
| ☐ Hindu Undivided Family* | - HUF |
| ☐ Non-Resident Indians (Non-Repatriation basis) | - NRI |
| ☐ Bodies Corporate | - CO |
| ☐ Banks & Financial Institutions | - FI |
| ☐ Mutual Funds | - MF |
| ☐ National Investment Funds | - NIF |
| ☐ Insurance Funds | - IF |
| ☐ Insurance Companies | - IC |
| ☐ Venture Capital Funds | - VCF |
| ☐ Alternate Investment Funds | - AIF |
| ☐ Others (Please Specify) | - OTH |

*HUF Should apply only through Karta (Application by HUF would be treated on par with individual)

**7. PAYMENT DETAILS** | **PAYMENT OPTION : Full Payment** ☐

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 ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE BIDDER 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.

| 8A. SIGNATURE OF SOLE / FIRST BIDDER | 8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) | SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) |
|---|---|---|
| Date _____, 2018 | I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue<br>1)<br>2)<br>3) | |

TEAR HERE

**SHREEOSWAL SEEDS AND CHEMICALS LIMITED - INITIAL PUBLIC ISSUE - R**

**Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA**

Bid Cum Application Form No.

DPID / CLID _____ PAN of Sole / First Bidder _____

Amount Blocked (₹ in figures) _____ ASBA A/c. No. _____

Bank & Branch _____

Received from Mr./Ms./M/s. _____

Telephone / Mobile _____ Email _____

**Stamp & Signature of SCSB Branch**

TEAR HERE

**SHREEOSWAL SEEDS AND CHEMICALS LIMITED - INITIAL PUBLIC ISSUE - R**

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Bid Price | | | |
| Amount Blocked (₹) | | | |

**Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA**

**Name of Sole / First Bidder**

**Acknowledgement Slip for Bidder**

ASBA Bank A/c No. _____

Bank & Branch: _____

Bid Cum Application Form No.

## NR Bid cum Application ASBA Form

COMMON BID CUM APPLICATION FORM

**SHREEOSWAL SEEDS AND CHEMICALS LIMITED - INITIAL PUBLIC ISSUE - NR**

Registered Office: Oswal House, Opposite Balkrishnaragi College Neemrana Highway, Village Kanwali, Neemrana: 450441 Madhya Pradesh, India. Tel. No.: +91 7423 297006; Fax No.: +91 7423 297006;
E-mail: info@oswalseeds.com ; Website : www.oswalseeds.com; CIN NO: U01111MP2017PLC044596

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS

TEAR HERE

To
The Board of Directors
SHREEOSWAL SEEDS AND CHEMICALS LIMITED

BOOK BUILT ISSUE
ISIN - INE

Bid Cum Application Form No.

| SYNDICATE MEMBER'S STAMP & CODE | BROKER'S / SCSB / CDP / RTA STAMP & CODE |
|---|---|
| SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK / SCSB BRANCH STAMP & CODE |
| BANK BRANCH SERIAL NO. | SCSB SERIAL NO. |

**1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER**

Mr./Ms./M/s. _____ Age _____

Address _____

Email _____

Tel. No (with STD code) / Mobile _____

**2. PAN OF SOLE/FIRST BIDDER**

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL enter 8 Digit DPID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.

**4. BID OPTIONS (Only Retail individual Bidders can BID at "Cut-Off")**

| Bid Options | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [*] equity shares) | Price per Equity Share (₹) / "Cut-off" | | | |
|---|---|---|---|---|---|
| | | Bid Price | Retail Discount | Net Price | "Cut-Off" (Please ✓ Bid) |
| Option 1 | | | | | ☐ |
| (OR) Option 2 | | | | | ☐ |
| (OR) Option 3 | | | | | ☐ |

**5. CATEGORY**

☐ Retail Individual Bidder

☐ Non Institutional Bidder

☐ QIB

**6. INVESTOR STATUS**

- NRI — Non-Resident Indian(s) (Repatriation basis)
- FII — FII or Sub Account not a Corporate/ Foreign Individual
- FIISA — FII Sub Account Corporate/Individual
- FVCI — Foreign Venture Capital Investor
- FPI — Foreign Portfolio Investor
- OTH — Others (Please Specify) _____

PLEASE FILL IN BLOCK LETTERS

**7. PAYMENT DETAILS**

PAYMENT OPTION : Full Payment ☐

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 ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDER'S 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.

**8 A. SIGNATURE OF SOLE / FIRST BIDDER**

Date _____, 2018

**8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)**

(I/We authorize the SCSB to do all acts as are necessary to make the Application in this Issue)

1) _____

2) _____

3) _____

**SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)**

TEAR HERE

SHREEOSWAL SEEDS AND CHEMICALS LIMITED / INITIAL PUBLIC ISSUE - NR

Acknowledgment Slip for Syndicate Member/Registered Broker/SCSB/CDP/RTA

Bid Cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount Blocked (₹ in figures) _____ ASBA A/c. No. _____

Bank & Branch _____

Received from Mr./Ms./M/s. _____

Telephone / Mobile _____ Email _____

Stamp & Signature of SCSB Branch

TEAR HERE

SHREEOSWAL SEEDS AND CHEMICALS LIMITED - INITIAL PUBLIC ISSUE - NR

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Bid Price | | | |
| Amount Blocked (₹) | | | |

ASBA Bank A/c No. _____

Bank & Branch: _____

Stamp & Signature of Syndicate Member/ Registered Broker/SCSB/CDP/RTA

Name of Sole / First Bidder

Acknowledgment Slip for Bidder

Bid Cum Application Form No.

TEAR HERE

### 4.1.1 NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(a) **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.

(b) **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.

(c) **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.***

(d) **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 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 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) Bidders 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 : BID OPTIONS

a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the RHP 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 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.

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 BRLM 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 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 Offer 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 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 DRHP.

### 4.1.6 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.

### 4.1.7 PAYMENT DETAILS

i. 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 offered, if any.

ii. Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.

iii. Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.

iv. All Bidders can participate in the Offer only through the ASBA mechanism.

v. 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.

#### 4.1.7.1. Payment instructions for Bidders

Bidders may submit the Bid cum Application Form either

i. in electronic mode through the internet banking facility offered 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.

a) 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.

b) 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.

c) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

d) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.

e) 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

f) 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.

g) 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.

h) 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.

i) 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.

j) 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.

k) 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

l) 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.

m) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

**4.1.8. 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.

**4.1.8.1. 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 offered 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.

**4.1.8.2. 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.

### 4.1.9. 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.

### 4.1.10. 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 Offer 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 in case of any other complaints in relation to the Offer.
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/Offer 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/Offer 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/Offer 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

COMMON BID REVISION FORM

**SHREEOSWAL SEEDS AND CHEMICALS LIMITED - INITIAL PUBLIC ISSUE - R**

Registered Office: Oswal House, Opposite Balkaribairagi College Nasirabad Highway, Village Kaswali, Neemuch 458441 Madhya Pradesh, India, Tel. No.: +91 7423 297086; Fax No.: +91 7423 297086; E-mail: info@oswalseeds.com ; Website : www.oswalseeds.com; CIN NO: U01111MP2017PLC044596

FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

To,
The Board of Directors
SHREEOSWAL SEEDS AND CHEMICALS LIMITED

BOOK BUILT ISSUE
ISIN - INE

Bid Cum Application Form No.

| SYNDICATE MEMBER'S STAMP & CODE | REGISTERED BROKER / SCSB / CDP / RTA STAMP & CODE |
|---|---|
| SUB-BROKER'S/SUB-AGENT'S STAMP & CODE | ESCROW BANK / SCSB BRANCH STAMP & CODE |
| BANK BRANCH SERIAL NO. | SCSB SERIAL NO. |

**1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER**

Mr./Ms./M/s.

Address

Email

Tel. No.(with STD code) / Mobile

**2. PAN OF SOLE / FIRST BIDDER**

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ■ NSDL ■ CDSL

For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID

**PLEASE CHANGE MY BID**

**4. FROM (AS PER LAST BID OR REVISION)**

| Bid Options | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares) | Price per Equity Share (₹)/ "Cut-off" (In Figures) | | | |
|---|---|---|---|---|---|
| | | Bid Price | Retail Discount, if any | Net Price | "Cut-off" (Please ✓ tick) |
| Option 1 | | | | | ☐ |
| (OR) Option 2 | | | | | ☐ |
| (OR) Option 3 | | | | | ☐ |

**5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")**

| Bid Options | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares) | Price per Equity Share (₹)/ "Cut-off" (In Figures) | | | |
|---|---|---|---|---|---|
| | | Bid Price | Retail Discount, if any | Net Price | "Cut-off" (Please ✓ tick) |
| Option 1 | | | | | ☐ |
| (OR) Option 2 | | | | | ☐ |
| (OR) Option 3 | | | | | ☐ |

**6. PAYMENT DETAILS** — PAYMENT OPTION : FULL PAYMENT ■ PART 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 ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("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.

| 7 A. SIGNATURE OF SOLE / FIRST BIDDER | 7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) | SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) |
|---|---|---|
| Date: ..... 2018 | 1) 2) 3) | |

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

**SHREEOSWAL SEEDS AND CHEMICALS LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R**

**Acknowledgement Slip for Syndicate Member/ Broker/SCSB/CDP/RTA**

Bid Cum Application Form No.

PAN of Sole / First Bidder

DP ID / CLID

Additional Amount Blocked (₹ in figures) ASBA A/c. No.

Bank & Branch

Received from Mr./Ms.

Telephone / Mobile Email

**Stamp & Signature of SCSB Branch**

TEAR HERE

**SHREEOSWAL SEEDS AND CHEMICALS LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R**

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Bid Price | | | |
| Additional Amount Blocked (₹) | | | |

**Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA**

ASBA Bank A/c No.

Bank & Branch

**Name of Sole / First Bidder**

**Acknowledgment Slip for Bidder**

Bid Cum Application Form No.

TEAR HERE

www.appinio.com

## Revision Form – NR

COMMON BID REVISION FORM

**SHREEOSWAL SEEDS AND CHEMICALS LIMITED - INITIAL PUBLIC ISSUE - NR**

Registered Office: Oswal House, Opposite Balkaribairagi College Nasirabad Highway, Village Kanwati, Neemuch- 458441 Madhya Pradesh, India, Tel. No.: +91 7423 287086; Fax No.: +91 7423 287086;
E-mail: info@oswalseeds.com ; Website : www.oswalseeds.com; CIN NO: U01111MP2017PLC044596

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS

To,
The Board of Directors
SHREEOSWAL SEEDS AND CHEMICALS LIMITED

BOOK BUILT ISSUE
ISIN - INE_____

Bid Cum Application Form No.

| SYNDICATE MEMBER'S STAMP & CODE | REGISTERED BROKER / SCSB / CDP / RTA STAMP & CODE |
|---|---|
| | |
| **SUB-BROKER'S/SUB-AGENT'S STAMP & CODE** | **SCSB BRANCH STAMP & CODE** |
| | |
| **BANK BRANCH SERIAL NO.** | **SCSB SERIAL NO.** |
| | |

**1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER**

Mr./Ms./M/s.

Address

Email

Tel. No.(with STD code) / Mobile

**2. PAN OF SOLE / FIRST BIDDER**

**3. BIDDERS DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID

**PLEASE CHANGE MY BID**

**4. FROM (AS PER LAST BID OR REVISION)**

| Bid Options | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares) | Price per Equity Share (₹)/ "Cut-off" (In Figures) | | | |
|---|---|---|---|---|---|
| | | Bid Price | Retail Discount, if any | Net Price | "Cut-off" (Please ✓ tick) |
| Option 1 | | | | | ☐ |
| (OR) Option 2 | | | | | ☐ |
| (OR) Option 3 | | | | | ☐ |

**5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")**

| Bid Options | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares) | Price per Equity Share (₹)/ "Cut-off" (In Figures) | | | |
|---|---|---|---|---|---|
| | | Bid Price | Retail Discount, if any | Net Price | "Cut-off" (Please ✓ tick) |
| Option 1 | | | | | ☐ |
| (OR) Option 2 | | | | | ☐ |
| (OR) Option 3 | | | | | ☐ |

**6. PAYMENT DETAILS** | **PAYMENT OPTION : Full Payment** ☐

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 ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (" GID") AND HEREBY AGREE AND CONFIRM THE "BIDDER'S 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

| 7 A. SIGNATURE OF SOLE / FIRST BIDDER | 7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) | SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) |
|---|---|---|
| Date: ....., 2018 | 1) 2) 3) | |

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

**SHREEOSWAL SEEDS AND CHEMICALS LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR**

**Acknowledgement Slip for Syndicate Member/Registered Broker/SCSB/CDP/RTA**

Bid Cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Blocked (₹ in Figures) | ASBA A/c. No.

Bank & Branch

Received from Mr./Ms.

Telephone / Mobile | Email

**Stamp & Signature of SCSB Branch**

TEAR HERE

**SHREEOSWAL SEEDS AND CHEMICALS LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR**

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Bid Price | | | |
| Additional Amount Blocked (₹) | | | |

**Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA**

**Name of Sole / First Bidder**

**Acknowledgment Slip for Bidder**

ASBA Bank A/c No.

Bank & Branch

Bid Cum Application Form No.

TEAR HERE

www.upstox.com

### 4.2.1. NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OFSOLE/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. 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 Form.

(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. 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 offered, 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 DRHP. 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. 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:-**

| Mode of Bid | Submission of Bid cum Application Form |
|---|---|
| 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**

a) 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 Manager, to register their Bid.

b) 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).

c) 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**

a) 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.

b) 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 BRLM 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 BRLM 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) BRLM 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.

### GROUNDS 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 DRHP;
- 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 DRHP;
- 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, 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**

a) 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.

b) 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 BRLM 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.

c) 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.

d) **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% |
| 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 Offer 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 BRLM, 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 DRHP. 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 Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

## 7.1 BASIS OF ALLOTMENT

### a. FOR RETAIL INDIVIDUAL BIDDERS

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 3,000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than 3,000 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

### b. FOR NON-INSTITUTIONAL BIDDERS

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price. The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand. In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

### c. FOR QIBS (IF APPLICABLE)

For the Basis of Allotment to Anchor Investors, Applicants may refer to the SEBI ICDR Regulations 2009 or RHP/Prospectus. Bids received from the QIB Category (net of Anchor Portion) at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Issue size less Allotment to Non Institutional Bidders and Retail shall be available for Allotment to Non- QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

The Allotment to all the QIB Bidders will be made at the Issue Price. The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for upto 95% of the QIB portion;
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and
- Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

### 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 Red Herring Prospectus/ Prospectus. The Designated

Stock Exchange may be as disclosed in the Red Herring Prospectus/ 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 DRHP.

### 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 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 the Issuer does not receive the subscription of 100% of the Issue through this offer 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 | Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders |
| 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 |
| 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 Red Herring 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/ 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 will be opened and in this case being ICICI 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 236 of this Red Herring 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 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 |

| Term | Description |
|---|---|
| Bid cum Application 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 |
| Bid Cum Application Collecting Intermediaries | 6. a SCSB with whom the bank account to be blocked, is maintained<br>7. a syndicate member (or sub-syndicate member) If any<br>8. 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') if any<br>9. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)<br>10. 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) |
| Bid Lot | [●] Equity shares and in multiples of [●] Equity Shares thereafter |
| Bid/ Issue Closing Date | The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Hindi also being the regional language in the place where our Registered Office is located, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be 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 shall start accepting Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Hindi also being the regional language in the place where our Registered Office is located, 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 can submit their Bids, including any revisions thereof. |
| Bidder | Any prospective Resident Indian investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied |
| Bidding/collecting Centre | Centres at which the Designated Intermediaries shall accept the ASBA 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 |

| Term | Description |
|---|---|
| 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 BRLM | The Book Running Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited |
| 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 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 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. |
| Cut-off Price | Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. 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. |
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| 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 http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time |
| Demographic Details | The demographic details of the Bidders/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 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 following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the respective Offered Shares. |
| Designated Intermediary(ies) | Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to |

| Term | Description |
|---|---|
| | collect ASBA Forms from the Bidders, in relation to the Issue |
| Designated RTA Locations | Such centres of the RTAs where Bidder can submit the Bid cum 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 (www.nseindia.com) 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 (www.nseindia.com) and updated from time to time |
| Draft Red Herring Prospectus or DRHP | This Draft Red Herring Prospectus dated March 26, 2018 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 |
| 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 |
| 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 |
| 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. |
| General Information Document/GID | 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 and included in "Issue Procedure" on page 236 of this Red Herring Prospectus |
| Listing Agreement | The Equity Listing Agreement to be signed between our Company and the Emerge Platform of National Stock Exchange of India Limited. |
| Market Making Agreement | Market Making Agreement dated March 09. 2018 between our Company, Book Running Lead Manager and Market Maker. |
| Market Maker | Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers 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 upto 2,32,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] for the Market Maker |

| Term | Description |
|---|---|
| | 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 |
| Emerge Platform of NSE/ SME Exchange | The Emerge Platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations |
| NSE | National Stock Exchange of India Limited |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of upto 43,44,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company |
| Net Proceeds | Proceeds of the Fresh Issue less our Company's share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see "Objects of the Issue" on page 95 of Red Herring Prospectus. |
| Non Institutional Bidders | All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs |
| Non-Resident | A person resident outside India, as defined under FEMA and includes FIIs and FPIs |
| Issue | The Initial Public Issue of upto 45,76,000Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs. [●] comprising the Fresh Issue. |
| Issue Agreement | The agreement dated March 09, 2018 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue |
| Issue Price | The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus. In case of Eligible employees, shall mean the Issue Price net of the Employee Discount. |
| Issue Proceeds | The proceeds of the Issue that is available to our Company. For further information about use of Issue Proceeds, see "Objects of the Issue" on page 95 of this Red Herring Prospectus. |
| 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 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 |
| Other Investors | Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |

| Term | Description |
|---|---|
| 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 of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including revisions thereof.<br>The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in all edition of the English national newspaper Business Standard and all edition of the Hindi national newspaper Business Standard, Hindi also being the regional language in the place where our Registered Office is located each with wide circulation |
| Pricing date | The date on which our Company in consultation with the BRLM, will finalise the Issue Price |
| Prospectus | The Prospectus to be 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 Banker to the Issue i.e. ICICI 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. |
| Public Issue Account Agreement/ Banker to the Issue Agreement | Agreement entered on March 09, 2018 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid Amount on the terms and conditions thereof. |
| Qualified Institutional Buyers or QIBs | Qualified Institutional Buyers as defined under Regulation 2(1) (zd) of the SEBI (ICDR) Regulations, 2009. |
| 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, 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 |

| Term | Description |
|---|---|
| | 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 |
| Registered Broker | Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of 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 http://www.nseindia.com/membership/dynaContent/find_a_broker.htm |
| Registrar /Registrar to the Issue | Registrar to the Issue, in this case being Bigshare Services Private Limited. |
| 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 | 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 |
| Reserved Category / Categories | Categories of persons eligible for making Bids under reservation portion. |
| 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 http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised_Intermediaries 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 (www.sebi.gov.in) and updated from time to time |
| Sub-Syndicate members | The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect Bid cum Application |

| Term | Description |
|---|---|
| | Forms and Revision Forms Syndicate Agreement a dated March 09, 2018entered into amongst the BRLM |
| Syndicate Agreement | Agreement dated March 09, 2018entered into amongst the BRLM, 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, Pantomath Stock Brokers Private Limited. |
| Syndicate or Members of the Syndicate | The BRLM and the Syndicate Members |
| TRS or Transaction Registration Slip | The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid |
| Underwriter | Pantomath Capital Advisors Private Limited |
| Underwriting Agreement | The agreement dated March 09, 2018 entered into between the Underwriter and our Company |
| Working Day | (iii) Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday;<br>(iv) 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 |

## 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 bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("**RBI**") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India **("DIPP")**.

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 2017**("FDI Policy 2017")**, which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 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 2017, 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.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii)where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalites (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any 'fit and proper/due diligence' requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing,

etc.), reporting requirements, documentation etc., are complied with. 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. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

**Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, , FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, , 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

**i. Investment by FPIs under Portfolio Investment Scheme (PIS)**:

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

**ii. Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e.:

- The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be

raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

**iii. Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**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 20003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue 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 Issue.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be 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 and the information contained in this 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 this 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**

**THE COMPANIES ACT, 2013**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**"SHREEOSWAL SEEDS AND CHEMICALS LIMITED"**

| Article No. | PARTICULARS | |
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| 1 | The Regulations contained in Table F, in the First Schedule to the Companies Act, 2013, shall not apply to this Company, but the regulations for the management of the Company and for the conduct of Meetings of the Members thereof, shall, subject to any exercise of the statutory powers of the Company in 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 or notification thereto. | Table "F" will not apply |
| | **INTERPRETATION** | |
| 2 | (i) In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:<br><br>a. "the Act" means the Companies Act, 2013, and includes Rules made there under and any statutory modification, clarification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable Section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company Law, so far as may be applicable.<br><br>b. "Document" includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form<br><br>c. "These Articles" means Articles of Association for the time being in force or as may be altered from time to time or any statutory modification thereof.<br><br>d. "Company" shall mean Pond's Exports Limited established as aforesaid.<br><br>e. Words importing the masculine gender also include the feminine gender.<br><br>f. "Independent Director" shall have the meaning ascribed to it in the Act.<br><br>g. "Members" means the duly registered holders, for the time being of the shares of the Company and includes subscribers of the Memorandum of the Company. | Act<br><br>Document<br><br>Articles |

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| | h. "Person" shall be deemed to include corporations as well as individuals.<br><br>i. "the seal" means the common seal of the Company or any other method of Authentication of documents, as specified under the Act or amendment thereto.<br><br>j. "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.<br><br>(ii) Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles. | Company<br><br>Gender<br><br>Independent Director<br><br>Members<br><br>Person<br><br>Seal<br><br>These Presents<br><br>Expressions in the Act to bear the same meaning in Articles |
| | **CAPITAL** | |
| 3 | The Authorized Share Capital of the Company shall be as mentioned in Clause V of the Memorandum of Association of the Company as amended from time to time. | Authorized Share Capital |
| 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. Subject to the provisions of the Act, any shares of the original or | Increase of capital by the Company and how carried into effect |

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| | increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine 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 meetings 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 62 and 64 of the Act. | |
| 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. | New Capital same as existing capital |
| 6 | The Board shall have the power to issue a part of authorized capital by way of differential voting Shares at price(s) premium, 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. | Differential Voting Shares |
| 7 | Subject to the provisions of the Act and these Articles, the Company shall have the power to issue preference shares, either at premium or at par which are or at the option of the Company are to be liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption. | Redeemable Preference Shares |
| 8 | The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares. | Voting rights of preference shares |
| 9 | On the issue of redeemable preference shares under the provisions of Article 6 hereof, the following provisions shall take effect:<br>a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;<br>b) No such Shares shall be redeemed unless they are fully paid;<br>c) Subject to Section 55(2)(d)(i) of the Act, the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;<br>d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and<br>e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be affected in accordance with the terms and conditions of their issue and in the absence of any | Provisions to apply on issue of Redeemable Preference Shares |

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| | 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 | |
| 10 | 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 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. | Debentures |
| 11 | The Company shall have power to reduce the share capital in the manner provided in Section 100 to 104 of the Companies Act, 1956 / Section 66 of the Companies Act, 2013, as may be applicable and subject to confirmation by the Court / Tribunal, the Company may by special resolution, reduce its share capital and / or any Capital Redemption Reserve Account and / or the Securities Premium Account in any manner authorized under law, and in particular, capital may be paid off on the footing that it may be called up again or otherwise subject to, any incidental authorization or consent required or such other steps that need to be undertaken in accordance with law or any statutory modifications thereof and any guidelines / rules as may be laid down in this regard, from time to time. | Reduction of Capital |
| 12 | 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. | Consolidation, Sub-Division and Cancellation |
| | **SHARES** | |
| 13 | 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. | Issue of Securities |
| 14 | 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 paripassu therewith. | New Issue of Shares not to affect rights attached to existing shares of that class |
| 15 | 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 106, 107 of the Companies Act, 1956 / Section 48 of the Companies Act, 2013, as may be applicable 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 | Modification of Rights |

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| | issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.<br>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. | |
| 16 | Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board 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. The Directors will have the authority to disallow the right to renounce right shares. | Shares at the disposal of the Directors |
| 17 | An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member. | Acceptance of Shares |
| 18 | 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 immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly. | Deposit and call etc. to be a debt payable immediately |
| 19 | Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. | Directors may allot shares otherwise than for cash |
| 20 | The Company may issue 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 / or 62 of the Act and Rules framed thereunder subject to any further amendments of notifications thereto. | Power to issue securities on private placement basis |
| 21 | 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 sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished. | Shares should be numbered progressively and no share to be subdivided |
| 22 | Shares may be registered in the name of any limited company or other body corporate but not in the name of a firm, an insolvent person or a person of unsound mind. | Registration of Shares |
| 23 | Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Companies Act, 2013 and any other | Buy-back of shares |

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| | applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.<br>Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buyback such of the Company's own shares or securities, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted under Sections 68 to 70 of the Companies Act, 2013 and the applicable guidelines and regulations that may be issued in this regard. | |
| 24 | The Company shall have the power, subject to and in accordance with the provisions of Section 54 of the Companies Act, 2013 and other relevant regulations in this regard from time to time, to issue sweat equity shares to employees and/or directors on such terms and conditions and in such manner as may be prescribed by law from time to time. | Issue of Sweat Equity Shares |
| 25 | The Company shall have power to introduce a voluntary scheme of stock option / stock purchase or any other co – investment share plan in terms of the applicable laws, Rules and Regulations from time to time. | Employees' Stock Option / Stock Purchase Plan |
| 26 | The Company shall have power to issue warrants, Stock options, convertible instruments and other permitted securities on such terms and conditions and in such manner as may be prescribed by the law from time to time. | Issue of warrants and other securities |
| | **CERTIFICATES** | |
| 27 | a) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide one or more certificate(s) for one or more of his shares without payment of any charges.<br>b) Every certificate of shares shall be either under the seal of the company and will be authenticated by (1) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and (2) the Secretary or some other person appointed by the Board for the purpose and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon.<br>c) 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. The Company shall comply with the provisions of Section 39 of the Act. | Share Certificates. |
| 28 | 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 these Articles and the terms of issue. | The first named joint holder deemed Sole holder. |

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| 29 | Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as is by these Articles otherwise expressly provided or by law otherwise 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. | Company not bound to recognize any interest in share other than that of registered holders. |
| 30 | Company shall not give whether directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company, save as provided by Section 67 of the Act. | Funds of Company may not be applied in purchase of shares of the Company |
| **UNDERWRITING AND BROKERAGE** | | |
| 31 | 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 securities in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any securities 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. | Commission |
| 32 | The Company may pay on any issue of securities such brokerage as may be reasonable and lawful. | Brokerage |
| **CALLS** | | |
| 33 | a) 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>b) A call may be made payable by installments.<br>c) The option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings. | Directors may make calls |
| 34 | A call may be revoked or postponed at the discretion of the Board | Call may be revoked or postponed |
| 35 | 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. | Notice of Calls |
| 36 | A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing 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. | Calls to date from resolution |

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| 37 | 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. | Calls on uniform basis |
| 38 | The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof. | Liability of Joint-holders |
| 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. | Directors may extend time |
| 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 ten per cent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member. | Calls to carry interest |
| 41 | a) If by the terms of issue of any share or otherwise any amount is made payable at any fixed time (whether on account of the nominal value 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.<br>b) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply mutatis mutandis as if such sum had become payable by virtue of a call duly made and notified. | Sums deemed to be calls |
| 42 | 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, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, was on the Register of Members as the holder, on or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered; that such money is due pursuant to the terms on which the share was issued; that the resolution making the call was duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives sued in pursuance of these Articles; and 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 meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. | Proof on trial of suit for money due on shares |
| 43 | 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 | Judgment, decree, partial payment suo |

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| | 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. | motto proceed for forfeiture |
| 44 | 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 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.<br>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. | Payments in Anticipation of calls may carry interest |
| **LIEN** | | |
| 45 | a) 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 Article 29 will have full effect. And such lien shall extend to all dividends, bonuses or interest 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.<br>b) The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause. | Company to have Lien on shares / debentures |
| 46 | a) For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they think fit but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such Member, his executors or administrators or his committee or other legal representatives as the case may be and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after the date of such notice.<br>b) To give effect to any such sale the Board may authorize 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.<br>c) 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 | As to enforcing lien by sale |

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| | the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned. | |
| 47 | 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 at the date of the sale. | Application of proceeds of sale |
| **FORFEITURE AND SURRENDER OF SHARES** | | |
| 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 or any such extension thereof, 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. | If call or installment not paid, notice may be given |
| 49 | a) 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>b) 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. | Terms of notice |
| 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. | On default of payment, shares to be forfeited |
| 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 but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. Provided that option or right to call of forfeited shares shall not be given to any person. | Notice of forfeiture to a Member |
| 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 other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit. | Forfeited shares to be property of the Company and may be sold etc. |
| 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 | Members still liable to pay money owing at |

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| | respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding two per cent per annum more than the bank lending 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. | time of forfeiture and interest |
| 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. | Effect of forfeiture |
| 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. | Evidence of Forfeiture |
| 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 irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares. | Title of purchaser and allottee of Forfeited shares |
| 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 new certificate or certificates in respect of the said shares to the person or persons entitled thereto. | Directors may issue new certificates |
| 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 Board, be remitted or annulled as a matter of grace and favour but not as of right, upon such terms and conditions as they think fit. | Forfeiture may be remitted or annulled |
| 59 | Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. | Validity of sale under Articles 46 and 52 |
| 60 | 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. | Surrender of shares |
| **TRANSFER AND TRANSMISSION OF SHARES** | | |
| 61 | The Company shall maintain register to be called as "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share. The Registers can be maintained in electronic form subject to the provisions of the Act. | Register of Transfers |

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| 62 | 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. | Execution of the instrument of shares |
| 63 | The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 (statutory modification thereof) including other applicable provisions of the Act and Rules made thereunder shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. | Transfer Form |
| 64 | a) The Company shall not register a transfer in the Company, 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 within sixty days from date of execution. 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 or the instrument of transfer has not been delivered within the prescribed period, 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 right to any shares in the Company has been transmitted by operation of law.<br>b) The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company. | Instrument of Transfer to be completed and presented to the Company |
| 65 | Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Board may, at its own absolute and uncontrolled discretion and after assigning the reason for same, decline to register or acknowledge any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee be already a member), send to the transferee and the transferor notice of the refusal to register such transfer provided that registration of a transfer shall 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 except a lien on shares. | Directors may refuse to register transfer |
| 66 | If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within 30 days 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. | Notice of refusal to be given to transferor and transferee |

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| 67 | a) There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party such fee, if any as the Directors may require.<br>b) Provided that the Board shall have the power to dispense with the payment of this fee either generally or in any particular case. | Fee on transfer or transmission |
| 68 | 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. | Custody of transfer Deeds |
| 69 | 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. | Application for transfer of partly paid shares |
| 70 | a) In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share<br>b) 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. | Death of one or more joint-holders of shares |
| 71 | Before recognizing 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.<br>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. | Title to shares of deceased member |
| 72 | 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 Section 72 of the Companies Act. | Titles of Shares of deceased Member |
| 73 | 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 | Registration of persons entitled to share otherwise than by transfer. |

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| | the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of 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 with the provisions as prescribed under Act and Rules, and, until he does so, he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'. | (transmission clause) |
| 74 | 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. | Refusal to register nominee |
| 75 | 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. | Board may require evidence of transmission |
| 76 | The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the 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. | Company not liable for disregard of a notice prohibiting registration of transfer |
| 77 | No person shall exercise any rights or privileges of shareholders until he shall have paid all sums (whether in respect of call or otherwise) for the time being due in respect of the shares held by him or due in any manner whatsoever to the Company. | Restricted right of shareholders |
| 78 | The transfer books and register of members and register of debenture holders may be closed during such time or times not exceeding in whole a period of 45 days in each year as the Board of Directors of the Company may think fit but in such manner that such a period does not exceed 30 days at a time. | Closure of transfer books |
| 79 | The provisions of these Articles shall *mutatis mutandis* apply to the transfer of or the transmission by operation of law of the right to debentures of the Company. | Transfer of debentures |
| **DEMATERIALISATION OF SHARES** | | |

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| 80 | Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act, 1996 and to offer its Shares, Debentures and other Securities for subscription in a dematerialized form. The Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in material and dematerialized form in any media as permitted by law including any form of electronic media. | Dematerialization of Securities |
| | **MEETINGS OF MEMBERS** | |
| 81 | All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings. | Distinction between AGM & EGM |
| 82 | a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year.<br>b) The Annual General Meeting shall be held within a period of six months, from the date of closing of the financial year; provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.<br>c) Every Annual General Meeting shall be called for a time during business hours that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday, and shall be held at the Registered Office of the Company or at some other place within the City of Mumbai as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting.<br>d) Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.<br>e) At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Financial Statements, Auditors' Report (if not already incorporated in the Financial Statements), the Proxy Register with proxies and the Register of Directors' shareholding which latter Register shall remain open and accessible during the continuance of the Meeting. An annual return and Balance Sheet and Profit and Loss Account shall be filed with the Registrar of Companies, Mumbai, Maharashtra, in accordance with Sections 92 and 137 of the Act. | Annual General Meeting - Annual Summary |
| 83 | (a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members or Members holding in the aggregate not less than one-tenth of such of the paid up capital of the Company as at the date of deposit of the requisition and in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting.<br>(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same | Extra-Ordinary General Meeting by Board and by requisition<br><br>When a Director or any two Members may call an Extra¬ Ordinary General Meeting |

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| | manner as nearly as possible as that in which meeting may be called by the Directors. | |
| 84 | Twenty-one days' notice at the least (either in writing or electronic mode) of every General Meeting, Annual or Extraordinary, specifying the place, date, day , hour, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons, as given under Act, entitled to receive notice from the Company. A General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting. In the case of an Annual General Meeting, if any business other than (i) the consideration of financial statements and the reports of the Board of Directors and auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of, the Auditors is to be transacted, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature or concern (financial or otherwise) and extent of the interest, if any, therein of every Director, Manager, Key Managerial Personnel, and their relatives (if any). Where any item of business consists of the approval of any document the time and place where the document can be inspected shall be specified in the statement aforesaid. | Notice of meeting |
| 85 | The accidental omission to give any such notice as aforesaid to any member, or other person to whom it should be given or the non-receipt thereof, shall not invalidate any resolution passed at any such Meeting. | Omission to give notice not to invalidate a resolution passed |
| 86 | No business shall be transacted at any General Meeting, unless the requisite quorum is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be the presence in person of such number of members as specified in Section 103 of the Act. A body corporate being a Member shall be deemed to be personally present if represented in accordance with Section 113 of the Act. | Quorum |
| | **VOTE OF MEMBERS** | |
| 87 | 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. | Members in arrears not to vote |
| 88 | 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 (including voting by electronic means) 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 | Number of votes each member entitled |

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| | placed before the meeting which directly affect the rights attached to his preference shares. | |
| 89 | a) If there be joint registered holders of any share any one of such persons may vote at any Meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto.<br>b) If more than one of such joint-holders be present at any Meeting either personally or by proxy, 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.<br>c) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. | Votes of joint members |
| 90 | 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 or any other Securities) authorize 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 authorized 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. | Representation of a body corporate |
| **DIRECTORS** | | |
| 91 | 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 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. | Number of Directors |
| 92 | (i) The First Directors of the Company shall be: -<br>a) Mr. Anil Kumar Nahata<br>b) Mr. Sanjay Kumar Baignani<br>c) Ms. Kiran Devi Begani<br>d) Ms. Padma Nahta | First directors |
| | (ii) Any person appointed as Additional Director of the Company shall hold office for such period and upon such conditions as may be specified subject nevertheless to the provisions of Section 161 of the Companies Act, 2013. | Other Directors |
| | (iii) Subject to the applicable provisions of the Companies Act, 2013, the Board of Directors of the Company shall have power at any time to appoint any person as a Director to fill a casual vacancy. Any Director appointed to fill a casual vacancy, 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. | Appointment of Directors to fill a casual vacancy |
| | (iv) The Board of Directors may appoint any Alternate Director in accordance with Section 161 of the Companies Act, 2013. | Alternate Directors |

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| 93 | a) Whenever the Company enters into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance, the Directors shall have, subject to the provisions of the Act and notwithstanding anything to the contrary contained in these Articles, the power to agree that such appointer shall have the right to appoint by a notice in writing addressed to the Company, one or more persons as a Director or Directors of the Company for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. Any Director so appointed is herein referred to as a Nominee Director.<br>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.<br>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.<br>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. | Nominee Directors |
| 94 | A Director need not hold any shares in the capital of the Company to qualify him to be a Director of the Company. | Share qualification |
| 95 | The Directors may from time to time appoint and/or remove any one (or more) of their body to be a Managing Director(s) or Independent Director,, Executive Director for such period and upon such terms as they think fit and may vest in such Director or Directors such of their powers hereby vested in the Directors generally as they think fit and such powers may be made exercisable for such period or periods and upon such terms and conditions and subject to such restrictions and generally upon such terms as to remuneration and otherwise as they may determine. The remuneration of such Director may be by way of salary perquisites, or commission or participation in profits or by any or all those modes subject to the applicable provisions of the Companies Act, 2013. | Director |
| 96 | The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions | Appointment of Independent directors |

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| | relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors. | |
| 97 | Until otherwise determined by the Company in General Meeting, each Independent 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. | Sitting Fees |
| 98 | 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. | Travelling expenses Incurred by Director on Company's business |
| 99 | A Director shall be paid such remuneration as may be decided by Board of Directors within the limit prescribed under the applicable provisions of the Companies Act, 2013. | Remuneration to Directors |
| 100 | If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include, work done by a Director as Member of any Committee of the Board of Directors formed by the Board of Directors of the Company), the Board of Directors of the Company shall have the power to pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or otherwise as may be determined by the Board of Directors of the Company and such remuneration may be either in addition to or in substitution for his remuneration above provided. | Additional remuneration for special services |
| 101 | Subject to Section 167 of the Act, the office of a Director shall be vacated if :<br>a) he incurs any of the disqualifications specified in section 164 of the Act;<br>b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;<br>c) he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;<br>d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;<br>e) he becomes disqualified by an order of a court or the Tribunal;<br>f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:<br>Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;<br>g) he is removed in pursuance of the provisions of this Act;<br>h) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company. | When office of Directors to be vacated |
| 102 | The Company may by an ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act) in accordance with the provisions of Section 169 of the Act. | Removal of Director |

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| | A Director so removed shall not be re-appointed a Director by the Board of Directors. | |
| 103 ` | Subject to the provisions of Section 168 of the Act a Director may at any time resign from his office upon giving notice in writing to the Company of his intention so to do, and thereupon his office shall be vacated. | Resignation of Directors |
| 104 | No Director shall be disqualified by his office from contracting with the Company, nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be void, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realised by any such contract by reason only of such Director holding that office, or of the fiduciary relations thereby established but it is declared that the nature of his interest must be disclosed by him/her at the meeting of the Directors at which the contract is determined if his interest then exists, or in any other case, at the first meeting of the Directors after he/she acquires such interest. | Contracting with the Company |
| 105 | The Board of Directors of the Company may at any time and from time to time by power of attorney, appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers which may be delegated under the Companies Act, 2013, authorities and discretion and for such period and subject to such conditions as the Board of Directors of the Company may from time to time think fit and any such appointment (if the Board of Directors of the Company think fit) be made in favour of any Company or the Members, Directors, Nominees, or Managers of any company or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Board of Directors of the Company and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Board of Directors of the Company 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. | Board may appoint attorneys |
| 106 | At every Annual General Meeting of the Company, one – third of the total Directors other than an Independent Director and any Director appointed pursuant to Article 92(iii), 92(iv) and 93, shall retire from office. A retiring Director shall be eligible for re-election. | Retirement and rotation of Directors |
| **MANAGING AND WHOLE-TIME DIRECTORS** | | |
| 107 | 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, Joint Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company either for a fixed term or 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.<br>b) A Managing Director or Whole-time Director who is 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 | Powers to appoint Managing/ Whole-time Directors |

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| | break in his appointment as Managing Director or Whole-time Director. | |
| 108 | The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act or as per the clarifications notified by the Government 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. | Remuneration of Managing or Whole-time Director |
| 109 | a) 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.<br>b) 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.<br>c) 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.<br>d) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract on behalf of the Company and 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. | Powers and duties of Managing Director or Whole-time Director |
| **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER** | | |
| 110 | Subject to the provisions of the Act, —<br>(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;<br>(ii) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer. | Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer |

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| 111 | A provision of the Act or these Articles 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 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, in case the same is permitted under the law. | |
| **REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND CONTRACTS** | | |
| 112 | The Directors shall arrange to maintain at the Registered office of the Company a Register of Directors, Key Managerial Personnel, containing the particulars and in the form prescribed by Section 170 of the Act. It shall be the duty of every Director and other persons regarding whom particulars have to be maintained in such Registers to disclose to the Company any matters relating to himself as may be necessary to comply with the provisions of the said sections. The Directors shall cause to be kept at the Registered Office<br>a) a Register in accordance with Section 170 and<br>b) a Register of Contracts or arrangements of which they are interested, containing the particulars required by Section 189 of the Act.<br>The Registers can be maintained in electronic form subject to the provisions of the Act. | Register of Directors and Key Managerial Personnel and Contracts |
| **PROCEEDING OF THE BOARD OF DIRECTORS** | | |
| 113 | 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. | Meetings of Directors |
| 114 | The Board of Directors shall be entitled to hold its meeting through video conferencing or other permitted means, and in conducting the Board meetings through such video conferencing or other permitted means the procedures and the precautions as laid down in the relevant Rules and Secretarial Standards shall be adhered to. With regard to every meeting conducted through video conferencing or other permitted means, the scheduled venue of the meetings shall be deemed to be in India, for the purpose of specifying the place of the said meeting and for all recordings of the proceedings at the meeting. | Meeting through Video Conferencing |
| 115 | Subject to provisions of Section 173 (3) of the Act, notice of not less than seven days of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the company or by hand delivery or by post or through electronic means. The meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one Independent Director of the Company shall be present at the meeting. In the event, any Independent Director is not present at the meeting called at shorter notice, the decision taken at such meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director. | Notice of Meetings |
| 116 | The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one third being rounded off as one), or two directors whichever is higher and the directors participating by video conferencing or by other permitted means shall also counted for the purposes of this Article. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number | Quorum for Meetings |

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| | of the Directors who are not interested, being not less than two, shall be the quorum during such time.<br>Explanation:<br>The expressions "interested Director" shall have the meanings given in Section 184(2) of the said Act and the expression "total strength" shall have the meaning as given in Section 174 of the Act. | |
| 117 | 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. | Chairperson |
| 118 | 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. | Directors may appoint committee |
| 119 | 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. | Committee Meetings how to be governed |
| 120 | A committee may elect a Chairperson of its meetings. 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. | Chairperson of Committee Meetings |
| 121 | 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 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. | Acts of Board or Committee shall be valid notwithstanding defect in appointment |
| 122 | A resolution not being a resolution required by the said Act or otherwise to be passed at a meeting of the Directors, may be passed without any meeting of the Directors or of a committee of Directors provided that the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee as the case may be, at their addresses registered with the Company, by hand delivery or by post or courier or through electronic means as permissible under the relevant Rules and has been approved by a majority of the Directors as are entitled to vote on the resolution. | Resolution by Circulation |
| **POWERS OF THE BOARD** | | |

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| 123 | 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 these 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.<br>Save as provided by the said Act or by these presents and subject to the restrictions imposed by Section 179 of the said Act, the Directors may delegate all or any powers by the said Act or by the Memorandum of Association or by these presents reposed in them. | Powers of the Board |
| **BORROWING POWERS** | | |
| 124 | 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 or borrow money by way of deposits, loans, overdrafts, cash creditor 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 bodies 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. Nevertheless no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed. | Power to borrow |
| 125 | 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. | Terms of issue of Debentures |
| 126 | Subject to the provisions of Article 128, 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 by a resolution passed at a meeting of the Directors , 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. | Securing payment or repayment of Moneys borrowed |

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| 127 | Any bonds, debentures, debenture-stock, Global Depository Receipts 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 being for the benefit of the Company. | Bonds, Debentures etc. to be under the control of the Directors |
| 128 | If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed. | Mortgage of uncalled Capital |
| 129 | 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. | Indemnity may be given |
| 130 | The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company. | Register of Mortgages etc. to be kept |
| 131 | a) The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 88 of the Act.<br>b) The Company shall have the power to keep in any State or Country outside India a branch Register of Debenture holders resident in that State or country. | Register and Index of Debenture holders |
| **CAPITALIZATION** | | |
| 132 | Subject to the provisions of the Companies Act, 2013:<br>(i) The Company in General Meeting may, upon the recommendation of the Board, resolve—<br>a) that it is desirable to capitalise 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 ((ii)) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.<br>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—<br>(iii) a).paying up any amounts for the time being unpaid on any shares held by such members respectively;<br>b) 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;<br>c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);<br>d) A Securities Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, be applied | Capitalization |

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| | in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;<br>e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article. | |
| 133 37. | (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—<br>a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and<br><br>b) generally do all acts and things required to give effect thereto.<br>(ii) The Board shall have power—<br>a) to make such provisions, 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<br>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 capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;<br>(iii) Any agreement made under such authority shall be effective and binding on such members<br>(iv) 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 of new equity shares and fractional certificates as they think fit. | Authority to Board for capitalization<br><br>Fractional Certificates |
| **DIVIDEND AND RESERVES** | | |
| 134 | a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.<br>b) 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.<br>c) 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. | Division of profits |
| 135 | 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 company in General Meeting may declare Dividends |

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| | the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting. | |
| 136 | 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.<br>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. | Transfer to reserves |
| 137 | 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. | Interim Dividend |
| 138 | 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 dividends as from a particular date such share shall rank for dividend accordingly. | Dividends in proportion to amount paid-up |
| 139 | A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer. | Effect of transfer of shares |
| 140 | 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 shares. | Dividend to joint holders. |
| | **SEAL** | |
| 141 | (i) The Board at their option can provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute or not 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.<br>(ii) The Company shall also be at liberty to have an official Seal in accordance with the provisions of the Act, for use in any territory, district or place outside India.<br>(iii) As authorized by the Act or amendment thereto, if the Company does not have a Common Seal, the authorization under this clause shall be made by two Directors or by a Director and the Company Secretary, wherever the Company has appointed a Company Secretary 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 a Director may sign a Share Certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of rubber stamp.<br>(iv) 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 every instrument to which the Seal of the Company is required to be affixed shall, be signed by at least one Director and shall be countersigned by another | The Seal, its custody and use |

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| | Director or the Secretary or some other person appointed by the Board for the purpose; provided nevertheless that in respect of Certificates of Securities issued by the Company the Seal shall be affixed in accordance with these Articles, as may be statutorily amended from time to time. | |
| | **WINDING UP** | |
| 142 | Subject to the provisions of Chapter XX of the Act and Rules made thereunder --<br>(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.<br>(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.<br>(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 as the liquidator shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. | Winding up |
| | **INDEMNITY** | |
| 143 | Every officer or agent for the time being of the Company shall be indemnified out of the funds of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013 in which relief is granted to him by the Court. | Directors' and others' right to indemnity |
| | **GENERAL AUTHORITY** | |
| 144 | Wherever in the Companies Act, 2013 / Companies Act, 1956, it has been provided that any Company shall have any right, privilege or authority or that any Company cannot carry out any transaction unless it is so authorized by its Articles, then in that case this Article hereby authorizes and empowers this Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the provisions of the Act and the applicable provisions of the Act without there being any other specific Article in that behalf herein provided.<br>In case where there are any specific restrictions in these Articles and if same is / are been relaxed by Government or by any regulatory authority or any applicable law including but not limited to Companies Act, 2013 or Companies Act, 1956, then in such a scenario these Articles shall stand amended to that extent and shall be interpreted liberally. | General authority |

## 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 Red Herring Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at "Oswal House", Opposite Balkavibairagi College, Nasirabad Highway, Village Kanwati,Neemuch-458441,Madhya Pradesh, India from date of filing this Red Herring Prospectus with RoC to Bid Closing Date on working days from 10.00 a.m. to 5.00 p.m.

**Material Contracts**

1. Issue Agreement dated March 09, 2018 between our Company and the BRLM.
2. Registrar Agreement dated March 09, 2018 between our Company and Bigshare Services Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated March 09, 2018between our Company and Underwriter viz. BRLM
4. Market Making Agreement dated March 09, 2018 between our Company, Market Maker and the BRLM.
5. Bankers to the Issue Agreement dated March 09, 2018 amongst our Company, the BRLM, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated May 15, 2018
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated May 07, 2018
8. Syndicate Agreement dated March 09, 2018 between our Company, the BRLM and Syndicate Member viz. Pantomath Stock Brokers Private Limited.

**Material Documents**

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificate of incorporation as amended from time to time.
2. Resolutions of the Board of Directors dated February 06, 2018 in relation to the Issue and other related matters.
3. Special resolution of the Shareholders passed at the Extra Ordinary General Meeting February 16, 2018 authorizing the Issue.
4. Statement of Tax Benefits dated May 14 , 2018 issued by our Peer Reviewed Auditor R T Jain & Co. LLP Chartered Accountants.
5. Report of the Peer Reviewed Auditor, R.T.Jain & co LLP, Chartered Accountants, dated May 14, 2018 on the Restated Financial Statements for the Financial Years ended as on March 31, 2018, 2017, 2016, 2015, 2014 & 2013 of our Company.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditors, Peer Reviewed Auditors, Banker to the Company, Legal Advisor to the Issue, the Book Running Lead Manager, Registrar to the Issue, Underwriter, Lenders to the Company, Market Maker, Bankers to the Issue, Refund Banker to the Offer and Syndicate Member to the Issue to act in their respective capacities.
7. Copy of In Principle approval from EMERGE Platform of National Stock Exchange of India Limited *vide* letter dated April 24, 2018 to use the name of National Stock Exchange of India Limited in this Issue document for listing of Equity Shares on EMERGE Platform of National Stock Exchange of India Limited.

None of the contracts or documents mentioned in this Red Herring Prospectus may be 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, 2013 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 Red Hearing 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 Red Herring Prospectus are true and correct.

**Signed by all the Directors of our Company**

| Name and Designation | Signature |
|---|---|
| **Sanjay Kumar Baigani**<br>*Chairman and Managing Director*<br>*DIN:* : 07921083 | Sanjay |
| ***Anil Kumar Nahata***<br>Director&CEO<br>*DIN:*07921005 | Anil |
| **Kiran Devi Begani**<br>*Director*<br>*DIN:*07921018 | Kiran |
| **Padma Nahta**<br>*Non-Executive Director*<br>*DIN:*07921042 | Padma nahata |
| **Gopal Lal Agrawal**<br>*Independent Director*<br>*DIN: 08042715* | |
| **Sunil Kumar Agrawal**<br>*Independent Director*<br>*DIN:*08046616 | Sunil |

Signed by Chief Financial Officer and Company Secretary and Compliance officer of the Company.

**Ashok Dhakar**
**Chief Financial Officer**

**PAN No. AUYPD5111B**

**Place: Neemuch, Madhya Pradesh**
**Date: 24/05/2018**

**Anjali Bamboria**
**Company Secretary and Compliance Officer**
**PAN NO. DNYPB6222H**

**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. | Mohini Health & Hygiene Limited | 20.71 | 42.00 | February 16, 2018 | 50.40 | 61.90%(-3.43%) | 39.29% (2.76%) | Not Applicable |
| 2. | South West Pinnacle Exploration Limited | 35.85 | 78.00 | February 19, 2018 | 93.60 | 3.72% (-2.45%) | 0.13% (1.33%) | Not Applicable |
| 3. | Macpower CNC Machines Limited | 36.61 | 140.00 | March 22, 2018 | 149.00 | 84.54% (4.44%) | Not Applicable | Not Applicable |
| 4. | Benara Bearings and Pistons Limited | 33.49 | 63.00 | April 3, 2018 | 64.00 | 3.97% (5.41%) | Not Applicable | Not Applicable |
| 5. | Soni Soya Products Limited | 4.50 | 25.00 | April 12, 2018 | 26.00 | 0.40% (3.33%) | Not Applicable | Not Applicable |
| 6. | Vera Synthetic Limited | 5.34 | 40.00 | April 12, 2018 | 45.00 | 5.00% (3.33%) | Not Applicable | Not Applicable |
| 7. | S.S. Infrastructure Development Consultants Limited | 17.11 | 40.00 | April 12, 2018 | 42.95 | 5.75% (3.33%) | Not Applicable | Not Applicable |
| 8. | Mahickra Chemicals Limited | 5.25 | 25.00 | April 26, 2018 | 35.00 | Not Applicable | Not Applicable | Not Applicable |
| 9. | Akshar Spintex Limited | 26.99 | 40.00 | May 11, 2018 | 40.00 | Not Applicable | Not Applicable | Not Applicable |
| 10. | Softtech Engineers Limited | 22.81 | 80.00 | May 11, 2018 | 88.00 | Not Applicable | Not Applicable | Not Applicable |

*Note:*

*Affordable Robotic & Automation Limited has registered its Red Herring Prospectus with Registrar of Companies.*

*Innovators Facade Systems Limited has registered its Prospectus with Registrar of Companies and is in process of listing.*

*Nakoda Group of Industries Limited, Shri Vasu Logistics Limited and Latteys Industries Limited have registered their Prospectus with Registrar of Companies.*

Sources: All share price data is from www.bseindia.com and 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 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30th/90th/180th 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 30th Calendar day from listing date | | | Nos of IPOs trading at premium on 30th Calendar day from listing date | | | Nos of IPOs trading at discount on 180th Calendar day from listing date | | | Nos of IPOs trading at premium on 180th 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% |
| 15-16 | *9 | 54.01 | - | - | 1 | 3 | 2 | 3 | - | 1 | 1 | 4 | 3 | - |
| 16-17 | **24$ | 204.56 | - | - | 5 | 5 | 3 | 8 | - | 1 | 5 | 10 | 1 | 6 |
| 17-18 | ***30$$ | 610.90 | - | - | 4 | 10 | 7 | 9 | - | 1 | 2 | 11 | 2 | 4 |
| 18-19 | ****7$$$ | 115.49 | - | - | - | - | - | 4 | - | - | - | - | - | - |

*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, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods 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, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016 December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

***The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India) Limited, Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited, Beta Drugs Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited and Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited,

Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017 July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017, August 22, 2017, August 23, 2017, September 27, 2017, October 04, 2017, October 05, 2017, October 05, 2017, October 05, 2017, October 06, 2017, October 10, 2017, October 11, 2017, October 12, 2017, October 12, 2017, December 26, 2017, December 29, 2017, February 05, 2018, February 08, 2018, February 09, 2018, February 12, 2018, February 15, 2018, February 16, 2018, February 19, 2018 and March 22, 2018 respectively.

****The scripts of Benara Bearings and Pistons Limited, Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited and Softtech Engineers Limited were listed on April 3, 2018, April 12, 2018, April 12, 2018, April 12, 2018, April 26, 2018, May 11, 2018 and May 11, 2018 respectively.

$. As on 30th trading day the closing price of the scripts Ruby Cables Limited and Shashijit Infraprojects Limited were at par with the issue price. Hence, they are not considered for counting the number of IPOs trading at discount and premium.

$$ The scripts of One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited, Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days,180 days, 180 Days and 180 Days respectively from the date of listing.

$$$ The scripts of Benara Bearings and Pistons Limited, Soni Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited Akshar Spintex Limited and Softtech Engineers Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 30 Days, 30 Days and 30 Days respectively from the date of listing.

***Note:*** *Majestic Research Services and Solutions Limited and Ambition Mica Limited are Further Public Offerings lead managed by Pantomath Capital Advisors Private Limited in the Financial Years 2016-17 and 2017-18 respectively and the same have not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.*