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Draft Red Herring Prospectus

Dated: May 02, 2024

100% Book Built Issue

(Please read section 26, 28 and 32 of the Companies Act, 2013)

(This Draft Red Herring Prospectus will be updated upon filing with the RoC)



**VARDAAN BIOTECH LIMITED**  
(Formerly known as Vardaan Biotech Private Limited)  
CIN: U15495MP2007PLC020132

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND E-MAIL	WEBSITE
C-2/1, Mahananda Nagar Dewas Road, Ujjain, Ujjain, Madhya Pradesh, India, 456010.	Plot No. 312, KLR Venture, Medchal, Malkajgiri District, Hyderabad -501401, Telangana.	Ms Archana Khare Company Secretary & Compliance Officer.	Email- <a href="mailto:archanakhare@vardaanbiotech.com">archanakhare@vardaanbiotech.com</a> Tel No: +91-9755024700	<a href="http://www.vardaanbiotech.com">www.vardaanbiotech.com</a>

**PROMOTERS OF OUR COMPANY**

**MR. LOKENDRA SINGH RAJPUT & MS. RASHMI RAJPUT**

**DETAILS OF THE PUBLIC ISSUE**

TYPE	FRESH ISSUE SIZE (BY NUMBER OF SHARES)	OFS* SIZE (BY NUMBER OF SHARES)	TOTAL ISSUE SIZE (BY NUMBER OF SHARES)	ELIGIBILITY & SHARE RESERVATION AMONG NII & RII
Fresh Issue & Offer for Sale.	Up to 48,18,000 Equity Shares aggregating up to ₹ [●] lakhs	Up to 5,00,000 Equity Shares aggregating up to ₹ [●] lakhs	Up to 53,18,000 Equity Shares aggregating up to ₹ [●] lakhs	The Issue is being made pursuant to Regulation 229(2) of SEBI (ICDR) Regulations. For details of share reservation among QIBs, NIIs and RIIs, see “Issue Structure” beginning on page 256

\*OFS: Offer for Sale

**DETAILS OF OFFER FOR SALE BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS**

Name	Type	No. of Shares offered	WACA in Rs. Per Equity Shares.
Lokendra Singh Rajput	Promoter	Up to 5,00,000 Equity Shares	2.26

\*The Cost of acquisition and Weighted Average Cost of Acquisition is Negligible. WACA: Weighted Average Cost of Acquisition on fully diluted basis.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10. The Floor Price, Cap Price and Issue Price as determined by our Company and Selling Shareholder in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building process, as stated under “Basis for Issue Price” on page number 95 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after Listing.

**GENERAL RISKS**



Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page number 26 of this Draft Red Herring Prospectus.

**ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholder accept responsibility for statements and undertakings expressly made by the Selling Shareholders in this Draft Red Herring Prospectus solely in relation to itself and the Equity Shares being offered by it in the Offer for Sale and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. Each of the Selling Shareholder assumes no responsibility for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or our Company's business or any other Selling Shareholders.

**LISTING**

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of the National Stock Exchange of India Limited (“NSE EMERGE”). In terms of the Chapter IX of the SEBI ICDR Regulations, 2018 as amended from time to time. Our Company has received in-principal approval letter dated [●] from NSE for using its name in this Draft Offer document for listing our shares on the EMERGE platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited.

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <b>SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED</b> Contact person: Mr. Kunal Bansal Tel. No.: 0120-4910000 E-mail id: <a href="mailto:kunal.bansal@shareindia.co.in">kunal.bansal@shareindia.co.in</a>	 <b>PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED</b> Contact Person: Ms. Deepali Dhuri Tel. No.: 022 2301 2518 / 8261, Email/ Investor Grievance E-mail ID: <a href="mailto:support@purvashare.com">support@purvashare.com</a>

**ISSUE PROGRAMME**

ANCHOR INVESTOR BID/ISSUE PERIOD: [●]*	BID/ISSUE OPENS ON: [●]**	BID/ISSUE CLOSES ON: [●]#
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\*Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be 1 (one) Working Day prior to the Bid/Issue Opening Date.

\*\*Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs 1 (one) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

#The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.



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**Draft Red Herring Prospectus**

**Dated: May 02, 2024**

**100% Book Built Issue**

(Please read section 26, 28 and 32 of the Companies Act, 2013)

(This Draft Red Herring Prospectus will be updated upon filing with the RoC)



**VARDAAN BIOTECH LIMITED**  
(Formerly known as Vardaan Biotech Private Limited)  
CIN: U15495MP2007PLC020132

Our Company was originally incorporated as “Vardaan Biotech Private Limited” as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 20, 2007, issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on January 05, 2021 and the name of our Company was changed to “Vardaan Biotech Limited”. A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company dated January 15, 2021 bearing Corporate Identification Number **U15495MP2007PLC020132** issued by the Registrar of Companies, Gwalior, Madhya Pradesh. For details of change in registered office of our Company, please refer to chapter titled “Our History and Corporate Matters” beginning on page number 154 of this Draft Red Herring Prospectus.

**Registered Office:** C-2/1, Mahananda Nagar Dewas Road, Ujjain, Ujjain, Madhya Pradesh, India, 456010,  
**Corporate Office:** Plot No. 312, KLR Venture, Medchal, Medchal-Malkajgiri District, Hyderabad – 501 401, Telangana.  
**Website:** [www.vardaanbiotech.com](http://www.vardaanbiotech.com); **Tel No:** [+91-9755024700]; **Email Id:** [investorgrievance@vardaanbiotech.com](mailto:investorgrievance@vardaanbiotech.com)  
**Company Secretary & Compliance Officer:** Ms Archana Khare

OUR PROMOTERS: MR. LOKENDRA SINGH RAJPUT AND MS. RASHMI RAJPUT		
THE ISSUE		
<p>INITIAL PUBLIC ISSUE OF UPTO 53,18,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF VARDAAN BIOTECH LIMITED ("VBL" OR THE "COMPANY") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") COMPRISING A FRESH ISSUE OF UPTO 48,18,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 5,00,000 EQUITY SHARES BY MR. LOKENDRA SINGH RAJPUT; ("THE SELLING SHAREHOLDERS") AGGREGATING TO [●] EQUITY SHARES BY THE SELLING SHAREHOLDERS ("OFFER FOR SALE") AGGREGATING TO ₹ [●] LAKHS OUT OF WHICH 5,32,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LACS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.</p> <p>THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED ENGLISH DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (WHICH ARE WIDELY MADHYA PRADESH DAILY NEWSPAPER) AND ALL EDITIONS OF [●] THE REGIONAL LANGUAGE OF MADHYA PRADESH, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").</p> <p>This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company in consultation with the BRLM may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) ("Net QIB Portion"). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders, other than Anchor Investors, are required to participate in the Issue by mandatorily utilising the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Issue Procedure" on page 260.</p>		
RISKS IN RELATION TO FIRST ISSUE		
<p>This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10. The Floor Price, Cap Price and Issue Price as determined by our Company and Selling Shareholder in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building process, as stated under "Basis for Issue Price" on page number 95 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after Listing.</p>		
GENERAL RISKS		
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue, including the risks involved. The Equity Shares 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 contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 26 of this Draft Red Herring Prospectus.</p>		
ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY		
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue which is material in the context of this Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholders accept responsibility for statements and undertakings expressly made by the Selling Shareholders in this Draft Red Herring Prospectus solely in relation to itself and the Equity Shares being offered by it in the Offer for Sale and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. Each of the Selling Shareholder assumes no responsibility for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or our Company's business or any other Selling Shareholders</p>		
LISTING		
<p>The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of the National Stock Exchange of India Limited ("NSE EMERGE"). In terms of the Chapter IX of the SEBI ICDR Regulations, 2018 as amended from time to time. Our Company has received in-principal approval letter dated [●] from NSE for using its name in this Draft Offer document for listing our shares on the EMERGE platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited.</p>		
BOOK RUNNING LEAD MANAGER		REGISTRAR TO THE ISSUE
		
<p><b>SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED</b> CIN: U65923UP2016PTC075987 Address: A-15 Basement, Sector - 64, Gautam Buddha Nagar, Noida, Uttar Pradesh-201301 Contact person: Mr. Kunal Bansal Tel. No.: 0120-4910000 E-mail id: <a href="mailto:kunal.bansal@shareindia.co.in">kunal.bansal@shareindia.co.in</a> Investor grievance e-mail id: <a href="mailto:info@shareindia.com">info@shareindia.com</a> Website: <a href="http://www.shareindia.com">www.shareindia.com</a> SEBI Registration Number: INM000012537</p>		<p><b>PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED</b> CIN: U67120MH1993PTC074079 Address: 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (E) Mumbai – 400011 Contact Person: Ms. Deepali Dhuri Tel. No.: 022 2301 2518 / 8261. Email/ Investor Grievance E-mail ID: <a href="mailto:support@purvashare.com">support@purvashare.com</a> Website: <a href="http://www.purvashare.com">www.purvashare.com</a> SEBI Registration Number: INR000001112</p>
ISSUE PROGRAMME		
ANCHOR INVESTIR BID/ISSUE PERIOD: [●] *	BID/ISSUE OPENS ON: [●] **	BID/ISSUE CLOSES ON: [●] #

\*Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be 1 (one) Working Day prior to the Bid/Issue Opening Date.

\*\*Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs 1 (one) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

#The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day

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## SECTION – I

### DEFINITIONS AND ABBREVIATIONS

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

*Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Industry Regulations and Policies”, “Financial Statements”, “Outstanding Litigation and Other Material Developments”, “Basis of Issue Price” will have the meaning ascribed to such terms in these respective sections.*

*In case of any inconsistency between the definitions given below and those contained in the General Information Document (as defined below), the definitions below shall prevail.*

*The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), the SEBI ICDR Regulations, the Securities Contracts (Regulation) Act, 1956, the Depositories Act and the rules and regulations made thereunder, as applicable.*

### GENERAL AND COMPANY RELATED TERMS

#### General Terms

Term	Description
“Vardaan Biotech Limited”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Vardaan Biotech Limited (Formerly known as ‘Vardaan Biotech Private Limited’) a public limited company, registered under the Companies Act, 1956 and having its registered office at C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456 010, Madhya Pradesh, India;
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company together with our Group Companies
Our Promoters	The promoters of our company being Mr. Lokendra Singh Rajput and Ms. Rashmi Rajput.
Promoters’ Group	Companies, individuals, and entities (other than companies) as defined under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “Our Promoters and Promoter’s Group”.

#### Company and Selling Shareholder Related Terms

Term	Description
Articles/Articles of Association/AOA	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Audit Committee	The Audit Committee of the Board of Directors is constituted in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013. For details refer section titled “Our Management” on page number 159 of this Draft Red Herring Prospectus.
Auditor/ Statutory Auditor	The Statutory Auditors of our Company, being M/s M Borar & Co. as mentioned in the section titled “General Information” beginning on page number 61 of this Draft Red Herring Prospectus.
Bankers to our company	Punjab National Bank
Bankers to the Issue	[●]
Board of Directors/ Board/BOD / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof.
Companies Act	The Companies Act, 1956/2013 as amended from time to time.
CIN	Corporate Identification Number of our Company i.e., U15495MP2007PLC020132

Chairperson/Chairman	Chairman of the Company, being Mr. Lokendra Singh Rajput
Chief Financial Officer (CFO)	The Chief Financial officer of our Company, being Mr. Prashanth Kumar Bolleboina
Company Secretary and Compliance Officer (CS)	The Company Secretary and Compliance Officer of our Company, being Ms. Archana Khare
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with the Section 135 and other applicable provisions of the Companies Act, 2013, and as described in “ <i>Our Management</i> ” on page 166.
Director/Director(s)	Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified and as described in ‘Our Management’ on page number 159 of this Draft Red Herring Prospectus.
Depository(ies)	NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
DIN	Director Identification Number
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company
Executive Director /ED	The whole-time directors/ Executive Directors on our Board
Group Companies	Group Companies as defined under Regulation 2(1)(t) of the SEBI (ICDR) Regulations, 2018, “Group companies shall include such companies (other than our Promoters and Subsidiary) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, as covered under the applicable accounting standards and also other companies as are considered material by the Board and such other companies as considered material by our Board in accordance with the Materiality Policy and as disclosed in “Our Group entities” on page number 180 of this Draft Red Herring Prospectus.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ind AS	Indian Accounting Standard
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number In this case being INE0GC401011
IT Act	The Income Tax Act, 1961 as amended till date
Key Managerial Personnel / Key Managerial Employees / KMP	Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations 2018, Section 2(51) of the Companies Act, 2013. For details, please refer “Our Management” on page number 159
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on February 20, 2024, in accordance with the requirements of the SEBI ICDR Regulations.
Managing Director / MD	Mr. Lokendra Singh Rajput being the Managing Director of our Company
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Non-Residents	A person resident outside India, as defined under FEMA
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board of Directors is constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “Our Management” on page number 159 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director
NRI/ Non-Resident Indians	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000;



Peer Reviewed Auditor	The Statutory Auditors of our Company, being M/s M Borar & Co., hold a valid peer review certificate, as mentioned in the section titled “General Information” beginning on page number 61 of this Draft Red Herring Prospectus.
Registered Office	Registered Office of our company situated at C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456 010, Madhya Pradesh, India.
Restated Financial Statements	The restated audited financial information of the Company, which comprises of the restated audited balance sheet, the restated audited profit and loss information and restated audited cash flow information, for the nine-months period ending on December 31, 2023, and for the financial year for the period ended March 31, 2023; 2022 and 2021 together with the annexure and notes thereto;
ROC / Registrar of Companies	Registrar of Companies, Gwalior
SME Exchange	A trading platform of a recognized stock exchange having nationwide trading terminals permitted by SEBI to list the specified securities issued in accordance with the SEBI ICDR Regulations and includes stock exchange granted recognition for this purpose but does not include the Main Board.
Shareholders	The holders of the Equity Shares, from time to time
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “Our Management” on page number 159 of this Draft Red Herring Prospectus.
WTD	A Whole-Time Director of our Company

#### ISSUE RELATED TERM

Terms	Description
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf
Applicant	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue to the successful applicants
Allotment Advice	A note or advice or intimation of Allotment sent to the Successful Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	The successful applicant to whom the Equity Shares are being / have been issued
Anchor Investors	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Draft Red Herring Prospectus and who has Bid for an amount of at least ₹200.00 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Draft Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager during the Anchor Investor Bid/Offer Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Draft Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/Offer Period or Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to the Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Draft Red Herring Prospectus and the Prospectus, which price will

	be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company and Selling Shareholder in consultation with the Book Running Lead Manager.
Anchor Investor Pay in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60.00% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations 2018. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations 2018.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by an Applicant authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by UPI Applicants using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by UPI Applicants using the UPI Mechanism.
ASBA Applicant(s)	Any prospective investor who makes an application pursuant to the terms of the Draft Red Herring Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicant and which will be considered as an application for Allotment in terms of the Draft Red Herring Prospectus.
Banker to the Issue Agreement	Agreement dated [●] entered amongst the Company, BRLM, the Registrar, Sponsor Bank / the Banker to the Issue to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in paragraph titled 'Basis of allotment' under chapter titled "Issue Procedure" starting from page number 260 of this Draft Red Herring Prospectus.
Bid	An indication to make an Issue during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA 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 and in terms of the Draft Red Herring Prospectus and the relevant Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.

Bidding Centers / Collection Centers	Centers at which the Designated Intermediaries shall accept the Application Forms i.e., Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Period	<p>Except in relation to Anchor Investors the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Draft Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company and Selling Shareholders in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days.</p>
Bidder/ Investor	Any prospective investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bidding	The process of making a Bid
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Business Day	Monday to Friday (except public holidays).
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Share India Capital Services Private Limited
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.
CAN or Confirmation of Allocation Note / Allotment Advice	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted.
Cut-Off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company and Selling Shareholders in consultation with the BRLM, shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut off Price. QIBs and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant(s)/ CDP(s)	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 as per the list available on the website of NSE ( <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Controlling Branch	Such branches of SCSBs which coordinate Applications under the Issue with the Book Running Lead Manager, the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.



Depository / /Depositories	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant's father/husband, investor status, occupation, and Bank Account details
Designated CDP Locations	Such locations of the CDPs where bidder can submit the Bid cum Application Forms to Collecting Depository Participants. 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 i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts including the accounts linked with UPI ID, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Draft Red Herring Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer.
Designated Intermediaries / Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to the Issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange and updated from time to time ( <a href="http://www.nseindia.com">www.nseindia.com</a> )
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
DP ID	Depository Participant's Identity Number
Draft Red Herring Prospectus	The Draft Red Herring Prospectus issued in accordance with section 26 and Section 32 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations 2018.
Designated Stock Exchange	NSE- Emerge i.e., SME platform of National Stock Exchange of India Limited.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Engagement Letter	The engagement letter dated March 4, 2024, between our Company and the Book Running Lead Manager.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit, or RTGS as applicable.
Equity Listing Agreement	The listing agreements to be entered into by our Company with the Stock Exchange in relation to our Equity Shares.
Escrow Account	Accounts opened with the Bankers to the Issue
First/ Sole bidder	The Applicant whose name appears first in the Application Form or Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account or UPI linked account number held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price will be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.

FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
Fresh Issue	Fresh Issue up to 48,18,000 Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of [●] per Equity Share) aggregating to ₹ [●]
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations
Gross proceeds	The total Issue proceeds to be raised pursuant to the Issue
General Corporate Purpose(s)	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (s)/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI / HO / CFD / DIL1 / CIR / P / 2020 / 37 dated March 17, 2020 and the circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars. The General Information Document shall be available on the website of the Stock Exchange and the BRLM.
GIR Number	General Index Registry Number
Issue Agreement / MoU	The Memorandum of Understanding April 18,2024 between our Company, selling shareholder and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Opening Date	The date on which the Issue opens for subscription. In this case being [●], 2024
Issue Closing date	The date on which the Issue closes for subscription. In this case being [●], 2024
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application
IPO	Initial Public Offering
Issue / Issue Size / Public Issue / Initial Public Issue / IPO/Offer for Sale	The Initial Public Issue of up to 53,18,000 Equity Shares of ₹ 10/- each at ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs by our Company comprising of a Fresh Issue of up to 48,18,000 equity shares and an Offer for sale of up to 5,00,000 equity shares by our Selling shareholders promoters or promoter group or selling shareholders”.(“Offer for Sale”)
Issue Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus which will be decided by our Company and Selling shareholders in consultation with the BRLM, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price, which will be decided by our Company in consultation with the BRLM, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus.
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see “Objects of the Issue” on page number 87 of this Draft Red Herring Prospectus.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited (“NSE Emerge”).

Lot size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Maker	The Market Maker to the Issue, in this case being Share India Securities Limited
Market Making Agreement	The Agreement entered into between the Market Maker, Book Running Lead Manager, Our Company and Selling shareholder dated April 18, 2024
Market Maker Reservation Portion	The Reserved portion of 5,32,000 equity shares of ₹ 10.00/- each at an Issue Price of ₹ [●] aggregating to ₹ [●] Lakhs for Designated Market Maker in the Public Issue of our Company.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
NCLT	National Company Law Tribunal
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 47,86,000 Equity Shares of ₹ 10/- each at ₹ [●]/- per Equity Share including share premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs
Net Proceeds	Proceeds of the Issue that will be available to our Company, which shall be the gross proceeds of the Issue less the Issue expenses
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Non-Institutional Applicants/Investor / NIIs	All Applicants, including Eligible FPIs, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs, OFIs other than eligible QFIs).
Non-Retail Portion including Qualified Institution Buyers (NRII)	The remaining portion of the Net Offer, after retail portion, being not more than 50% of the Net issue which shall be available for allocation to NRIIs in accordance with the SEBI ICDR Regulations.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs, including overseas trusts in which not less than 60.00% 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 Offer.
Public Issue Account	An Account of the Company under Section 40 of the Companies Act, 2013 opened with the Public Issue Account Bank pursuant to the Banker to the Issue Agreement and where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors
Public Issue Account Bank / Banker to the Issue	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account for collection of Application Amounts from Escrow Account(s) and ASBA Accounts will be opened, in this case being [●].
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●]. The Price Band will be decided by our Company and Selling Shareholders in consultation with the BRLM and advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), at least two working days prior to the Bid / Issue Opening Date.
Pricing Date	The date on which our Company and Selling Shareholders, in consultation with the BRLM, will finalize the Issue Price.
Red Herring Prospectus	The Red Herring Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.

Public Issue Account Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts.
Public Issue Account	Account to be opened with the Banker to the Issue to receive monies from the SCSBs from the bank account of the ASBA bidder, on the Designated Date.
Public Issue Bank Account	The bank with whom the Public Issue Account shall be opened for collection of Bid Amounts from the Escrow Account and ASBA Accounts on the Designated Date, in this case being [●]
Qualified Institutional Buyers / QIBs	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Qualified Foreign Investors/ QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
Qualified Institutional Portion	The portion of the issue being not more than 45.00 % of the issue or [●] Equity Shares, available for allocation to QIBs (including Anchor Investors*) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company in consultation with the BRLM, subject to valid Applications being received at or above the Issue Price. The Company and Selling shareholders may, in consultation with the Book Running Lead Manager, considered participation by Anchor Investors in accordance with the SEBI ICDR regulations.
Draft Red Herring Prospectus/DRHP	The Draft Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto.
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Registered Brokers	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 and the UPI Circulars issued by SEBI.
Registrar / Registrar to the Issue	Registrar to the Issue being Purva Sharegistry India Private Limited
Registrar Agreement	The Registrar Agreement dated February 15, 2021 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
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
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Retail Individual Investors /(RII)	Individual investors (including HUFs applying through their Karta and Eligible NRI Bidders) who applies or bids for the Equity Shares of a value of not more than ₹. 2,00,000.
Retail Portion	Portion of the Issue being not less than 45% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to RIBs (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis

Revision Form	The form used by the bidders to modify the quantity of Equity Shares or the bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Selling Shareholder	The Selling Shareholder is Mr. Lokendra Singh Rajput
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>
Sponsor Bank	The Banker to the Issue which is registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars.
Stock Exchange	National Stock Exchange of India Limited
SME Platform of NSE / SME Exchange / Stock Exchange / NSE Emerge e	The SME platform of NSE i.e., NSE Emerge, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations.
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI (Takeover) Regulations	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Sponsor Bank	The Banker to the Issue registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars.
Specified Locations	Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time
Sub Syndicate Member	Sub Syndicate Member The sub-syndicate members, if any, appointed by the BRLM and the
TRS/ Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriter	Underwriter to the issue is Share India Capital Services Private Limited
Underwriting Agreement	The Agreement entered into between the Underwrite, our Company and Selling Shareholder dated April 18, 2024
Unified Payment Interface or UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Circular	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent

	circulars or notifications issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
UPI Applicants	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, and Other than retail individual investors applying with an application size of more than ₹ 200,000 and up to ₹ 500,000 in the Other than Retail Investors category and applying under the UPI Mechanism.  Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the application form submitted with: (i) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (ii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iii) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Willful Defaulter	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Days	i. Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; 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 and the SEBI circular number SEBI /HO /CFD /DIL2/CIR/P/2018/138 dated November 1, 2018.

## TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
AICRP	All India Coordinated Research
BPD	Business and Planning Development
DAC	Department of Agriculture and Cooperation
DM	Downy mildew
DPQS	Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds
GOT	Grow-out test centres
GVA	Gross Value Added
ICAR	Indian Council of Agricultural Research
ICRISAT	International Crop Research Institute for the semi-Arid Tropics
IFFCO	Indian Farmers' Fertiliser Cooperative Limited
IMF	International Monetary Fund
IIPR	Indian Institute of Pulses Research
JMKVV	Jawaharlal Nehru Krishi Vishwavidyalaya
KVKs	Krishi Vigyan Kendra
NSC	National Seeds Corporation
SAU	State Agricultural Universities
Seeds Act	The Seeds Act, 1966



Seeds Bill	The Seeds Bill, 2019
Seeds (Control) Order	The Seeds (Control) Order, 1983
Seeds Rules	The Seeds Rules, 1968
SFCI	State Farms Corporation of India
SSCs	State Seeds Corporation
ZTM	Zonal Technology Management

## CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AIF	Alternate investment Fund as defined in and registered with SEBI under SEBI AIF Regulations
AO	Assessing Officer
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BG/LC	Bank Guarantee/ Letter of Credit
B.com	Bachelor of Commerce
Bn	Billion
BRLM	Book Running Lead Manager
CA	Chartered Accountant
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CARO	Companies (Auditor's Report) Order, 2016 as amended
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CFSS	Companies Fresh Start Scheme under Companies Act, 2013
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
CS	Company Secretary
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended from time to time
DIN	Director identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP/ Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
DP ID	Depository Participant's Identification
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
EXIM/EXIM Policy	Export-Import Policy
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year

FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there- under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
FTA	Foreign Trade Agreement
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/ Government/GoI	Government of India
GST	Goods and Service Tax
GST Act	The Central Goods and Service Tax Act, 2017
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	Income Tax Act, 1961, as amended from time to time
ITAT	Income Tax Appellate Tribunal
INR/ Rs. / Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
IPO	Initial Public Offering
KMP	Key Managerial Personnel
KPI	Key performance indicator
Ltd.	Limited
Pvt. Ltd.	Private Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
MSMEs	Micro, Small & Medium Enterprises
NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate

NR/ Non-Residents	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
NSE	National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
Offer for Sale/OFS	The Offer for sale of Upto 5,00,000 Equity Shares aggregating up to ₹ [●] Lakhs.
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTA	Registrar and Transfer Agents
RTI	Right to Information, in terms of Right to Information Act, 2005
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSBs	Self-Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time

SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time
Sec.	Section
S&P BSE SENSEX	S&P Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the NSE Emerge
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TAN	Tax Deduction and Collection Account Number
TIN	Taxpayer Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCFs	<p>Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.</p> <p>In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.</p>
w.e.f	With effect from

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Financial Data

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the Restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and 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, as Restated' beginning on page number 183 of this Draft 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 1<sup>st</sup> of April of each year and ends on the 31<sup>st</sup> of March of the next year. All references to a particular fiscal year are to the 12-month period ending on 31<sup>st</sup> March of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS, and 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 Draft 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 Draft 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 Draft 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 and 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, as Restated' beginning on page number 183 of this Draft Red Herring Prospectus.

### Currency and Units of Presentation

In this Draft Red Herring Prospectus, references to "Rupees" or "INR" or ₹ or "Rs." 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 / Lakh/ Lakhs / Lac' means 'one hundred thousand' and 'Crore' means 'ten million' and 'billion / bn./ Billions' means 'one hundred crores'.

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lac / Lakh" means "one hundred thousand".

### Industry and Market Data

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information, and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the Draft 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

*All statements contained in the Draft Red Herring Prospectus that are not statements of historical facts constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals, and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects, and other matters discussed in the Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.*

*These forward-looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. All forward-looking statements are subject to risks, uncertainties, and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:*

- a) General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- b) Competition from existing and new entities may adversely affect our revenues and profitability;
- c) Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- d) Our business and financial performance is particularly based on market demand and supply of our Products/services;
- e) The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- f) Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- g) Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- h) The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.
- i) Our ability to respond to technological changes;
- j) Our ability to attract and retain qualified personnel;
- k) Our ability to manage our growth effectively.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections/chapters “Risk Factors”, “Business Overview” And “Management’s Discussion and Analysis of Financial Position and Results of Operations” on page numbers. 26, 121 and 205 respectively of this draft red herring prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the BRLM, or 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. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

In accordance with the SEBI ICDR Regulations, our Company, Selling shareholders, the Promoters and the Book Running Lead Manager will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Issue. In accordance with the requirements of SEBI, each of the Selling Shareholder will ensure that investors are informed of material developments in relation to the statements and undertakings specifically undertaken or confirmed by it in the Red



Herring Prospectus until the date of Allotment. Only statements and undertakings which are specifically confirmed or undertaken by each of the Selling Shareholders to the extent of information pertaining to it and/or its respective portion of the Offered Shares, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

## SECTION II - SUMMARY OF OFFER DOCUMENTS

*The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections entitled ‘Risk Factors’, ‘Industry Overview’, ‘Outstanding Litigation and Material Developments’, ‘Our Promoters and Promoter Group’, ‘Restated Financial Statements’, ‘Objects of the Issue’, ‘Our Business’, ‘Issue Procedure’ and ‘Description of Equity Shares and Terms of Articles of Association’*

Our Company was originally incorporated as “Vardaan Biotech Private Limited” as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 20, 2007, issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting held on January 05, 2021, and the name of our Company was changed to “Vardaan Biotech Limited”. A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company was issued by the Registrar of Companies, Gwalior on January 15, 2021. The Corporate Identification Number of our Company is U15495MP2007PLC020132.

### PRIMARY BUSINESS OF THE COMPANY

Our Company is in the business of production, processing and marketing of hybrid, research, and improved varied agricultural seeds for different crops such as maize, paddy, soya, bajra, SSG ruby, SSG moti, mustard, peas, wheat, tomato, chilly, coriander, okra, watermelon, ride-gourd, cucumber, and onion and have recently forayed into certified, hybrid and research products.

We have our presence in Madhya Pradesh, Bihar, Jharkhand, Uttar Pradesh, Rajasthan, Chhattisgarh, Telangana, and Maharashtra, Gujarat, Haryana, Karnataka. All the seed varieties produced and developed by our Company are marketed under the brand of ‘Vardaan’.

### SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

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. Introduction of New Seed Development Policy (1988 – 1989) was yet another significant milestone 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 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.

The India Seed Market size is estimated at 3.61 billion USD in 2024 and is expected to reach 5.01 billion USD by 2030, growing at a CAGR of 5.58% during the forecast period (2024-2030).

### PROMOTERS

The Promoters of our Company are Mr. Lokendra Singh Rajput and Ms. Rashmi Rajput. For detailed information on our Promoters and Promoters’ Group, please refer to Chapter titled “Our Promoters and Promoter Group” on page number 174 of this Draft Red Herring Prospectus.

## SIZE OF ISSUE

Present issue comprises a fresh issue of up to 48,18,000 equity shares aggregating to ₹ [●] Lakhs by our company ("Fresh Issue") as per the details below and an offer for sale of up to 5,00,000 equity shares by our Promoters and the Promoter Group selling shareholders aggregating to ₹ [●] Lakhs ("offer for sale").

PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS	
Issue of Equity Shares by our Company	
<b>The Issue consists of:</b>	
Fresh Issue	Upto 48,18,000 Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share
Offer for Sale	Upto 5,00,000 Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share
<b>Out of which:</b>	
Market Maker Reservation Portion	5,32,000 Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share
Net Issue to the Public	47,86,000 Equity Shares of ₹ 10.00 each at an Issue Price of ₹ [●]/- per Equity Share

For further details, see "The Issue" on page number 55 of this Draft Red Herring Prospectus.

## OBJECTS OF THE ISSUE

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

Sr. No.	Particulars	Amount (₹ in Lakhs)
1	Meeting Working Capital Requirements	3800
2	Repayment of certain borrowings availed by the Company	1000
3	General Corporate Purpose <sup>(1)</sup>	[●]
4	Issue expenses#	[●]
	<b>Total</b>	[●]

(1) To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

# Other than the listing fees for the Offer all cost, fees, and expenses in respect of the Issue will be shared amongst our Company and Selling Shareholders, respectively, in proportion to the proceeds received for the Fresh issue and their respective portion of Offered Shares, as may be applicable, upon the successful completion of the Issue

For further details, please refer to chapter titled "Objects of the Issue" on page number 87 of this Draft Red Herring Prospectus.

## PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS / PROMOTER GROUP AND SELLING SHAREHOLDER AS A PERCENTAGE OF THE PAID-UP CAPITAL OF THE COMPANY

Set forth is the Pre-Issue shareholding of our Promoter and Promoter Group as a percentage of the paid-up share capital of the Company.

	Name of shareholders	Pre-Issue	
		No. of equity shares	As a %of Issued Capital*
Promoter			
1	Mr. Lokendra Singh Rajput	78,33,177	55.28
2	Ms. Rashmi Rajput	47,81,193	33.74
Promoter Group			
1	Ms. Pushpa Rajput	450	0.00
2	Mr. Hari Singh Rajput	45	0.00
3	Mr. Samar Pratap Singh Rajput	45	0.00
4	Ms. Tanushka Singh	45	0.00
5	Mr. Bhoopendra Singh Rajput	1,12,500	0.80

<b>TOTAL</b>	<b>1,27,27,455</b>	<b>89.82</b>
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*\*Present Issue of 53,18,000 Equity Shares Consisting of Fresh issue of 48,18,000 Equity Shares and Offer for Sale of 5,00,000 Equity Shares by our Promoters and Promoter Group.*

For further details, see “Capital Structure” on page number 73 of this Draft Red Herring Prospectus.

#### **SUMMARY OF RESTATED FINANCIAL STATEMENT**

The details of our Equity Share capital, Net Worth, Net Asset Value per Equity Share and total borrowings as at and for nine months period ended December 31, 2023, and for the year ended March 31, 2023, March 31, 2023, and March 31, 2021, derived from the Restated Financial Statements are as follows:

*(in Lakhs)*

Particulars	For the period ended December 31, 2023	For year ended March 31,		
		2023	2022	2021
Equity Share capital	900.00	900.00	300.00	300.00
Net worth (1)	3412.81	2060.62	923.64	498.12
Total income	11069.07	13016.86	10338.29	8465.14
Profit After Tax	1352.18	1136.98	425.52	110.37
Basic earnings per share (Face Value of ₹10/- each) (in ₹) (2)	15.02	12.63	14.18	3.71
Diluted earnings per share (Face Value of ₹10/- each) (in ₹) (3)	15.02	12.63	4.73	1.23
Return on Net Worth for equity shareholders (%)	39.62	55.18	46.07	22.26
Net Asset Value per Equity Share (in ₹) (4)	37.92	22.90	30.79	16.60
Total borrowings (5)	3046.25	2222.52	2307.59	1346.68

*\*Not Annualised*

*(1) Net Worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet.*

*(2) Basic earnings per share (₹) = Profit/(loss) for the year/period divided by total weighted average number of equity shares outstanding during the year/period.*

*(3) Diluted earnings per share (₹) = Profit/(loss) for the year/period divided by total weighted average number of diluted equity shares outstanding during the year/period*

*(4) Net Asset Value per Share = Restated Equity attributable to equity holders as at year/period end divided by total number of Equity Shares outstanding at the end of the year/period*

*(5) Total Borrowings = Non-current borrowings + current borrowings.*

For further details, see “Restated Financial Information” on page number 183 of this Draft Red Herring Prospectus.

#### **QUALIFICATION OF AUDITORS**

There are no qualifications included by our Statutory Auditors in the financial statements which have not been given effect to in the Restated Financial Statements.

#### **SUMMARY OF OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

A summary of outstanding litigation proceedings involving our Company, our Promoter, Directors, and Group Companies as on the date of this Draft Red Herring Prospectus as disclosed in the section titled “Outstanding

*Litigation and Material Developments*” on page number 221 of this Draft Red Herring Prospectus in terms of the SEBI ICDR Regulations and the materiality policy is provided below:

Name of Entity	Criminal Proceedings	Actions by Regulatory Authority	Tax Proceedings	Other Material Proceedings	Aggregate amount involved (In Lakhs)
By the Company	Yes	Nil	Nil	Nil	69.21
Against the Company	Yes	Nil	Yes	Nil	94.43
By the Promoter	Yes	Nil	Nil	Nil	NA
Against the Promoter	Yes	Nil	Nil	Nil	NA
By the Directors other than Promoters	Nil	Nil	Nil	Nil	None
Against the Directors other than Promoters	Nil	Nil	Nil	Nil	None
By Group Company/entity	Nil	Nil	Nil	Nil	None
Against Group company/ entity	Nil	Nil	Nil	Nil	None

#### RISK FACTOR

For details relating to Risk Factors Please refer Section titled “*Risk Factors*” on page number 26 of this Draft Red Herring Prospectus.

#### CONTINGENT LIABILITIES

There are contingent liabilities of Rs. 94.43 Lakhs for the nine months period ended December 31, 2023 and for the FY 2022-2023. However, there are no contingent liabilities for the FY 2021-22 and 2020-21. For further details, please refer to the section titled ‘*Restated Financial Statements*’ beginning on page number 183 of this Draft Red Herring Prospectus.

#### SUMMARY OF RELATED PARTY TRANSACTIONS

A summary of the related party transactions entered into by us– Related Party Disclosures, derived from our Restated Financial Statements, is detailed below:

(in Lakhs)					
Sr. No.	Description of transaction	Amount as at December 31, 2023	Amount as at March 31, 2023	Amount as at March 31, 2022	Amount as at March 31, 2021
<b>I</b>	<b>Director remuneration</b>				
	Mr. Lokendra Singh Rajput	40.00	24.00	24.00	21.07
	Ms. Pushpa Rajput	6.60	2.40	2.40	2.40
	Ms. Rashmi Rajput	12.60	2.40	2.40	2.40
		<b>59.20</b>	<b>28.80</b>	<b>28.80</b>	<b>25.87</b>
<b>II</b>	<b>Rent</b>				
	Mr. Lokendra Singh Rajput	13.00	12.00	12.00	12.00
	Ms. Pushpa Rajput	14.85	20.52	20.52	19.80
	Ms. Rashmi Rajput	8.85	10.02	10.02	1.20
		<b>36.70</b>	<b>42.54</b>	<b>42.54</b>	<b>33.00</b>
<b>III</b>	<b>Purchases</b>				
	Mr. Lokendra Singh Rajput	0.00	0.00	0.00	73.26

	Ms. Pushpa Rajput	0.00	0.00	0.00	9.63
	Ms. Rashmi Rajput	0.00	0.00	0.00	43.14
		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>126.03</b>
<b>IV</b>	<b>Net Unsecured Loan taken /(Repaid)</b>				
	Mr. Lokendra Singh Rajput	-13.60	13.57	-2.15	-6.98
	Ms. Pushpa Rajput	-26.00	123.65	1.50	-19.00
	Ms. Rashmi Rajput	0.00	8.24	-1.00	0.00
		<b>-39.60</b>	<b>145.46</b>	<b>-1.65</b>	<b>-25.98</b>
<b>V</b>	<b>Balances as at the year end-Unsecured Loans</b>				
	Mr. Lokendra Singh Rajput	30.84	44.44	30.87	33.02
	Ms. Pushpa Rajput	99.15	125.15	1.50	0.00
	Ms. Rashmi Rajput	25.23	25.23	17.00	18.00
		<b>155.22</b>	<b>194.82</b>	<b>49.37</b>	<b>51.02</b>

For further details, see “*Restated Financial Statements–Annexure 24– Statement of Related Parties and details of Related Party Transaction*” on page number 183 of this Draft Red Herring Prospectus.

#### FINANCING ARRANGEMENT

There have been no financing arrangements whereby our Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

#### WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTERS

The weighted average price of equity shares acquired by our Promoters in the last one year is set forth in the table below:

S. No.	Name of the Promoter	Weighted average Cost of acquisition (in ₹)
1.	Mr. Lokendra Singh Rajput	Nil
2.	Ms. Rashmi Rajput	Nil

#### AVERAGE COST OF ACQUISITION OF OUR PROMOTERS

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

Sr. No.	Name of Promoter	No. of Equity Shares held	Average Cost of Acquisition per Equity share (in ₹)
1.	Mr. Lokendra Singh Rajput	78,33,177	2.26
2.	Ms. Rashmi Rajput	47,81,193	2.21

#### DETAILS OF PRE-IPO PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

#### ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR

Except as follows, the Company has not issued any Equity Shares for consideration other than cash in the last one year preceding the date of this Draft Red Herring Prospectus.

S. No.	Number of Equity Shares	Nature of Allotment
1.	45,00,000	Bonus Issue

For more information in this regard, please refer to the chapter titled “*Capital Structure*” on page number 73 of this Draft Red Herring Prospectus.



**SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE (1) YEAR**

Our Company has not undertaken any split or consolidation of Equity Shares during the last one year from the date of this Draft Red Herring Prospectus.

**SEBI EXEMPTION**

Our company has not applied or received any exemption from complying with any provisions of securities laws of SEBI.

## SECTION III – RISK FACTORS

Any investment in equity securities involves a high degree of risk. Investor should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, “Business Overview”, “The Issue”, “Industry Overview”, “Restated Financial Information”, “Outstanding Litigation and Material Developments”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial conditions, and Prospects.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.

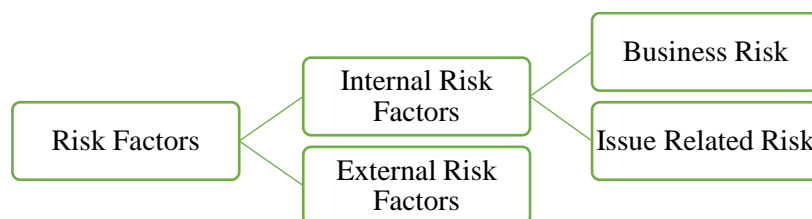
The financial information in this section is, unless otherwise stated, derived from our Restated Standalone Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act, 2013, and SEBI (ICDR) Regulations.

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

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

*The financial and other related implications of the 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 Accounting Standards, as restated in this Draft 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 Abbreviations” beginning on page number 2 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 FACTORS:

#### BUSINESS RISKS

1. *The seeds business is highly seasonal and such seasonality may affect our operating results and cash flow of our Company.*

Our business is seasonal in nature. Both raw material supplies and sales are seasonal, as our business is influenced by the traditional crop seasons in India. In India, majority of the farmers depend on monsoon for cultivation. Rainfall usually occurs during Kharif season and hence, the timing and seasonality of rainfall has an impact on the business of our Company. Thus, we are subject to seasonal factors, which make our operational results very unpredictable. We recognize revenues only upon the sale of our products. Empirically, the revenues recorded during planting and harvesting seasons are lower compared to revenues recorded during the periods following such seasons. During periods of lower sales activities, we continue to incur substantial operating expenses, but our revenues remain usually lower. Due to the inherent seasonality of our business, results of one reporting period may not be necessarily comparable with preceding or succeeding reporting periods. Sometimes, even if there is a slight change in timing of rain fall, the sales will get deferred from one reporting period to another reporting period. The sales that were supposed to take place during one financial year may get added to sales of the next financial year and therefore results of even full financial year may not necessarily be comparable to the other financial year.

2. ***The land and premises for our units are taken on lease/license by us from our Promoters. If we are unable to renew existing lease/license/arrangements or agreement/arrangement got terminated or eviction took place due to any Court order and the Company is unable to relocate operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition, result of operations and cash flows.***

One of our seed processing units located at New Godown No.2, Gali No.10 situated at the land, licensed to us w.e.f. September 24, 2021, for a period of 36 months with annual auto renewal clause. Memorandum of Understanding ('MOU') has been executed between Vardan Seed & Agreetach through its proprietor Mr. Lokendra Singh Rajput (Licensor) for the arrangement and the Company is using the said land for seed processing and storage, but the same is neither stamped nor notarised nor registered. Rental/license fees/charges for the said land has become due and payable for the first time on March 31, 2024. Hindustan Uni Liver Limited (Formally known as Modern Foods Industries (India) Limited) filed the suit against the Licensor for eviction from the said land and secured the decree of eviction by Judgement dated July 27, 2019. Hon'ble High Court of Madhya Pradesh at Indore (Case No: SA No. 2885 of 2022) was pleased to grant stay in favour of Licensor and stayed the eviction the Licensor is regularly depositing the rent before the Hon'ble Court.

Further, our other seed processing unit and warehouse is owned by our Promoter Directors, Mr. Lokendra Singh Rajput, and Ms. Rashmi Rajput, and are taken on long term lease/ rent as per the details below:

Name of the Promoter	Address of the Property Rented	Purpose	Period
Mr. Lokendra Singh Rajput	Survey No. 262 Gram Jaithal Near Bharat Petrol Pump, Agar Road Ujjain, Madhya Pradesh, India	Processing Unit	18 years Lease, expiring on May 31, 2038
Ms. Rashmi Rajput	Survey No. 261, Near Bharat Petrol Pump, Jaithal, Ujjain, Madhya Pradesh, India	Warehouse	Rented August 01, 2023, to June 30, 2024

Our Company constructed its own building on the above land and installed plant and machinery. Any event of disagreement between the parties to the lease agreements or arrangements, or non-renewal of the lease agreement license arrangement could result in cessation of seed processing activity, which could materially affect the business and impact the financial condition of our Company. Further, if we are unable to receive any approval relating to this premises, we may suffer a disruption in carrying out the seed processing operations.

Further, upon expiration of the aforesaid lease agreement / license arrangement, we shall be required to re-negotiate the terms and conditions on which the agreement is to be renewed. In the event that lease agreement/ license arrangement is/are not renewed on commercially acceptable terms or at all or if any Court passes order of eviction under the Suit between the Licensor and Landlord, we may suffer a disruption in carrying out the seed processing operations due to the closure of the plant/s. If alternative premises are not available at the same or similar costs size or locations, our business, financial condition, and results of operations may be adversely affected. For further details, please refer to the section titled '**Our Business**' beginning on page number 121 of this Draft Red Herring Prospectus.

**3. *We are heavily dependent upon on the success of our research and development (R & D) and the failure to develop new and improved products could adversely affect our business.***

Our Company has in the past made, and intends to continue to make, investments in research and development. In Financial Year 2022-23 and in the 9 months period ending on December 31, 2023, our Company incurred an amount of ₹ 0.02 Lakhs and ₹ 0.22 Lakhs, respectively, on research and development expenses, which accounted for 0.02% and 0.20% of our revenue from operations in the Financial Year 2022-23 and the 9 months period ending on December 31, 2023, respectively. We cannot assure that our Company will make enhanced investments or continue the current level of investments in research and development efforts, or that these investments will yield satisfactory results, or any results at all.

Prior to setting up its own Research and Development Facility, the Company had outsourced its research and development activities to Lorven Biologics Private Limited. Presently, such activities are being undertaken at research Facility in Telangana on land admeasuring Twenty 20 acres situated in Bandamadharam Village. The present land is on lease for three years from 15<sup>th</sup> May 2023, the lessors of the same being Sri Saddi Srinivasa Reddy, Sri Hanumantha Reddy, and Sri Narasimha Reddy.

Agri-input product life cycles are getting shorter due to technological advancements and growing competition. This has created an urgent need to have in the pipeline an assortment of products which can successfully replace the current products as well as achieve market share objectives. Our success depends heavily on our ability to identify and develop high quality products on a timely basis that meet the evolving needs of our end consumers and that distinguish us from our competitors. Seed research and development covers a broad technological platform, and technological advances are frequent, rapid and complex. The process for development of new hybrids and varieties of seeds is lengthy and costly. On an average, it takes three to five years, depending on the crop, for a proprietary hybrid to reach commercial viability. The success of new product offerings depends on several factors such as the ability to accurately anticipate and properly identify changing customer needs or industry trends, efficient use of research and development resources, timely launch, competitive pricing, and our ability to innovate, develop and commercialize new products and to differentiate our products from those of our competitors. In particular, the breeding process for certain field crops and vegetables are more complex and time consuming, and we may require a long time to develop and commercialize new products. We thus cannot assure the timely development of new products to meet consumers' changing needs. If we are not able to adequately respond to such changes in time, our business may be adversely affected. Research and development process involve the application of high level of technology.

**4. *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 fertilizers, weather conditions may also affect the presence of diseases and pests. Any of these factors may adversely affect our production of seeds. Additionally, we cannot assure 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.

**5. *The land and premises at which our Registered Office, Corporate Office and other offices are situated have been taken on lease by our Company. Lease Agreement exceeding 11 months tenures were required to be registered but the same has not been dully registered and stamped If we are unable to renew existing leases or relocate operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition, result of operations and cash flows.***

The Registered Office of our Company situated at the premises of C-2/1, Mahananda Nagar Dewas Road Ujjain Madhya Pradesh – 456010, India, is not currently owned; but has been leased out to us pursuant to a lease agreement dated August 01, 2023 with member of our Promoter Group, Ms. Pushpa Rajput for occupying the

premises for our Registered Office; for a tenure of eleven (11) calendar months effective from August 01, 2023 until June 30, 2024. Similarly, the Corporate Office of our Company situated at Plot No. 312, KLR Venture, Medchal, Medchal–Malkajgiri District, Hyderabad – 501 401, Telangana, India, is not an owned property, but has been rented out to our Company pursuant to a rental agreement dated April 01, 2024, executed between our Company and Sri. B. Sridhar Yadav for a period of 11 (eleven) months effective from April 01, 2024, for the purpose of occupying the premises for commercial activities. That the agreements for corporate office R&D and other office exceeding 11 months were required to be registered in the state of Telangana before the Registrar office of appropriate district but the same has not been registered. The copies of the agreement provided to us shows deficiencies in stamp duty. Above noncompliance and deficiency may affect invocation of the agreement additional demand of stamp duty and fine and penalties for delay in registration. Documents, deficient in stamp duty may not be admitted as evidence and may adversely affect our Company.

If we fail to comply with the stipulated conditions of the aforesaid agreements, the lessors may terminate the lease agreement or the rent agreement, which could have an adverse effect on our operations; and there can be no assurance that renewal of lease agreement and/ or the rental agreement with the owner will be entered. Further, upon expiration of the aforesaid lease agreement dated April 01, 2023, and rental agreement dated August 01, 2023, we shall be required to negotiate the terms and conditions on which the lease and the rental agreements are to be renewed. In the event that these agreements are not renewed on commercially acceptable terms or at all, we may suffer a disruption in our operations. Further, if in an event alternative premises are not available at the same or similar costs, size or locations, our business, financial condition, and results of operations may be adversely affected.

**6. *Our Company has entered into an agreement with V.I.B Agritech for establishing seed processing facility.***

Our Company has entered into an agreement with M/s V.I.B Agritech (hereinafter referred to as “Processor”) for processing of seeds for our company on August 11, 2023, for a period of twelve (12) months. The agreement is due to expire on August 22, 2024. The Processor is responsible for processing of seeds, unloading of raw materials, storage processing, packing of seeds, etc. In the event of disagreement between the parties to the agreement and cessation of operations at the seed processing facility, it could materially and adversely affect the processing operations, which could impact the business at large; further there can be no assurance that the said agreement shall be renewed within time.

Further, upon expiration of the aforesaid agreement, we shall be required to re-negotiate the terms and conditions on which the agreement is to be renewed. In the event that this agreement is not renewed on commercially acceptable terms or at all, we may suffer a disruption in carrying out the agreed operations, ultimately affecting our financial condition and results of operations. For further details, please refer to the section titled ‘**Our Business**’ on page number 121 of this Draft Red Herring Prospectus.

**7. *V.I.B Agritech is responsible to comply with various applicable laws and in an event of non-compliance with any statutorily applicable law could adversely affect our business.***

Our Company has entered into a Custom Seed Processing Agreement with M/s V.I.B Agritech. In accordance with the terms and conditions agreed between M/s V.I.B Agritech and our Company, M/s V.I.B Agritech has undertaken the responsibility to ensure compliance with various regulations and hold licenses under relevant applicable statutes and acts; and our Company is not liable to undertake any compliance under any law. Any event of non-compliance with the applicable regulations or non-renewal of licenses by M/s V.I.B Agritech, would not only result in cessation or halting of operations of processing facility of M/s V.I.B Agritech but would also affect the seed processing of the products of our Company, ultimately impacting the business our business, financial condition, results of operations and prospects of our Company. For further details, please refer to the section titled ‘**Our Business**’ on page number 121 of this Draft Red Herring Prospectus.

**8. *Our Company operates under several statutory and regulatory permits, licenses, and approvals. Our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business may have an adverse effect on our business & operations.***

Subsequent to conversion of our Company into public limited company on January 15, 2021, we were required to apply for change in name in all our registrations and statutory approvals which are in previous name of our Company. Some of the statutory and regulatory permits, licenses and approvals are still in the name of Vardaan Biotech Private Limited. Further, Company has not renewed License to carry on the business of a dealer in seeds in State of Karnataka, Rajasthan and Jharkhand under the Seeds (Control) Order, 1983. The last. Any delay or failure to renew and change could have an adverse effect on our business and results of operations.

For further details, please refer to section titled '**Government and Other Approvals**' beginning on page number 231 of this Draft Red Herring Prospectus.

**9. *None of the seed varieties produced by us through research and development have been registered under the Protection of Plant Varieties and Farmers' Rights, 2001.***

We have developed a number of seed varieties through research and development at a substantial cost. However, none of these varieties, so far, have been registered under the Protection of Plant Varieties and Farmers' Rights, 2001. Further, we cannot assure that, our Company will endeavour to register these seed varieties with the regulatory authorities concerned and thereby be entitled to statutory protection under the Protection of Plant Varieties and Farmers' Rights, 2001.

**10. *Non-availability of secretarial records of the company filed with ROC since incorporation to the FY 2013-14.***

We're currently experiencing difficulty in locating certain records. However, our company is actively working to rectify this situation. While we can't guarantee that all filings were made on time, we're committed to compliance and ensuring that any regulatory requirements are met wherever possible.

**11. *We have not entered into any arrangement or agreement with our distribution network and rely on the success of our existing distribution network and the financial health of our distributors. In an event of unstable distribution network or conflict of interest with the competitors and our inability to attract high quality dealers, our Company may be adversely affected impacting our business, 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 primarily rely on our distribution network and dealership to reach the end customer, that is the farmer, and distribute, market and sell our agri-input products in each of the regions where we operate. Competition for seed distributors and other agri-inputs dealers is intense and our growth depends on our ability to attract more high-quality distributors into our distribution network. Further, while we continuously seek to increase the penetration of our products by appointing new dealers and distributors targeted at different markets and geographies, we cannot assure that we will be able to successfully identify or appoint new dealers and distributors, or effectively manage our existing distribution network. If our competitors offer more favourable terms to our dealers and distributors than those offered by us, such dealers and distributors may decline to distribute our products and terminate their arrangements with us or they may focus on selling our competitors' products. Since, there are no contractual arrangements with our existing distributors they may market and sell products of our competitors as well, which shall affect into conflict of interest or may affect our relationship with our existing distribution network which may restrict us from selling our products through them, thereby limiting our ability to expand our network. If we are unable to expand or effectively manage our distribution network, it could have an adverse effect on our business, financial condition, and results of operations.

We cannot assure that revenue from distributors accounted, individually or as a group, will continue, or if continued, will reach, or exceed historical levels in any given period. Our failure to maintain a stable distribution network and attract more quality distributors into our distribution network may cause our market share to decline, thereby materially and adversely affecting our business, results of operations and financial condition.

We generally do not enter into any supply contracts or supply agreements with our distributors and dealers for the sale of our products. Hence, our business is therefore dependent on maintaining good relationships with our distributors. Our sales are recorded when we deliver our products based on purchase orders received from time to time. Purchase orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories.

Further, due to the lack of agreements, and in the absence of any arrangements with us, our dealers and distributors are not contractually bound to provide us a specific volume of business and can terminate our relationship with or without cause, with little or no advance notice and without compensation. Consequently, there is no commitment on the part of dealers and distributors to continue to place new orders with us and our sales may fluctuate from period to period as a result of changes in our distributors' preferences, and we may be unable to procure repeat orders. For the aforesaid reasons, we also lack control over any sub-dealers, and in certain cases, over the retailers of our products. Cancellation by dealers and distributors, reduction in their orders or instances where anticipated orders fail to materialize can result in mismatches between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to inventory maintenance and reduction of our margins, which may adversely affect our profitability and liquidity.



**12. *We have a limited number of raw material suppliers. Any kind of refusal from them can hinder our production resulting into loss of our clients.***

There are a very few suppliers from which raw materials like hybrid seeds can be procured, and they may allocate their resources to service other clients ahead of us. While we believe that we could find additional suppliers to supply these raw materials, any failure of our suppliers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers which could have a material adverse effect on our business, financial condition, and results of operations.

**13. *A shortage or non-availability of essential utilities such as electricity and water could affect our operations and have an adverse effect on our business, results of operations and financial condition.***

Our business operations are heavily dependent on continuous and supply of electricity and water which are critical to our operations. While our power requirements are met through local state power grid through interstate open access, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, while water is procured through bore wells, any shortage or non-availability of water or electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shutdowns could, particularly if they are for prolonged periods, have an adverse effect on our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel-generator sets or if we are required to source water from third parties, our cost of operations would be higher during such period which could have an adverse impact on our profitability.

**14. *Any reduction in the demand for our products could lead to underutilization of our production capacity. We may also face surplus production of a particular product due to various reasons including inaccurate forecasting of customer requirements, which could adversely affect our business, results of operations, financial condition, and cash flows.***

We face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being produced by us. Cancellations, reductions, or instructions to delay production (thereby delaying delivery of products produce by us) by customers could adversely affect our results of operations by reducing our sales volume leading to a reduced utilization of our existing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements, and other resource requirements, based on our estimates of customer orders. The changes in demand for their products (which are in turn produce by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our production capacity fora particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our processing facilities could adversely affect our business, results of operations, financial condition, and cash flows.

**15. *Information relating to estimated installed capacities of our processing is based on various assumptions and estimates and actual production may differ significantly from such estimated capacities.***

The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our seed processing thereby affecting our production schedules. We often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Therefore, there could be a significant difference in the installed capacity and the production of our products due to the variety of products that we produce. Certain products require lesser process time whereas certain products require more process time in the same production set-out that we have installed. Therefore, the information provided in this Draft Red Herring Prospectus on installed capacities and the data on actual production may differ significantly. For further details, please refer to the section titled '**Our Business**' on page number 121 of this Draft Red Herring Prospectus.

**16. *We rely on third party seed growers for our seed production. The occurrence of any problems with such third-party seed growers may require us to scout for other seed growers at shorter notice which may not be possible,***

***and could, therefore, have a material adverse effect on our business, operations, results of operations and financial conditions.***

Our seed production is generally undertaken through organizers who are basically farmers who undertake the responsibility for organizing the seed production programs through their network of farmers in a particular area. These seed growers are independent contractors and not our employees. Although seed production is subject to close supervision by our employees, such arrangements with seed growers carry with them the risks associated with the possibility that seed growers may:

- a. Have economic or other interests that are inconsistent with ours;
- b. Take actions contrary to our instructions or requests, and/or;
- c. Be unable or unwilling to fulfil their obligations.

We cannot be sure that we will not face problems with these third-party seed growers, or that they will choose to continue to work with us in future. The occurrence of any such problems may require us to scout for other seed growers at shorter notice which may not be possible, and otherwise will have a material adverse effect on our business, results of operations and financial condition. We do not have long-term contracts with seed growers/arrangers and cannot assure that such seed growers/ organizers will continue to work with us in the future.

***17. Our contingent liabilities as stated in our Restated Financial Statements could affect our financial condition.***

Our Contingent liability was Rs. 94.43 Lakhs for the nine months period ended December 31, 2023 and for the FY 2022-2023 related to Income tax. However, there are no contingent liabilities for the FY 2021-22 and 2020-21. If this contingent liability materializes, fully or partly, the financial condition of our Company could be affected. For further details, please refer to the chapter titled “Outstanding Litigations and Material Developments” on page 221 of this Draft Red Herring Prospectus.

***18. We are highly dependent on markets in the states of Maharashtra, Bihar, Chhattisgarh, Jharkhand, Rajasthan, Madhya Pradesh, Telangana, Haryana, Karnataka, Gujarat and Uttar Pradesh and are exposed to risks related to the concentration of our operations in these states. Any disruption to our operations in these states could materially and adversely affect our business, financial condition, results of operations and prospects.***

A significant proportion of our sales efforts have been in the states of Maharashtra, Bihar, Chhattisgarh, Jharkhand, Rajasthan, Madhya Pradesh, Telangana, Haryana, Karnataka, Gujarat, and Uttar Pradesh. Although our business operations are concentrated in these states out of necessity as most of these states are the key producing states in India, such concentration exposes us to significant risks that any adverse changes to the markets in these states could adversely affect our business, financial condition, results of operations and prospects.

If one or more of the following occur in these states:

- a) Adverse weather conditions, including windstorms, floods, drought, and temperature extremes, or any natural disasters such as earthquakes;
- b) Change in growing patterns or preference for other staple crops by farmers;
- c) Negative demand for, or political opposition to, genetically modified seeds;
- d) Expansion of our competitors’ operations;
- e) Failure to enter into contract farming arrangements on favourable terms;
- f) Failure to engage the labour we require for our operations on favourable terms;
- g) Enactment of any unfavourable laws, rules or regulations; and
- h) Our business, financial condition, results of operations and prospects could be adversely affected.
- i) We cannot assure that we will be able to reduce our dependence on operations in these states, or that such dependence will not increase in the future.

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

All the major developments and the inventions are not able to reach the people at the grass root 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. We undertake awareness initiative like product promotional activities, product demonstrations at farmer’s field for evaluation of product performance and acceptance of product, ‘Field Day’ programs for farmers etc. to spread awareness about our products.

**20. *The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations, and our future financial performance.***

**The impact of COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.**

An outbreak of a novel strain of coronavirus disease 19 (“COVID-19”), was recognized as a pandemic by the World Health Organization, on March 11, 2020. On March 14, 2020, India declared COVID-19 as a “notified disaster” and imposed a nationwide lockdown beginning March 25, 2020. The lockdown lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. In response to the COVID-19 outbreak, the governments of India and many other countries have taken preventive and protective actions, such as imposing countrywide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside their homes. Temporary closures of businesses had been ordered and numerous other businesses have been temporarily closed voluntarily. We have monitored and considered the impact of known events arising from the COVID19 pandemic including with respect to our liquidity and going concern, recoverable values of property, plant and equipment, goodwill, intangible assets, trade receivables and the net realisable value of other assets. As the outbreak continues to evolve, we will continue to closely monitor the impact that COVID-19 may have on our Company, including any material changes to future economic condition, liquidity and result of operations of our business and prospects. While there have been progressive relaxations and calibrated easing of lockdown measures by the Government, the full impact of the COVID-19 pandemic is still unknown and difficult to predict. Possible additional “waves” or resurgences of COVID-19 cases may result in slower economic recovery, further disruptions to businesses and the imposition of stricter or extended government lockdown policies.

We may encounter additional COVID-19 related difficulties and experience, including but not limited to:

- a) Directives or actions by governments, government authorities, local agencies and courts that affect our ability to operate and/or the manner in which we operate. For example, directives or actions to regulate various aspects of our operations (such as, amongst other things, prices, and mandatory bed allocation) and/or to oversee manage or administer the provision of healthcare to COVID-19 patients;
- b) Reluctance or unwillingness of some patients to seek healthcare services due to their perception of an increased risk of infection when traveling to healthcare units and coming into close contact with healthcare professionals;
- c) Delay in renewing or obtaining necessary registrations, approvals, licenses and permits from statutory and regulatory bodies;
- d) Heightened risk of COVID-19 infection to doctors, nurses and other healthcare professionals at our healthcare centres, which may lead to a shortage of manpower and additional labour and employment expenses;
- e) Possible delay in our planned projects; and
- f) Increased costs to ensure the safety of our workforce and continuity of operations while conforming to the measures implemented by various governments.

The duration of the COVID-19 outbreaks and its ultimate impact on us and the general economy cannot be predicted. The COVID-19 pandemic and its effects may last for an extended period of time, and could result in significant and continued market volatility, exchange trading suspensions and closures, declines in global and Indian financial markets, higher default rates, and a substantial economic downturn or recession. The foregoing could disrupt our operations, adversely affect our ability to establish and implement business development plans, and negatively impact our financial performance. In addition, if we do not respond appropriately to the pandemic, or if patients perceive our response to be inadequate, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future. Our healthcare services require authorization from the relevant state government in order to treat COVID-19 patients.

The COVID-19 pandemic could also exacerbate the risks identified in this “Risk Factors” Chapter on page number 26. Therefore, its impact, as well as the impact of any other infectious illness outbreaks that may arise in the future, could adversely affect our consolidated results of operations, financial position and cash flows in ways that cannot necessarily be foreseen.

**21. *Our business requires high level of inventory levels. Our product cycle is also long. Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could adversely affect our business.***

We are engaged in the business of hybrid seeds which requires considerable amount of time. Seeds cannot be manufactured and have to be grown naturally. Hence, our Company is required to take production decisions in the season preceding the seasons of sale and maintain our inventory levels based on our own assessment and projections in the future demand. Further, many a times, the desired breed of hybrid/ research seeds is obtained even at eight to tenth generation where each generation represents a complete crop cycle. Any inaccurate forecast of demand for any product can result in shortage/ surplus of products. This shortage of products may depress sales volume and can adversely affect customer relations. Conversely, any inaccurate forecast can also result in an over-supply of products, which may increase the carrying costs of inventory, strain cash flows, erode margins and ultimately create write-offs of inventory. It is possible that we may make more than one such inaccurate forecasts in one season. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial conditions.

**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. Hybrid seed production involves 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 organically produced seeds.

**23. *Prices for our products are subject to government controls.***

The prices for seeds are subject to controls imposed by government authorities. In addition, statutes such as the Essential Commodities Act, 1955 also provide for control by the government of the supply, distribution, and trade in relation to certain notified commodities for securing their equitable distribution and availability at fair prices. A reduction in the price of seeds in one state may also cause a reduction in the price of seeds of the same type in another state as customers may choose to procure seeds from suppliers in the state with lower prices. Any adverse changes in the pricing environment for our seed products or the introduction of price controls on any other products could affect our strategy for seed products or our overall business strategy and could significantly affect our revenues and operating margins. We cannot assure you that the pressures on pricing of seeds as a result of government controls will decrease or cease to operate in the foreseeable future. We may not be able to set prices for our products at levels high enough to earn an adequate return on our investments, which could materially and adversely affect our business, financial condition, results of operations and prospects.

**24. *We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our customers and dealers/distributors. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our business and results of operation.***

Our success depends on the smooth supply and transportation of the raw materials required for our manufacturing process and transportation of our products from our manufacturing units/depots to our customers and dealers/distributors, both of which are subject to various uncertainties and risks. We use a combination of third-party transportation providers for the said transportation purpose. In the event of transportation strike, it may have a material adverse effect on our supplies and our deliveries to and from our customers and suppliers in a timely and cost-efficient manner. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Our transportation cost would be primarily consisting of outward freight which in aggregate constituted 2.06%, 1.53%, 1.00% and 0.75% of our total revenue from operations for Financial Year 2020-2021, 2021-2022 and 2022-2023 and nine-month period ended December 31, 2023, respectively. There may also be delay in delivery of raw materials and products which may also affect our business and our results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition, and results of operations.

**25. *The average cost of acquisition of Equity shares by our Promoters is lower than the Issue price.***

Our Promoter's average cost of acquisition of Equity shares in our Company is lower than the Issue Price of Equity shares as given below:

S. No.	Name of Promoter	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹)
1.	Mr. Lokendra Singh Rajput	78,33,177	2.26
2.	Ms. Rashmi Rajput	47,81,193	2.21

**26. Our Company has entered into certain related party transactions and may continue to do so in the future.**

Our Company has entered into few related party transactions with our Promoters, Directors, Promoter Group, Group companies/entities during the last three Financial Years. While our Company believes that all such transactions have been conducted on arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. 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. Kindly refer "*Statement of Related Parties and Details of Related Party*" on page number 183 of this Draft Red Herring Prospectus.

Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to the annexure '*Restated Summary of Related Party Transactions*' of the section titled '**Financial Information**' and '**Capital Structure**' beginning on page number 183 and 73, respectively, of this Draft Red Herring Prospectus.

**27. 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.

**28. We are subject to restrictive covenants under our financing agreements that could limit the flexibility we have to manage our business.**

There are restrictive covenants in the financing agreements that we have entered into, including, but not limited to, requirements that we obtain the prior approval of, or provide notice to, our lenders in connection with certain activities.

Most of our financing arrangements are secured by our movable assets and by certain immovable assets. Our accounts receivable, inventories, certain machinery and equipment are subject to charges created in favour of specific secured lenders. Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions.

Typically, restrictive covenants under financing documents of our Company relate to obtaining prior consent of the lender for events or actions including the following:

- a) Any change in the capital structure of our Company;
- b) Any change in shareholding of our Promoter;
- c) Any scheme of merger, amalgamation, compromise, or reconstruction;
- d) Undertaking any new project schemes, investment;
- e) Any additional borrowings arrangement, secured or unsecured, or short-term financial assistance, or placement of funds;
- f) Undertake guarantee obligations on behalf of any third party or any other company;
- g) any upward change in the remuneration payable to the directors either in the form of sitting fees or otherwise
- h) Any encumbrance or security over charged assets;
- i) Change in the ownership or control of our Company, resulting in any change in the beneficial ownership;
- j) Any material changes in the management of our Company;
- k) Selling, assigning, mortgaging or otherwise disposing of any of the fixed assets charged to the lender;
- l) Any contractual obligation of a long-term nature or affecting our Company financially to a significant extent; and
- m) Any change to the general nature of the business of the Company.

In addition, such restrictive covenants may also affect some of the rights of our shareholders and our ability to pay dividends if we are in breach of our obligations under the applicable financing agreement. Such financing agreements also require us to maintain certain financial ratios. Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities and cross defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have an adverse effect on our financial condition and results of operations.

***29. Our Company oversight on Secretarial Compliances falls short, resulting in non-compliance of Companies Act, 2013. An exhaustive list of the same is mentioned below:***

- i. Disclosure of AS-18 is not present in any of the Financials statements of the Company till 2019-2020;
- ii. There are clerical mistakes in the forms filed with Registrar of Companies such as:

Sr. No.	FY	E-Form No. / Records	Date of BM/GM	Particulars of Form Filing
1	13-14	Form 5	10.03.14	Copy of resolution approving increase in Authorised Share Capital is not attached in the said E-Form. Further, in the attached altered MOA, altered subscriber sheet is annexed instead of original subscriber sheet drawn at the time of incorporation of the Company.
2	13-14	PAS-3	20.03.2014	In the list of allottees there was typographical error in the date of allotment.
3	14-15	SH-7	08.12.14	<ul style="list-style-type: none"> <li>No explanatory statement is annexed with the Ordinary resolution attached in the said E-Form.</li> <li>Further. The Ordinary resolution so attached in the said E-Form is signed by Mr. Lokendra and Ms. Rashmi in the shareholder capacity in lieu of Director Capacity, which is not justified.</li> <li>Further, in the attached altered MOA, altered subscriber sheet is annexed instead of original subscriber sheet drawn at the time of incorporation of the Company.</li> <li>There is no foot note inserted in the altered MOA regarding approval of alteration in Authorised share capital in the EGM held on 08.12.2014.</li> </ul>
4	14-15	PAS-3	08.12.2014	In pursuance of Right Issue of Equity Shares undertaken by our Company, our Company had allotted Equity Shares on 08.12.2014 to the Existing shareholders of the Company, namely being Lokendra Rajput and Rashmi Rajput. However, Our Company had inadvertently failed to file e-form PAS-3 with respect to the same allotment and the said e-form has been belatedly filed with the Registrar of Companies by paying additional fees on 07.03.2021.
5	17-18	SH-7	19.02.18	<ul style="list-style-type: none"> <li>In the attached altered MOA, altered subscriber sheet is annexed instead of original subscriber sheet drawn at the time of incorporation of the Company.</li> <li>There is no foot note inserted in the altered MOA regarding approval of alteration in Authorised share capital in the EGM held on 19.02.2018.</li> </ul>
6	18-19	MGT-14	24.05.2018	Altered MOA is not attached in Form MGT-14 filed with the Registrar of Companies for filing of resolution related to increase in Authorised Share Capital of the Company.
7	18-19	SH-7	24.05.18	<ul style="list-style-type: none"> <li>In the said E-Form, wrong additional docs. like PAS-5 and Special Resolution for approving the Private Placement of Equity Shares, are attached.</li> <li>In the attached altered MOA, altered subscriber sheet is annexed instead of original subscriber sheet drawn at the time of incorporation of the Company.</li> <li>There is no foot note inserted in the altered MOA regarding approval of alteration in Authorised share capital in the EGM held on 24.05.2018.</li> </ul>
8	18-19	DIR-12	20.04.18	Designation of Ms. Pushpa Rajput mentioned in Form DIR-12 is Executive Director whereas the resolution passed by the Board of Directors and shareholders is for appointment of Ms. Pushpa Rajput as Non – Executive Director
9	18-19	PAS-3	25.04.18	Valuation Report from the Registered Valuer and PAS-4, against the private placement of 720,000 equity shares approved by the Board on 25.04.2018 and by the members on 24.05.2018, are not attached in form PAS-3.
10	18-19	CHG-1	26.12.18	The resolution number indicated in the declaration portion is 4, however, in the board meeting dated, the said resolution number is listed as 3.
12	18-19	PAS 3	25.04.2018	<ul style="list-style-type: none"> <li>The said e-form concerning the allotment of shares through Private Placement, it was discovered that the required valuation report from a Registered Valuer and the PAS-4 (Private Placement Offer Letter) was not found in the records Furthermore, with reference to the explanatory statement of the Special Resolution attached to the e-form, insufficient disclosures were made therein pursuant to</li> </ul>

				Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
13	19-20	SH-7	24.02.20	<ul style="list-style-type: none"> <li>In the attached altered MOA, subscriber sheet is not annexed.</li> <li>In the resolution for approving increase in Authorised Share capital the amount of revised authorised share capital is mentioned as Rs 2 Cr instead of 3 Cr.</li> </ul> <p>There is no foot note inserted in the altered MOA regarding approval of alteration in Authorised share capital in the EGM held on 24.02.20.</p>
14	20-21	ADT-3	Not Available	<ul style="list-style-type: none"> <li>The date of previous appointment of the resigning auditor in the said form was mentioned as 30.09.2015, which is incorrect. According to the records, the resigning auditor was previously re-appointed in the Annual General Meeting (AGM) held on 30.09.2019.</li> </ul>
15	20-21	SH-7	23.11.20	<ul style="list-style-type: none"> <li>In the attached altered MOA, subscriber sheet is not annexed.</li> </ul> <p>There is no foot note inserted in the altered MOA regarding approval of alteration in Authorised share capital in the EGM held on 23.11.20.</p>
16	23-24	MGT-14 and INC-34	29.02.24	<ul style="list-style-type: none"> <li>There was a typographical error in the new Articles of Association adopted by the Company. The Company filed form INC 34 and MGT 14 twice to rectify the same in the records of the Registrar of Companies.</li> </ul>

- iii. Company has failed to file below e-form under the provisions of Companies Act, 2013. Illustrative list of non-compliances is as under:

S. No.	Year	Particulars
1.	2014-15	Ms. Rashmi Rajput was appointed as non-executive director later on her designation was changed to Executive Director. However, no DIR-12 was filed in this regard

### 30. Shares transferred, through SH-4, not being duly stamped

During the FY 20-21, 21-22, and 22-23, equity shares of the Company were transferred in the following manner:

Date	Transferor	Transferee	No. of shares	Nominal Value	Premium	Total Consideration
28-11-20	Pushpa Rajput	Lakhan Jaiswal	10	10	145	1,550
28-11-20	Pushpa Rajput	Somesh Panchal	10	10	145	1,550
28-11-20	Pushpa Rajput	Pankaj Solanki	10	10	145	1,550
28-11-20	Pushpa Rajput	Sanjay Kumar	10	10	145	1,550
16-05-22	Pushpa Rajput	Lokendra Singh Rajput	636292	10	0	0

For further details of shares transferred, please refer to the chapter titled “Capital Structure” on page number 73 of this Draft Red Herring Prospectus. Share Transfer Deeds (“SH-4”) executed on November 28, 2020, disparities were noted between the actual consideration received and the consideration mentioned in the SH-4



for the transfer of shares. Additionally, the SH-4 forms were not adequately stamped as required by the Indian Stamp Act, 1899.

- 31. Our Promoter Group entity is engaged in the similar line of business as of our Company. There are no non-compete agreements between our Company and such entities. We cannot assure that our Promoter will not favour the interests of such entities over our interest or that the said entity will not expand which may increase our competition and may adversely affect business operations and financial condition of our Company.**


Our Promoter Group entity, LSR Agro Industries Private Limited is engaged inter-alia in the business of agriculture seeds, which is similar line of business as of our Company. We have not entered into any non-compete agreement with the said entities. We cannot assure that our Promoters who have common interest in said entities will not favour the interest of the said entities. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and aforesaid entities in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other entities in which our Promoter has interests. There can be no assurance that our Promoters or our Promoter Group entities will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations

- 32. Our Company has outstanding unsecured loan from Directors/Promoters of ₹155.22 lakhs as of December 31, 2023, which is repayable on demand & for the aforementioned loan we have not entered into any agreement.**

During the FY 22-23 and 23-24, our company availed unsecured loans from its directors. As per the Restated Financial Statements, as of December 31, 2023, there is an outstanding total sum of ₹ 155.22 Lakhs as an unsecured loan from the Directors/Promoters of our company, which is repayable on demand. There is no agreement on record for the said unsecured loans. The Directors have submitted their written undertaking that they shall not demand repayment of the outstanding loan for a period of three years post-completion of the SME-Initial Public Offering.

- 33. Our Company has outstanding unsecured loan of ₹1,000.00 lakhs as on December 31, 2023, which is repayable on or before May 31, 2024. In the event of non-repayment of ₹1,000.00 lakhs before May 31, 2024, the company shall be liable to pay interest at 18% per annum thereafter.**

Our company borrowed an unsecured loan of ₹1,000 lakhs during the FY 2023-24, and the said loan amount is outstanding as of December 31, 2023, without any interest if repaid on or before May 31, 2024. In the event of non-repayment of ₹1,000 lakhs (without interest) before May 31, 2024, the company shall be liable to pay interest at 18% per annum. For the aforementioned transaction, the loan agreements were entered into between Worthy Distributors Private Limited and Vardaan Biotech Limited dated May 01, 2023, and Faithful Vincom Private Limited and Vardaan Biotech Limited dated May 01, 2023. The said loan agreements are neither stamped nor notarized.

- 34. Our Company's logo "" is not registered under the Trademarks Act, 1999 as on date of Draft Red Herring Prospectus. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third-party intellectual property rights.**

We may be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a license, modify our existing technology, or cease the use of such technology and design a new non-infringing technology. Such licenses or design modifications can be extremely costly. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, the settlement of which could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition.

- 35. Our Company will not receive any proceeds from the Offer for Sale. The proceeds from the Offer for Sale shall be received directly by the Selling Shareholders.**

Investors should be aware that a substantial portion of this Public Issue comprises the offer for sale, and our company will not directly receive any proceeds from the offering. Instead, the funds raised through the Offer will be received by the Selling Shareholders. We will not receive any of the proceeds from the Offer for Sale portion and will accordingly not have access to such funds.

**36. *The weighted average cost of acquisition of Selling Shareholders may be less than the Issue Price.***

The weighted average acquisition cost per Equity Share held by Selling Shareholders might be lower than the issue price. Consequently, investors purchasing the Equity Shares may incur a cost higher than the weighted average acquisition cost of Selling Shareholders.

**37. *If we cannot respond adequately to the increased competition we expect to face, we will lose market share and our profits will decline, which will adversely affect our business, results of operations and financial condition***

Our products face competition from products commercialized or under development in all our product portfolios. We compete with local companies, multi-national corporations. If our competitors gain significant market share at our expense, our business, results of operations and financial condition could be adversely affected.

Many of our competitors may have greater financial, manufacturing, research and development, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges and stronger sales forces. Our competitors may succeed in developing products that are more effective, more popular, or cheaper than any we may develop, which may render our products obsolete or uncompetitive and adversely affect our business and financial results. Also, we face pressure on our margins due to pricing competition from several small and unorganized local players. Presence of more players in the unorganized sector compared to organized ones has resulted in increasingly competitive environment characterized by stiff price competition. We also operate in a rapidly consolidating industry. The strength of combined companies could affect our competitive position in all our business areas. Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier, which may adversely affect our business, results of operations and financial condition.

**38. *The nature of our business is time-bound and any inability on our part to convey our products to our distributors/ dealers/ end users at the right time, could have a material adverse effect on our business, results of operation and financial condition.***

The nature of our business requires our products to be available in the market before the beginning of every crop season in order to meet agricultural demand. Dealers and/or distributors are generally situated close to the geographically dispersed customers, and far from our production facilities. The sowing season is short, and we have to ensure that our products reach the farmers exactly when they need them. Therefore, any interruption in our ability to deliver our products to the distributors/ dealers/ end users, due to any reason including those not within our control, could have a material adverse effect on our business, results of operation and financial condition.

We currently do not own all of our logistical infrastructure and we do rely on third party service providers in some instances for transportation and delivery of our products. Some of the factors that may interrupt delivery of our products includes unavailability of suitable transporters, or delays in transportation, damage or loss of goods during transit, strike by unionized transportation providers, natural disasters, or any unusual or sudden rise in the cost of transportation or the price of fuel. While we are not insured for any loss of profit resulting from a failure to deliver products in a timely manner. If we were to experience any interruption due to any of the above factors, we cannot assure that we will be able to organize alternative methods of delivery in a timely and cost-effective manner or at all.

**39. *Our business is primarily dependent upon a continuing relationship with dealers/ distributors for sales of our products. Any reduction or interruption in the business of these dealers/ distributors, or a substantial decrease in orders placed by these dealers/distributors may have an adverse impact on the revenues and operations of our Company. Further, we do not have any long-term or exclusive arrangements with dealers or distributors for selling our products.***

We are primarily dependent on dealers/distributors for our business. We have over the years developed a network of distributors and dealers across India. We intend to grow our business by adding new distributors both in existing as well as in new markets. Due to the seasonal nature of our business, we have not entered into any agreement for the sale and distribution of our products. There is no assurance that we will be able to maintain the same levels of business from our existing dealers/ distributors or that we will be able to replace our dealers/ distributor base in a timely manner or at all in the event our existing dealers/distributors do not continue to

purchase the products of our Company. The loss of or interruption of work by, a significant number of dealers may have an adverse effect on our revenues and operations.

While we believe that our relationship with these parties has been satisfactory, there are no arrangements that we have entered into with our dealers and distributors, and there is no assurance that they will not place orders with other players in the market. In addition, our dealers and distributors could change their business practices and their payment terms. In an event our dealers and distributors experience delays in placing orders with us or if they do not effectively market our products or market the products of our competitors instead, there could be a material adverse effect on our business forecast, business growth and prospects, financial condition, and results of operations. In addition, our dealers and distributors could change their business practices, such as inventory levels or line of businesses. The inability of our dealers/distributors to meet our payment schedules or unexpected changes in inventory levels or other practices by our dealers/distributors could negatively impact our business, operating cash flows and financial condition. Our inability to maintain our existing distribution network of dealers and distributors or to expand it proportionately with the proposed increase in our manufacturing facilities/capacities, could have a material adverse effect on our sales, business growth and prospects, results of operation and financial condition.

**40. *We are subject to transportation risks.***

An extended interruption in our ability to ship our products, including the unavailability of suitable transporters and delays in the delivery of products, could have a material adverse effect on our business, financial condition, and results of operations. Similarly, any extended disruption in the distribution of our products could have a material adverse effect on our business, financial condition, and results of operations. While we would attempt to transport our products by alternative means if we were to experience an interruption due to strike, natural disasters or otherwise, we cannot be sure that we would be able to do so or be successful in doing so in a timely and cost-effective manner.

**41. *We are subject to extensive and stringent regulations affecting our seed production and distribution and our research trial processes, which affects our sales and profitability.***

Extensive and stringent regulatory requirements affect the production, processing and distribution of our products, including the testing and planting of seeds containing our biotechnology traits and the quantum of crops grown from those seeds, and any non-compliance can harm our sales and profitability. Obtaining production, sales import approvals for seeds or biotechnology traits can be time-consuming and costly, with no guarantee of success. In addition, regulatory and legislative requirements may change over time which can also affect our sales and profitability. The failure to receive necessary permits or approvals could have near and long-term effects on our ability to produce and sell future products. Production approvals may also include significant regulatory requirements that may limit our sales. Sales of our traits without having approval for the production of crops containing such biotechnology traits could lead to disruption of that market and we may face claims of potential liability. Concern about unintended but unavoidable trace amounts (sometimes called “low-level presence”) of commercial biotechnology traits in conventional (non bio technology) seed, or in the grain or products produced from conventional or organic crops, among other things, could lead to export disruption and increased regulation or legislation, which may include: liability transfer mechanisms that may include financial protection insurance; possible restrictions or moratoria on testing, planting or use of biotechnology traits; and requirements for labelling and traceability, which requirements may cause companies to avoid biotechnology and select non-biotechnology crop sources and can affect farmer seed purchase decisions and the sale of our products. Further, the detection of the presence of biotech traits not approved in the country of planting (sometimes called “adventitious presence”) may affect seed availability or result in export disruption and compliance actions, such as crop destruction or product recalls. Legislation encouraging or discouraging the planting of specific crops can also harm our sales.

**42. *Any change in the government policies vis-à-vis expenditure, subsidies, etc. in agriculture sector or failure of farmers to realize expected prices for their crops could affect their ability to spend on agro input products, thereby affecting our business and profitability. Further, the government policies for the subsidies and incentives are subject to strict terms and conditions.***

Any changes in the government policies relating to the agriculture sector such as reduction of government expenditure, withdrawal or changes in incentives and subsidy systems, export restrictions on crops, or adverse changes in commodity prices and/or minimum support prices could have an adverse effect on the ability of farmers to spend on agro input products. Governments and end users of our agro input products may seek to find ways to reduce or contain agriculture related costs. We cannot predict the nature of the measures that may be

adopted by governments or private organisations or their impact on our revenues. In the event such measures result in increased costs for farmers to undertake agriculture, their demand for some or all of our products may reduce, which could reduce our sales and cash flows and affect our profitability. Also, if agriculture related legislation or third-party players influence results in lower prices for our products, our overall revenues may decrease, and our cash flows and profits could be adversely affected even in cases where the demand for our products increases. Further, the government policy for the subsidies and incentives are subject to strict norms. For availing subsidies on sale of some of our products we have to comply with prescribed provisions or norms of the Government. In the event of non-compliance, we may have to forgo the subsidies provided, which may affect our financial conditions and profitability.

**43. *There may be changes in the regulatory framework governing the Indian seeds industry that could adversely affect us.***

The Indian seeds industry is a substantially regulated sector, presently regulated *inter alia* by the Seeds Act, 1966; the Seeds Rules, 1968, the Seeds (Control) Order, 1983, the National Seeds Policy, 2002, Agriculture produce (Grading and Marketing) Act 1937, and Food and Safety Standard Act, 2006. In light of the many changes in the seeds industry since 1966, the Central Government and the State Government have proposed the Seeds Bill, 2019 which call for more stringent means of consumer/ farmer protection by regulating the quality of seeds produced and ensuring further compliance in this regard. Thus, the statutory and regulatory framework for the Indian seed industry may see changes in the future which may be extensive. We presently do not know what the nature or extent of the changes, if any, will be and cannot assure that any such changes will not have an adverse impact on our business, results of operations and financial condition. For a discussion of the regulatory framework governing the Indian seeds industry, please refer to the section titled '**Key Industry Regulations and Policies**' beginning on page number 145 of this Draft Red Herring Prospectus.

**44. *Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

Our operations involve extending credit for extended periods of time to our customers, dealers, and distributors in respect of our products, and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with customers, dealers and distributors. Our credit terms vary from 30 days to 180 days for our customers, dealers, and distributors. While our customers typically provide us with letter of credits, we cannot guarantee that our customers, dealers, and distributors will not default on their payments. Our inability to collect receivables from our customers, dealers, and distributors in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows. In the Financial Year 2020-2021, 2021-2022, 2022-2023, and the nine-months ended December 31, 2023, our trade receivables were ₹726.86 Lakhs, ₹401.66 Lakhs, ₹1594.28 Lakhs and ₹3383.55 Lakhs, respectively, which represented 8.59%, 3.89%, 12.25% and 30.57%, respectively, of our total income for such periods. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition, and results of operations. Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, dealers, and distributors, and as a result could cause customers, dealers and distributors to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. In particular, farmers may be adversely affected by a number of factors beyond their control, such as, severe monsoon, drought or low prices for their crops, which could affect their financial condition and consequently their ability to pay the dealers/ distributors for products that have already been sold to them and used by them. An increase in bad debts or in defaults by our customer, dealers and/ or distributors may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

**45. *Any violation of the Legal Metrology Act, 2009 and the Legal Metrology Rules, 2011 by us may lead to fines and penalties, or seizure and forfeiture of our products, which could adversely affect our business.***

All of our products and the packaging of our products are required to comply with the standards of weight, measurement and numbers prescribed under the Legal Metrology Act, 2009 and the Legal Metrology Rules, 2011. For details, see '**Key Industry Regulations and Policies**' beginning on page number 145 of this Draft Red Herring Prospectus. If we fail to comply with such standards or fail to obtain a license from the respective controller as mandated under the Metrology Act or fail to obtain the verification of weights and measures by the government approved test centres under the Metrology Act, fines and penalties may be imposed on us. In addition, there could be seizure and forfeiture of our products, which could adversely affect our operations.

**46. *Failure to obtain intellectual property rights from third parties could have a material adverse effect on our business.***

Due to the multi-dimensional nature of seed research being conducted, and to utilize external professional expertise to expedite the process, partnerships with external collaborators, such as academic institutions and other research bodies, have become the norm in the industry. Our ability to further develop seed varieties may depend on whether we have the right to use applicable proprietary technologies, such as the licensing of germplasm or basic seed from third parties. We cannot assure that we would obtain the rights or licenses to use any of these technologies at all or obtain them on terms and conditions which can be deemed favourable to us, since the same depends on various factors mainly outside our control. Some of these third-party technologies may be pivotal to, or necessary for our products and our business. Failure to obtain the rights to use technologies that are important to our business could have a material adverse effect on our business, results of operations and financial condition.

**47. *Our operations are subject to risks related to an increase in costs or non-availability of raw materials and other key inputs.***

Seed production requires various raw materials including foundation seeds as well as other key inputs such as pesticides, fertilisers, fuel, electricity, and water. Production and procurement of these raw materials and key inputs is subject to disruptions and price volatility caused by various factors, including commodity market fluctuations, consumer demand, the quality and availability of raw materials, adverse weather conditions, availability of sufficient working capital and changes in government programmes or regulations. Though we produce our raw materials from a diverse set of suppliers and growers, in the case of foundation seeds, to ensure consistent availability, we cannot assure that we will continue to do so in the future. Our stock of foundation seeds or other raw materials may not be sufficient to meet any unusual increases in demand. Failure of our crops due to any reason may also result in a shortfall in our foundation seeds. In certain circumstances, some of our existing growers, in the case of foundation seeds, may discontinue their operations or may choose to supply raw materials to our competitors instead of us. Unanticipated increases in costs of raw material or other costs associated with the production of seeds such as the cost of labour, service charges, fertilizers and pesticides or our inability to procure continuously the raw materials within the required time and in sufficient quantity could materially and adversely affect our business, results of operations, financial condition, and prospects.

**48. *Our Company and our Promoter Directors have provided personal guarantees for a significant portion of our borrowings to secure certain of our loans. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company's borrowings.***

Our Company and our Promoter Directors have provided personal guarantees and collateral security for our borrowings to secure our loans. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company's borrowings. For detailed information in respect of the same, kindly refer to paragraph titled 'Annexure 3.1 – Nature of Security and Terms of Repayment for Borrowings including Current Maturities' under the section titled 'Restated Financial Statements' and 'Financial Indebtedness' on page number 183 and 219 respectively of this Draft Red Herring Prospectus.

**49. *We have availed certain loans from banks and financial institutions, pursuant to the financing agreements that we have entered into with them. Pursuant to the terms of such agreements, we require consents from the respective bankers/ lenders for a number of corporate actions, including for undertaking this Issue. Any failure to obtain such NOC may result in a default under the terms of the financing agreements. Further, we have not received No Objection Certificate from certain banks for including their names as Bankers of our Company in this Draft Red Herring Prospectus.***

Pursuant to the financing agreements entered into by us with the bankers/ lenders, we are required to obtain consents from the respective bankers/ lenders to undertake certain actions, including this Issue and for completion of the requirements pertaining to this Issue. We have informed our bankers/ lenders of our intention to undertake this Issue and we have obtained consents from our banker and financial institution namely Punjab

National Bank, Samunnati Financial Intermediation and Services Private Limited, and HDFC Bank Limited dated February 14, 2024, September 29, 2023, and April 16, 2024, respectively for undertaking this Issue.

**50. *Our inability to identify and understand evolving industry trends and consumer preferences, and to develop new products to meet our customers' demands may adversely affect our business.***

Changes in consumer preferences and industry requirements may render certain of our products less attractive. Our ability to anticipate to successfully develop and introduce new and enhanced products to create new or address yet unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary knowledge, through our own research and development or through technical assistance, that will allow us to continue to develop our product portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. We may also be required to make investments in research and development, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. To compete successfully, we may need to increase the diversity and sophistication of our product portfolio, which may require substantial capital expenditure. In developing such products, we may need to make investments in our manufacturing facilities and/or otherwise in order to support these goods. If we exceed our budgeted capital expenditure and cannot meet the additional capital requirements through operating cash flows and planned financing, we may have to delay our projects which could make us less competitive and lead to customer loss. If we do not continue to distinguish our products through distinctive features and design, and to continue to build and strengthen our brand recognition, we could lose market share and our revenues and earnings could decline.

**51. *We have high working capital requirements and if we are unable to secure financing for our working capital requirements, there may be an adverse effect on our business, growth prospects and results of operations.***

Our business requires a significant infusion of working capital. In certain cases, significant amounts of working capital are required to finance the purchase of raw materials, finance the research and development process, the operation of our manufacturing facilities, selling and distribution and other works before payments are received from our customers. In addition, our working capital requirements have increased in recent years due to the growth of our Company's business. All of these factors may result, and have resulted, in increase in our working capital needs. As on December 31, 2023 our Company's outstanding short term borrowing is ₹1,739.71 Lakhs comprising of only secured loans. The failure of our clients to make timely payments could require us to write off accounts and make provisions against receivables or increase our working capital requirements, which could have a material adverse effect on our business growth and prospects, financial condition, and results of operations. Further, if we are unable to provide sufficient collateral to secure the working capital facilities obtained by our Company, we may not be able to obtain the working capital facilities which may affect our business and growth prospects.

**52. *Any delays and/or defaults in payments from our customers could result in increase of working capital investment and/or reduction of our profits, thereby affecting our operations and financial condition.***

We are exposed to payment delays and/or defaults in payments by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. Any delay in payment may require us to make a working capital investment. Further, we cannot assure that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making his payments on an order on which we have devoted significant resources, or if an order in which we have invested significant resources is delayed, cancelled, or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition.

**53. *Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

The majority of our sales are to customers on an open credit basis, with standard payment terms of generally between 60 to 90 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit, we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. In Financial Year 2020-21, 2021-22 and 2022-23, and in the nine months ended December 31, 2023, our trade receivables were ₹ 726.18 Lakhs, ₹ 401.66 Lakhs, ₹ 1594.28 Lakhs,

and ₹ 3383.55 Lakhs, respectively. Any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition, and results of operations.

**54. *We have not made any dividend payments in the past and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.***

In the past, we have not made dividend payments to the shareholders of our Company. The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors. For further details, see the section titled '**Dividend Policy**' on page number 182 of this Draft Red Herring Prospectus.

**55. *Our Company's indebtedness could adversely affect our Company's financial condition and results of operations.***

Our Company has entered into agreement with Samunnati Financial and Intermediation Services Private Limited and Punjab National Bank, Ujjain, for immovable property or any interest therein, present, and future book debts, movable property (not being pledge), hypothecation of stock. Further, Punjab National Bank, Ujjain has sanctioned credit facility of ₹18,36,00,000/- (Rupees Eighteen Crores Thirty-Six Lakhs only). Further, vide Hypothecation Deed dated July 30, 2021, Samunnati Financial Intermediation & Services Private Limited, Chennai has sanctioned credit facility of ₹1,50,00,000/- (Rupees One Crore Fifty Lakhs only). These agreements contain certain restrictive covenants which require us to take the prior written consent Punjab National Bank before undertaking the following activities throughout the currency of the agreement including but not limited to:

- a) Any change in the capital structure of our Company;
- b) Any change in shareholding of our Promoter;
- c) Any scheme of merger, amalgamation, compromise, or reconstruction;
- d) Undertaking any new project schemes, investment;
- e) Any additional borrowings arrangement, secured or unsecured, or short-term financial assistance, or placement of funds;
- f) Undertake guarantee obligations on behalf of any third party or any other company;
- g) any upward change in the remuneration payable to the directors either in the form of sitting fees or otherwise
- h) Any encumbrance or security over charged assets;
- i) Change in the ownership or control of our Company, resulting in any change in the beneficial ownership;
- j) Any material changes in the management of our Company;
- k) Selling, assigning, mortgaging or otherwise disposing of any of the fixed assets charged to the lender;
- l) Any contractual obligation of a long-term nature or affecting our Company financially to a significant extent; and
- m) Any change to the general nature of the business of the Company.
- n) There can be no assurance that our Company will be able to comply with these financial or other covenants or that our Company will be able to obtain the consents necessary to take the actions our Company believes are necessary to operate and grow our Company's business. Further, if we default on the repayment of the aforesaid loans, Samunnati Financial Intermediation & Services Private Limited, Chennai and Punjab National Bank could enforce their security interests on our assets limiting our ability to carry out operations. However, we have received a No Objection Certificate from Punjab National Bank, Ujjain, Samunnati Financial Intermediation & Services Private Limited, Chennai and HDFC Bank Limited, Ujjain for this Issue vide their letter dated February 14, 2024, September 29, 2023, and April 16, 2024 respectively.

**56. *We have unsecured loans that may be recalled by the lenders at any time, and we may not have adequate fund flows to make timely payments or at all.***

We have availed unsecured loans which may be recalled by the lenders at any time. As of December 31, 2023, such loans amounted to ₹ 1,155.22 Lakhs. In the event that any lender seeks a repayment of any such loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. We may not have adequate working capital to undertake new projects or complete the ongoing projects. As a result, any such demand may materially and adversely affect our cash flows and results of operations.

**57. Some of the agreements entered into by us, are not adequately stamped and registered, resulting in making them inadmissible as evidence in legal proceedings. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.**

Some of the agreements entered into by us are not adequately stamped and registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.

**58. In the ordinary course of our business, there have been certain instances of delayed filings with Registrar of Companies with the payment of additional fees.**

In the past, there have been certain instances of delayed filings with Registrar of Companies with payment of additional fees. For instance, there has been delayed filing with respect to:

Sr. No.	FY	Form No.	Brief Particulars of Form Filing	Date of BM	Date of EGM/ AGM	Due Date of Form filing	Date of filing
1	14-15	PAS-3	Right Issue	08.12.15	NA	07.01.15	06.03.21
2	18-19	PAS-3	Private Placement	25.04.18	NA	23.06.18	04.07.18
3	18-19	AOC-4	Financial Statement	05.09.19	30.09.19	29.10.19	22.11.19
3	19-20	AOC-4	Financial Statements	20.07.20	27.11.20	26.12.20	12.01.21
4	19-20	CHG-1	For creation of Charge against Cash Credit Limit of Rs. 550 Lacs and Term Loan of Rs. 175 Lacs sanctioned by PNB.	17.06.19	NA	10.05.19	21.06.20
5	20-21	ADT-1	Auditor Appointment	27.11.20	27.11.20	11.12.20	23.12.20
6	21-22	ADT-1	Auditor Appointment	11.08.21	17.09.21	01.10.21	16.10.21
7	21-22	CHG-4	Charge Creation	08.06.21	NA	26.06.21	30.07.21
8	23-24	AOC-4	Financial Statements	05.09.23	30.09.23	29.10.23	26.12.23
9	23-24	MGT-7	Annual Return	05.09.23	30.09.23	28.11.23	27.12.23
10	23-24	DPT-3	Return of Deposit	NA	NA	30.06.23	16.10.23
11	22-23	DPT-3	Return of Deposit	NA	NA	30.06.22	09.12.22
12	23-24	PAS-6	Reconciliation of Share Capital	NA	NA	28.11.23	09.03.24
13	21-22	MSME-1	Return of the outstanding payments to Micro or Small Enterprises for a period exceeding 45 days with the Registrar of Companies (ROC)	NA	NA	30.04.21	30.08.21
14	23-24	MSME-1		NA	NA	30.10.23	01.11.23
15	23-24	ADT-1	Appointment of Auditor	11.03.24	NA	26.03.24	27.03.24

**59. Our Company has failed to comply with the various provisions enumerated under Chapter VI of the Companies Act, 2013. Further certain discrepancies/ errors are noticed in some of our corporate records relating to forms filed with the Registrar of Companies and certain other provisions of Chapter VI of the Companies Act, 2013.**

There have been certain discrepancies including certain typographical, clerical, and technical errors, noticed in some of our corporate records relating to the minutes, notices, resolutions, and/ or resultant e-forms filed with the Registrar of Companies in past years for the provisions of Chapter VI of the Companies Act, 2013.



Further, the company had applied for loan facility on Thursday, October 18, 2018; however, a board resolution is passed on a later date Wednesday, December 26, 2018. As per e-form CHG-1, it is mentioned that the director is authorized vide resolution no.4 dated December 26, 2018, however, as per the minutes the said resolution bears reference no.3.

In AGM and EGM minutes the time of conclusion of meeting is not mentioned.

**60. *Our Company had failed to call, conduct, and convene a general meeting of shareholders of our Company for the purpose of regularizing Ms. Pushpa Rajput, Erstwhile Director of our Company.***

Our Company had unintentionally failed to comply with the provisions enumerated under Section 152 of the Companies Act, 2013 by failing to call, conduct and convene a general meeting of the shareholders of our Company for the purpose of regularizing the directors appointed by the Board in the board meeting. Hence, it is imperative to note that, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected.

**61. *Our Company has appointed Ms. Pushpa Rajput and re-appointed Mr. Lokendra Singh Rajput as directors of our Company in accordance with Section 160 of the Companies Act, 2013.***

As per the notification issued by Ministry of Corporate Affairs bearing reference number 'G.S.R. 464(E) dated June 05, 2015, an exemption is provided to the private companies from complying with the provisions of Section 160 of the Companies Act, 2013. Regardless of the said exemption notification, our Company appointed Ms. Pushpa Rajput and re-appointed Mr. Lokendra Singh Rajput, as directors of our Company in accordance with the provisions of Section 160 of the Companies Act, 2013. However, during the due process of appointment, our Company inadvertently failed to comply with the deposit provision specified in the aforesaid section, ultimately resulting in non-compliance with the said Section 160 of the Companies Act, 2013. Ms. Pushpa Rajput resigned from the directorship with our Company on March 28, 2024.

**62. *We are dependent on our Promoters, management team, a number of Key Managerial Personnel and persons with technical expertise and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

We are dependent on our Promoters, Directors, senior management and other Key Managerial Personnel as well as persons with technical expertise for setting our strategic business direction and managing our business. Experienced Promoters and senior management team with significant experience in the seed industry lead us. We believe that the inputs and experience of our Promoters are valuable for the development of our business and operations and the strategic directions taken by our Company. We are also dependent on our Key Managerial Personnel including our business heads for the day-to-day management of our business operations. We cannot assure that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals. Competition for individuals with specialized knowledge and experience is intense in our industry. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, as we expect to continue to expand our operations, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

**63. *After the completion of the Issue, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company.***

As on the date of this Draft Red Herring Prospectus, our Promoters and members of the Promoter Group held 89.98% of the share capital of our Company, for details of their shareholding pre and post Issue, see the chapter titled '*Capital Structure*' beginning on page number 73 of this Draft Red Herring Prospectus. After the completion of the Issue, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company. Upon listing of the Equity Shares on recognized stock exchanges, our Promoters shall continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may

make some transactions more difficult or impossible without the support of these stockholders. Further, some of our lenders require that our Promoters provide personal guarantees in order to secure debt availed by us. We cannot assure that our Promoters will be amenable to provide such security in future. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further details in relation to the interests of our Promoters in the Company, please see the section titled **‘Our Promoters and Promoter Group’**, **‘Our Management’** and **‘Restated Financial Statements’** beginning on page number 174, 159 and 183 respectively.

**64. *Certain Promoters and Directors are interested in our Company’s performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Promoters and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses and such interests are to the extent of their shareholding in our Company, their rights to nominate directors on our Board pursuant to such shareholding and interest received against a loan extended to us, amongst others. We cannot assure that our Promoters and Directors will exercise their rights to the benefit and best interest of our Company. As shareholders of our Company, our Promoters or Directors may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For further information on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see the chapter titled **‘Our Management’**, **‘Our Promoters and Promoter Group’** and **‘Restated Financial Statements’** beginning on page number 159, 174 and 183 respectively.

**65. *There are legal cases in which the parties have similar names with the Promoters and Directors of our Company, which are not associated with them.***

There are legal cases in which the parties have similar names with the Promoters and Directors of our Company. Company has received confirmation from them that they are not associated with those cases through an undertaking. Due to lack of information in public domain, the authenticity of the undertaking could not be verified. Therefore, any litigation may arise against them at a future date which could attract penalties and may divert their attention towards the litigation.

**66. *Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.***

The following table sets forth certain information relating to our cash flows basis for the periods indicated. We may in the future experience negative operating cash flows.

	<i>(in Lakhs)</i>			
<b>Particulars</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Net Cash from / (Used In) Operating Activities	(604.10)	360.56	(639.06)	(234.52)
Net Cash from / (Used In) Investing	(42.78)	(38.35)	(74.18)	(182.61)
Net Cash from Financing Activities	659.78	(339.88)	685.45	459.17
Net Increase / (Decrease) in Cash	12.90	(17.62)	(27.78)	42.04

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance, and results of operations could be materially and adversely affected. For further information, please refer to the section titled **‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’** beginning on page number 205 of this Draft Red Herring Prospectus.

**67. *Any claims arising in the future relating to defective or low-quality products could materially and adversely affect our business, financial condition, results of operations, reputation, and prospects.***

Although our seeds undergo extensive quality checks, they may still contain defective or undesired characteristics that may be difficult to detect prior to their sale and use. Further, our seeds may be subject to contamination by external sources over which we may have little, if any, or no control. We have limited control of the handling and storage of our seed products once these products have been sold to our distributors, who in

turn will on-sell the products to farmers. Any defects in our products, whether through our own fault or the fault of a third party, such as a distributor, could result in losses to farmers, which may include the value of lost crops and any claims for such losses could greatly exceed the value of the seeds that we sell, and could adversely affect our market reputation. Further, the Seeds Act 1966, the Seeds Rules 1968, and the Seeds (Control) Order 1983, prescribe stringent standards in relation to the quality and reliability of seeds, which are implemented and enforced by various central or state government authorities. Although we believe we take appropriate storage and handling precautions, our seeds are biological products which may deteriorate naturally over time as a result of natural biological processes. In the event the seeds sold by us or by our distributors are defective, contaminated, or substandard for any reason, including due to human errors at any stage of seed processing or conditioning, a large number of farmers may experience crop failures and government, or regulatory authorities, individual farmers and other representative groups may pursue claims or actions against us.

Further, irrespective of the quality of the seeds, farmers may attribute poor crop yields or crop failures to perceived seed defects that may not exist, which could still result in claims against us. In addition, farmers may pursue claims against us under the provisions of the Protection of Plant Varieties and Farmers' Rights Act, 2001. Any claims, whether valid or not, could result in negative publicity, and prevent us from achieving increased sales and market share, and cause us to incur significant costs or suffer reputational harm, which could materially and adversely affect our business, financial condition, results of operations, reputation and prospects.

***68. Our Company's management will have flexibility in utilizing the Net Proceeds from the Issue. The deployment of the Net Proceeds from the Issue is not subject to any monitoring by any independent agency.***

Our Company intends to primarily use the Net Proceeds towards working capital requirement, general corporate purposes and for issue expenses as described in the section titled '**Objects of the Issue**' on page number 87 of this Draft Red Herring Prospectus. In terms of SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. The fund requirement mentioned as a part of the objects of the Issue is based on internal management estimates and has not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies. Our actual deployment of funds may be higher than our management estimates and may cause an additional burden on our finance plans, as a result of which, our business, financial condition, results of operations and cash flows could be materially and adversely impacted. Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the shareholders and our Promoters or controlling Shareholders will be required to provide a n exit opportunity to the shareholders of our Company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue, our business and financial results may suffer.

## **RISKS RELATED TO OUR EQUITY SHARES AND EQUITY SHARE HOLDERS**

***69. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section '**Objects of the Issue**' beginning on page number 87 of this Draft Red Herring Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

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

Post this Issue, our Promoter and Promoter Group will collectively majority of our post-issue equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a

significant degree of influence over the Company 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, 2013 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 Promoter 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 our creditors or other 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.

**71. *Industry information included in this Draft Red Herring Prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

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

**72. *Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to, and this may have a material adverse effect on our business.***

While we believe that we maintain insurance coverage in amounts consistent with industry norms. If any or all our facilities are damaged in whole or in part and our operations are interrupted for a sustained period, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the cost of repairing or replacing the damaged facilities. If we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition, and result of operations may be materially and adversely affected.

**73. *Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval.***

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition and may adversely affect our business and results of operations. For further details of the proposed objects of the Issue, refer chapter titled "*Objects of the Issue*" on page number 87 of this Draft Red Herring Prospectus.

**74. *Any future issuance of Equity Shares may dilute your shareholdings, and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

Any future equity issuances by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect

the market price of the Equity Shares, and could significantly impair our future ability to raise capital through offerings of the Equity Shares.

We cannot predict what effect if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

***75. Our inability to effectively implement our business and growth strategy may have an adverse effect on our operation and growth.***

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition, and results of operations.

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct.

Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

***77. The requirements of being a public listed company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge, and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange could lead to imposition of huge penalties, if any including suspension of trading, imposed by Stock Exchange.

## **EXTERNAL FACTORS**

***78. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Book Running Lead Manager has appointed Share India Securities Limited as Designated Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

***79. You will not be able to sell immediately on Indian Stock Exchanges any of the Equity Shares you subscribe in the Issue until the Issue receives appropriate trading permissions.***

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading on stock exchange. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Red Herring Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with Section 40 of the Companies Act, 2013 if the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

***80. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.***

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

***81. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of NSE Limited in a timely manner, or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted unless the post issue formalities are completed after the Equity Shares have been issued. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of NSE Limited. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

***82. Malpractices by some players in the industry affect overall performance of emerging Companies.***

The industry in which our Company operates is subject to risk associated with unethical business practices such as unethical marketing, dishonest advertising, questionable pricing practices, inaccurate claims with regards to safety and efficacy of the product etc. Consumers' attitude toward the industry today is dominated by a sense of mistrust, paving a way for regulators for stricter entry barriers and introduction of code of conducts; making the entire industry environment regulated and controlled. Malpractices by some players in the industry affects the overall performance of the emerging Companies like our as the industry norms are applicable to all at parity. Any unethical business practices by any industry player or intermediary may impact our business and results of operations.

***83. Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

***84. 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 impact on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Further, with the Introduction of the Goods and Services Act, tax rates and its implication may have material impact on our products. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

***85. 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, transfer 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.

***86. Our 100% Revenue is derived from business in India and a decrease in economic growth in India could materially affect and cause our business to suffer.***

We derive 100% of our revenue from our operations in India and consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

***87. 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, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

***88. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

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

The current Covid-19 pandemic had brought the world to a standstill affecting all sectors and the livelihood of many are at stake including the Indian economy. However, our Country is achieving normalcy by various measures taken by the Government. The pandemic is still to be controlled and any major outbreak will seriously impact our business. Further, our Country in the past has experienced natural calamities such as earthquakes, tsunami, floods etc. 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.

***90. Terrorist attacks, civil unrest, 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 in India, 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. 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.

***91. 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.

***92. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation is typically impacted by factors such as governmental policies, regulations, commodity prices, liquidity and global economic environment. Any change in the government or a change in the economic and deregulation policies could adversely affect the inflation rates. Continued high rates of inflation may increase our costs such as salaries, travel costs and related allowances, which are typically linked to general price levels. There can be no assurance that we will be able to pass on any additional costs to our clients or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition

***93. Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business.***

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as “systemic risk,” may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Our transactions with these financial institutions expose us to credit risk in the event of default by the counter party, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions and any instability in, or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect our business, financial condition, results of operations and cash flows.



## SECTION IV – INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
Equity Shares issued through Public Issue <sup>(1)(2)</sup>	Up to 53,18,000 Equity Shares of Rs.10.00 each [●] for a cash price of Rs.[●] per Equity Share aggregating to Rs.[●] Lakh.
<b>The Issue consist of:</b>	
Fresh Issue	Up to 48,18,000 Equity Shares of face value of Rs.10.00 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakh.
Offer For Sale	Up to 5,00,000 Equity Shares of face value of Rs.10.00 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakh.
<b>Out of which:</b>	
Market maker reservation portion	5,32,000 Equity Shares aggregating up to Rs. [●] Lakhs.
Net Issue to the Public	Up to 47,86,000 Equity Shares aggregating up to Rs. [●] Lakhs.
<b>of which*</b>	
A. QIB Portion	Not more than [●] Equity Shares aggregating up to Rs. [●] lakhs
<b>Of which</b>	
i. Anchor Investor Portion	Upto [●] Equity Shares of face value of Rs.10.00 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs
ii. Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares of face value of Rs.10.00 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs
<b>Of which</b>	
(a) Available for allocation to Mutual Funds only (5% of the QIB Portion)	Upto [●] Equity Shares of face value of Rs.10.00 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares of face value of Rs.10.00 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs
B. Non-Institutional Portion**	Not Less than [●] Equity Shares of face value of Rs.10.00 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs
C. Retail Portion**	Not Less than [●] Equity Shares of face value of Rs.10.00 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	1,41,70,000 Equity Shares of face value of Rs. 10.00 each
<b>Equity Shares outstanding after the Issue</b>	Upto 1,89,88,000 Equity Shares of face value Rs. 10.00 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “Objects of the Issue” on page number 87 of this Draft Red Herring Prospectus.

*\*\*As per the Regulation 253 of the SEBI (ICDR) Regulations, 2018, as amended, as present issue is a Book Building issue the allocation is the net offer to the public category shall be made as follows:*

*\* Subject to finalisation of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.*

**Notes:**

1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.

2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on March 10, 2024 & March 27, 2024 and by the Shareholder 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 March 11, 2024 & March 27, 2024.

The Selling Shareholders have consented to participate in the Offer for Sale in the following manner:

Name of the Selling Shareholder	Type	Consent Letter date	Number of Equity Shares held	No of Equity Shares offered by way of Offer for Sale	% of the pre-Offer paid-up Equity Share capital
Mr. Lokendra Singh Rajput	Promoter	April 15,2024	78,33,177	5,00,000	3.53
<b>Total</b>			78,33,177	5,00,000	3.53

The Selling Shareholders has confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations, 2018 and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance, or third-party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

3) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price.

4) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to non-institutional bidders.

5) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

For details, including grounds for rejection of Bids, refer to “Issue Structure” and “Issue Procedure” on page number 256 and 260, respectively. For details of the terms of the Issue, see “Terms of the Issue” on page number 247.

Our Company and Selling Shareholders, in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “Issue Procedure” beginning on page number 260 of this Draft Red Herring Prospectus.

## SUMMARY OF OUR FINANCIAL INFORMATION

The following tables set forth the summary financial information of our Company derived from our Restated Financial Information. The summary financial information presented below has been prepared in accordance with Ind GAAP for the nine months period ended December 31, 2023, and for the Fiscals 2023, 2022 and 2021 and restated in accordance with the SEBI ICDR Regulations. The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the Sections “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page numbers 183 and 205 respectively of this Draft Red Herring Prospectus.

(in Lakhs)

<b>ANNEXURE 1 - RESTATED STATEMENT OF ASSETS AND LIABILITIES</b>				
<b>Particulars</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders’ funds</b>				
(a) Share capital	900.00	900.00	300.00	300.00
(b) Reserves and surplus	2512.81	1160.62	623.64	198.12
<b>2. Non-current liabilities</b>				
(a) Long-term borrowings	1247.58	333.14	242.84	224.14
(b) Other Long-Term Liabilities	44.88	55.81	56.63	427.91
(c) Deferred tax liabilities (Net)	22.00	22.00	17.03	10.69
(d) Long Term Provisions	6.50	6.50	6.50	3.01
<b>3. Current liabilities</b>				
(a) Short-term borrowings	1739.71	1837.94	1977.59	1060.73
(b) Trade payables	414.23	644.99	356.04	353.67
(c) Short-term provisions	946.27	492.79	138.98	0.47
(d) Other current liabilities	741.61	1026.51	1262.02	1069.65
<b>TOTAL</b>	<b>8575.58</b>	<b>6480.32</b>	<b>4981.26</b>	<b>3648.38</b>
<b>II. ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and Equipment				
Tangible assets	358.72	352.49	364.37	337.93
Intangible assets	0.13	0.16	0.21	0.31
Capital Work In Progress	122.59	104.75	73.82	46.95
(b) Other non-current assets	23.62	37.15	49.75	3.71
<b>2. Current assets</b>				
(a) Inventories	3366.59	4211.89	3923.97	2363.13
(b) Trade receivables	3383.55	1594.28	401.66	726.86
(c) Cash and cash equivalents	19.04	6.14	23.76	51.54
(d) Short-term loans and advances	1263.51	124.44	72.09	54.49
(e) Other current assets	37.84	49.05	71.63	63.46
<b>TOTAL</b>	<b>8575.58</b>	<b>6480.32</b>	<b>4981.26</b>	<b>3648.38</b>

(in Lakhs)

ANNEXURE 2 - RESTATED STATEMENT OF PROFIT AND LOSS				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
I. Revenue from operations	11026.86	13005.06	10308.95	8457.84
II. Other income	42.21	11.80	29.34	7.30
<b>III. Total Revenue (I + II)</b>	<b>11069.07</b>	<b>13016.86</b>	<b>10338.29</b>	<b>8465.14</b>
<b>IV. Expenses</b>				
Cost of Material Consumed	7557.77	10365.16	9119.65	8043.30
Changes in inventories of finished goods	845.30	-287.92	-1560.84	-1295.63
Employee benefits expense	228.71	301.46	304.24	184.71
Finance costs	156.42	290.53	250.12	102.23
Depreciation and amortization expense	18.73	19.35	20.96	14.24
Other expenses	459.22	786.03	1625.36	1261.37
<b>Total expenses</b>	<b>9266.16</b>	<b>11474.61</b>	<b>9759.49</b>	<b>8310.22</b>
<b>V. Profit before exceptional, extraordinary items and tax (III-IV)</b>	<b>1802.91</b>	<b>1542.25</b>	<b>578.80</b>	<b>154.93</b>
VI. Exceptional items	0.00	0.00	0.00	0.00
<b>VII. Profit before extraordinary items</b>	<b>1802.91</b>	<b>1542.25</b>	<b>578.80</b>	<b>154.93</b>
VIII. Extraordinary Items	0.00	0.00	0.00	0.00
<b>IX. Profit before tax (VII-VIII)</b>	<b>1802.91</b>	<b>1542.25</b>	<b>578.80</b>	<b>154.93</b>
X. Tax expense:				
1. Current tax	450.73	400.30	146.94	39.30
2. Deferred tax	0.00	4.97	6.34	5.26
3. Interest on Income Tax	0.00	0.00	0.00	0.00
<b>XI. Profit/(loss) for the period from continuing operations (VII-VIII)</b>	<b>1352.18</b>	<b>1136.98</b>	<b>425.52</b>	<b>110.37</b>
XII. Profit/(loss) from discontinuing operations	0.00	0.00	0.00	0.00
XIII. Tax expense of discontinuing operations	0.00	0.00	0.00	0.00
<b>XIV. Profit/(loss) from discontinuing operations (XII-XIII)</b>				
<b>XV. Profit/(loss) for the period (XI-XIV)</b>	<b>1352.18</b>	<b>1136.98</b>	<b>425.52</b>	<b>110.37</b>
XVI Earnings per equity share:				
1. Basic	15.02	12.63	14.18	3.71
2. Basic Adjusted	15.02	12.63	4.73	1.23
3. Diluted	15.02	12.63	4.73	1.23

(in Lakhs)

ANNEXURE 3 - RESTATED CASH FLOW STATEMENT				
Particulars	As at December 31,2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Cash flow from operating activities</b>				
Restated Net Profit before tax and extra ordinary items	1802.91	1542.25	578.80	154.93
<b>Adjustment for:</b>				
Depreciation	18.73	19.35	20.96	14.24
Finance Cost	156.42	290.53	250.12	102.23
<b>Operating Profit before working capital changes</b>	<b>1978.06</b>	<b>1852.13</b>	<b>849.88</b>	<b>271.39</b>
<b>Adjustment for:</b>				
(Increase)/Decrease in inventories	845.30	-287.92	-1560.84	-1295.62
(Increase)/Decrease in trade receivables	-1789.27	-1192.62	325.20	-583.23
(Increase)/Decrease in short term Loans and Advances	-1139.07	-52.35	-17.60	1059.64
Decrease/(Increase) in Other Current Assets	11.21	22.58	-8.17	-28.27
Decrease/(Increase) in Non-Current Assets	13.53	12.60	-46.05	-3.66
(Decrease)/Increase in Deferred Tax Liabilities (Net)	0.00	4.97	6.34	5.11
(Decrease)/Increase in Long Term Liabilities	-10.93	-0.82	-371.28	415.06
(Decrease)/Increase in Long Term Provisions	0.00	0.00	3.48	3.01
(Decrease)/Increase in Trade Payables	-230.76	288.95	2.37	274.86
(Decrease)/Increase in Short-term Provisions	453.47	353.82	138.50	-11.18
(Decrease)/Increase in Other current liabilities	-284.90	-235.51	192.37	-297.08
<b>Cash generated from operations</b>	<b>-153.37</b>	<b>765.83</b>	<b>-485.78</b>	<b>-189.96</b>
Taxes paid	-450.73	-405.27	-153.28	-44.56
Prior Period Adjustment				
<b>Net Cash From /(Used In ) Operating Activities Activities (A)</b>	<b>-604.10</b>	<b>360.56</b>	<b>-639.06</b>	<b>-234.52</b>
<b>(B) Cash flow from investing activities</b>				
(Purchase)/Sale of Property, Plant & Equipments	-24.94	-7.42	-47.31	-135.66
Decrease/(Increase) in Capital Work in Progress	-17.84	-30.93	-26.87	-46.95
<b>Net cash flow from investing activities (B)</b>	<b>-42.78</b>	<b>-38.35</b>	<b>-74.18</b>	<b>-182.61</b>
<b>Cash flow from financing activities</b>				

Proceeds from Issue of Shares	0.00	0.00	0.00	167.00
(Decrease)/Increase in Long- term borrowings	-98.23	-139.65	916.86	247.26
(Decrease)/Increase in Short- term borrowings	914.44	90.30	18.70	147.14
Interest and Finance Charges	-156.42	-290.53	-250.12	-102.23
<b>Net cash flow from financing activities (C)</b>	<b>659.78</b>	<b>-339.88</b>	<b>685.45</b>	<b>459.17</b>
<b>Net increase/(decrease) in cash (A)+(B)+(C)</b>	12.90	-17.62	-27.78	42.04
<b>Cash and cash equivalents at the beginning of the year</b>	6.14	23.76	51.54	9.50
<b>Cash and cash equivalents at the end of the year</b>	19.04	6.14	23.76	51.54

## GENERAL INFORMATION

Our Company was originally incorporated as “Vardaan Biotech Private Limited” as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 20, 2007, issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting held on January 05, 2021, and the name of our Company was changed to “Vardaan Biotech Limited”. A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company was issued by the Registrar of Companies, Gwalior on January 15, 2021. The Corporate Identification Number of our Company is U15495MP2007PLC020132.

For details of change in registered office of our Company, please refer to chapter titled “Our *History and Certain Other Corporate Matters*” beginning on page number 154 of this Draft Red Herring Prospectus.

<b>Registered Office</b>	C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456010, Madhya Pradesh, India. <b>Telephone:</b> [●] <b>E-mail:</b> <a href="mailto:Investorgrievance@Vardaanbiotech.com">Investorgrievance@Vardaanbiotech.com</a> <b>Website:</b> <a href="http://www.vardaanbiotech.com">www.vardaanbiotech.com</a>
<b>Corporate Office</b>	Plot No. 312, KLR Venture, Medchal, Malkajgiri District, Hyderabad - 501401, Telangana. <b>Telephone:</b> [●] <b>E-mail:</b> <a href="mailto:Investorgrievance@Vardaanbiotech.com">Investorgrievance@Vardaanbiotech.com</a> <b>Website:</b> <a href="http://www.vardaanbiotech.com">www.vardaanbiotech.com</a>
<b>Date of Incorporation</b>	December 20, 2007
<b>Company Registration No.</b>	020132
<b>CIN</b>	U15495MP2007PLC020132
<b>Company Category</b>	Company limited by Shares
<b>Registrar of Companies / Address of the ROC</b>	<b>Registrar of Companies, Gwalior</b> 3rd Floor, ‘A’ Block, Sanjay Complex Jayendra Ganj, Gwalior - 474009, Madhya Pradesh, India. <b>Telephone:</b> 0751-2321907 <b>Email Id:</b> <a href="mailto:roc.gwalior@mca.gov.in">roc.gwalior@mca.gov.in</a> <b>Website:</b> <a href="http://www.mca.gov.in">www.mca.gov.in</a>
<b>Company Secretary and Compliance Officer</b>	<b>Ms. Archana Khare</b> C/o Vardaan Biotech Limited C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456010, Madhya Pradesh, India. <b>Telephone:</b> [●] <b>E-mail:</b> <a href="mailto:archanakhare@vardaanbiotech.com">archanakhare@vardaanbiotech.com</a>
<b>Chief Financial Officer</b>	<b>Mr. Prashanth Kumar Bolleboina</b> C/o Vardaan Biotech Limited C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456010, Madhya Pradesh, India. <b>Telephone:</b> [●] <b>E-mail:</b> <a href="mailto:bolleboina_prashanth@vardaanbiotech.com">bolleboina_prashanth@vardaanbiotech.com</a>
<b>Designated Stock Exchange</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051 <b>Email:</b> <a href="mailto:emerge@nse.co.in">emerge@nse.co.in</a> <b>Website:</b> <a href="http://www.nseindia.com">www.nseindia.com</a>
<b>Bid/ Issue Programme</b>	<b>Anchor Portion Issue Opens/Closes on:</b> [●] <b>Issue Opens on:</b> [●] <b>Issue Closes on:</b> [●]







## BOARD OF DIRECTORS OF OUR COMPANY

Set forth below are the details of our Board of Directors as on the date of this Draft Red Herring Prospectus:


Name	Designation	DIN	Address
Mr. Lokendra Singh Rajput	Chairman and Managing Director	01801160	A-9/14, Basant Vihar, Indore Road, Ujjain – 456 010, Madhya Pradesh, India
Ms. Rashmi Rajput	Executive Director	01806022	A-9/14, Basant Vihar, Indore Road, Ujjain – 456 010, Madhya Pradesh, India .
Mr. Aman Nayak	Independent Director	06925999	114, Manbhavan Nagar, Kanadia, PO: Indore Kanadia Road, Indore, Madhya Pradesh - 452016, India
Mr. Manish Joshi	Independent Director	07762530	8, Station Road, Behind Mandar School, Sai Kripa Colony, Rau, Indore, Madhya Pradesh-453331, India
Ms. Devyani Chhajed	Independent Director	10276186	1083 Gyan Nagar Sector-04, Manva Khera Girwa, Udaipur, Rajasthan -313002

For detailed profile of our Board of Directors, please see the chapter titled “Our Management” on page number 159 of the Draft Red Herring Prospectus.

## DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p><b>Share India Capital Services Private Limited</b>  <b>CIN:</b> U65923UP2016PTC075987  <b>Address:</b> A-15, Basement, Sector - 64, Noida, Gautam Buddha Nagar, Noida - 201301, Uttar Pradesh, India.  <b>Telephone:</b> 0120-4910000  <b>E-mail id:</b> <a href="mailto:kunal.bansal@shareindia.co.in">kunal.bansal@shareindia.co.in</a>  <b>Investor grievance e-mail id:</b> <a href="mailto:info@shareindia.com">info@shareindia.com</a>  <b>Website:</b> <a href="http://www.shareindia.com">www.shareindia.com</a>  <b>Contact person:</b> Mr. Kunal Bansal  <b>SEBI registration number:</b> INM000012537</p>	 <p><b>Purva Share Registry (India) Private Limited</b>  <b>CIN:</b> U67120MH1993PTC074079  <b>Address:</b> 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E) Mumbai– 400011, Maharashtra, India  <b>Telephone:</b> 022 49614132 / 35220056  <b>E-mail id:</b> <a href="mailto:newissue@purvashare.com">newissue@purvashare.com</a>  <b>Investor grievance e-mail id:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a>  <b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a>  <b>Contact person:</b> Ms. Deepali Dhuri  <b>SEBI registration number:</b> INR000001112</p>
BANKERS TO THE COMPANY	LEGAL ADVISOR TO THE ISSUE
 <p><b>Punjab National Bank</b>  <b>Address:</b> Kanthal Square, Ujjain, Madhya Pradesh  <b>Telephone:</b> 0734-2560440, 26102303  <b>E-mail:</b> <a href="mailto:bo0459@pnb.co.in">bo0459@pnb.co.in</a>  <b>Contact Person:</b> Mr. J.P. Santwani  <b>Website:</b> <a href="http://www.pnbindia.in">www.pnbindia.in</a></p>	 <p><b>Whitespan Law Offices LLP</b>  <b>Address:</b> 416, 4th Floor, Tower - A, Spazedge Commercial Complex, Sohna Rd, Sector 47, Gurugram, Haryana 122018  <b>Telephone:</b> +91-0124 - 2204262/63  <b>E-mail:</b> <a href="mailto:vinayshukla@whitespan.in">vinayshukla@whitespan.in</a>  <b>Contact Person:</b> Mr. Vinay Shukla  <b>Website:</b> <a href="http://www.whitespanadvisory.com">www.whitespanadvisory.com</a></p>



STATUTORY & PEER REVIEW AUDITORS TO OUR COMPANY	MARKET MAKERS
<b>M/s M Borar &amp; Co</b> <b>Address:</b> 509, Onam Plaza, 18 Palasia, A.B. Road, Indore – 452008, Madhya Pradesh, India <b>Telephone:</b> +91 9424081861 <b>Email:</b> mbcindore@gmail.com <b>Contact Person:</b> CA Swarnim Gupta <b>Firm Registration No.:</b> 314255E <b>Peer Review Certificate No.:</b> 016177	 <b>Share India Securities Limited</b> <b>Address:</b> 1701-1703, 17th Floor, Dalal Street Commercial Co-operative Society Limited, Road 5E, Block 53, Zone 5, Gift City, Gandhinagar, Gift City, Gandhi Nagar, Gandhinagar 382355, Gujarat, India. <b>Tel No.:</b> 91-120-4910000 <b>Email Id:</b> <a href="mailto:vikas_cs@shareindia.com">vikas_cs@shareindia.com</a> <b>Website:</b> <a href="http://www.shareindia.com/">www.shareindia.com/</a> <b>Contact Person:</b> Mr. Vikas Aggarwal <b>SEBI Registration No.:</b> INZ000178336
BANKERS TO THE ISSUE/ REFUND BANK/ SPONSOR BANK*	SYNDICATE MEMBER*
[•]	[•]

*\*Details will be updated prior to submission of Draft Red Herring Prospectus with the Registrar of Companies.*

#### CHANGES IN AUDITORS DURING THE LAST THREE YEARS

Except as stated below, there has been no change in the Auditors of our Company during the last three years:

Name of Auditor	Appointment/ Resignation	Date of Appointment/ Resignation	Reason
<b>M/s S.K. Khandelwal &amp; Associates</b> <b>Chartered Accountants</b> 211 Royal Ratan 7, M.G. Road, Indore-452001, Madhya Pradesh, India. <b>Tel:</b> 0731 – 2523373/3916761 <b>Contact Person:</b> Shubham Khandelwal <b>Email Id:</b> <a href="mailto:cashubhamk@gmail.com">cashubhamk@gmail.com</a> <b>Firm Registration No:</b> 002305C	Resignation	March 07, 2024	Resignation as Statutory Auditor due to some other Engagement.
<b>M/s M Borar &amp; Co.</b> <b>Chartered Accountants</b> <b>Address:</b> 509, Onam Plaza, 18 Palasia, A.B. Road, Indore – 452008, Madhya Pradesh, India. <b>Telephone:</b> +91 9424081861 <b>Email:</b> mbcindore@gmail.com <b>Contact Person:</b> CA Swarnim Gupta <b>Firm Registration No.:</b> 314255E <b>Peer Review Certificate No.:</b> 016177	Appointment	March 11, 2024	Appointment as the Statutory Auditor for the Financial Year 2024 to fill up Casual Vacancy

#### INVESTOR GRIEVANCES

Investors can contact the Compliance Officer or the Book Running Lead Managers or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Managers, who shall respond to the same.

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Application Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, Application Form number, Applicants' DP ID, Client

ID, UPI ID, PAN, date of submission of the Application Form, address of the Applicant, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant and ASBA Account number (for Applicants other than RIIs using the UPI Mechanism) in which the amount equivalent to the Application Amount was blocked or the UPI ID in case of RIIs using the UPI Mechanism.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the post issue book running lead managers are required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

Further, the Applicant shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Applications submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

All Issue-related grievances of the Anchor Investors may be addressed to the Book Running Lead Managers, giving full details such as the name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for, name and address of the Book Running Lead Managers, unique transaction reference number, the name of the relevant bank, Application Amount paid on submission of the Application Form and the name and address of the Book Running Lead Managers where the Application Form was submitted by the Anchor Investor.

## **DESIGNATED INTERMEDIARIES**

### **Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated September 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

### **Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

### **Syndicate SCSB Branches**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

## **Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) as updated from time to time.

## **BROKERS TO THE ISSUE**

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

## **REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS**

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, as updated from time to time.

## **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, 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](http://www.sebi.gov.in)) and updated from time to time.

## **STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES**

Since Share India Capital Services Private Limited is the sole Book Running Lead Manager to the Issue, all the responsibility of the issue will be managed by them.

## **CREDIT RATING**

As this is an issue of Equity Shares, there is no credit rating for this Issue.

## **IPO GRADING**

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

## **FILING OF DRAFT PROSPECTUS/ DRAFT RED HERRING PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES**

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Issue Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. Pursuant to SEBI Master Circular, a copy of the Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of Red Herring Prospectus/ Prospectus, will also be filed with the EMERGE Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of the Red Herring Prospectus, along with the material contracts, documents and the Red Herring Prospectus will also be filed with the ROC under Section 26, Section 28 and Section 32 of the Companies Act, 2013 and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

## **DEBENTURE TRUSTEE**

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

## **APPRAISAL AND MONITORING AGENCY**

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakhs. Hence, our Company is not required to appoint a monitoring agency in relation to the issue. However,

Audit Committee of our Company will be monitoring the utilization of the Issue Proceeds. The object of the issue and deployment of funds are not appraised by any independent agency/bank/financial institution.

#### **EXPERT OPINION**

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

Our Company has received written consent from the Statutory Auditor & Peer Reviewed Auditor namely, M/s M Borar & Co, Chartered Accountants (FRN-314255E) to include their name in respect of the reports on the Restated Financial Statements dated December 31, 2023 and the Statement of Special Tax Benefits dated April 15, 2024 issued by them, from the Legal Advisor namely Whitespan Law Offices LLP dated April 11, 2024 to include their names in this Draft Red Herring Prospectus, and from the Chartered Engineer namely Vastu Shilpagya & Shilpagya Consultants dated April 15, 2024 to include their names in this Draft Red Herring Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

#### **GREEN SHOE OPTION**

The option of allotting equity shares in excess of the equity shares offered in the public issue is not exercised by the company.

#### **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 Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Ujjain Edition of Regional newspaper [●] where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are: -

Principal parties involved in the Book Building Process are-

1. Our Company;
2. The Book Running Lead Manager, in this case being Share India Capital Services Private Limited;
3. 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 Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager; The Registrar to the Issue, in this case being Purva Sharegistry (India) Private Limited.
4. The Escrow Collection Banks/ Bankers to the Issue and
5. The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the Book Running Lead Manager allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “Anchor Investor Portion”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed

to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange.

All Bidders, other than Anchor Investors are mandatorily required to use the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIB 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. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bidding Date. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. 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 Book Running Lead Manager and the Stock Exchange. However, under – subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled “**Issue Procedure**” beginning on page number 260 of the Draft Red Herring Prospectus.

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 number 260 of this Draft Red Herring Prospectus.

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. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20.00 to ₹ 24.00 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 (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,000	50.00%
1,500	22	1,500	100.00%
2,000	21	2,000	166.67%
2,500	20	2,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the Book Running Lead Manager, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 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.

#### Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see section titled “**Issue Procedure**” on page number 260 of this Draft 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 Depository 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 Draft Red Herring Prospectus and in the Bid cum Application Form.

<b>BID ISSUE/ PROGRAM</b>	
<b>Event</b>	<b>Indicative Dates</b>
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

*Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.*

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 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. SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company may choose to close this Issue within three (03) working days, in accordance with the timeline provided under the aforementioned circular. Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/ Issue Closing Date maybe extended in consultation with the Book Running Lead Manager, RTA and National Stock Exchange of India Limited Emerge taking into account the total number of applications received up to the closure of timings. Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw

or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

#### WITHDRAWAL OF THE ISSUE

Our Company and Selling Shareholders in consultation with the Book Running Lead Manager, reserve the right not to proceed with the Issue at any time before the Bid/Issue Opening Date without assigning any reason thereof. If our Company withdraw the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction. If our Company withdraw the Issue after the Bid/Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approval of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment.

#### UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement has been entered on April 18, 2024. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of shares Underwritten*	Amount Underwritten (₹ in Lakh)	% Of the total Issue Size Underwritten
<b>Share India Capital Services Private Limited</b> A-15, Basement, Sector - 64, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301 <b>Tel.:</b> +91 0120-4910000 <b>Email:</b> Info@shareindia.com <b>Website:</b> <a href="http://www.shareindia.com">www.shareindia.com</a> <b>Contact person:</b> Mr. Kunal Bansal <b>SEBI registration number:</b> INM000012537	Up to 53,18,000	[●]	[●]

*\*Includes 5,32,000 Equity shares of Rs. 10.00 each for the cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker vide their agreement dated 18<sup>th</sup> April 2024 in order to comply with the requirements of Regulation 261 of the SEBI ICDR Regulations.*

In terms of Regulation 260(1) of the SEBI ICDR Regulations, the initial public offer shall be underwritten for hundred per cent (100%) of the Issue and shall not be restricted up to the minimum subscription level. As per Regulation 260(2) of SEBI ICDR Regulations, the Book Running Lead Managers has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the abovementioned Underwriter are sufficient to enable it to discharge its underwriting obligation in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

#### DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company has entered into a Market Making Agreement dated April 18, 2024 with the following Market Maker for fulfilling the Market Making obligations under this Issue:

Name	Share India Securities Limited
Address	Unit No 60A-B 605A-B 6th Flr Tower A World Trade Centre Gift City Block-51 Zone-5 Road 5e Gift City Gandhinagar 382355, Gujarat.
Telephone No.	91-120-4910000
E-mail	<a href="mailto:vikas_cs@shareindia.com">vikas_cs@shareindia.com</a>
Website	<a href="http://www.shareindia.com/">www.shareindia.com/</a>
Contact Person	Mr. Vikas Aggarwal
SEBI Registration No.	INZ000178336
Market Maker Registration No.	INB231079832

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with National Stock Exchange of India Limited to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

**Share India Securities Limited.**, registered with EMERGE Platform 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 shall be required to provide a 2-way quote for at least 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The Price quoted by the Market maker shall be in compliance with the Market Maker spread requirements and other particulars as specified or as per the requirements of the Emerge Platform of NSE and SEBI from time to time.
3. In terms of SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012 the Market Maker shall be exempt from providing buy quote on attaining the prescribed threshold limits (including the mandatory allotment of 5% of Equity Shares of the Issue). Further, the Market Maker can offer buy quotes only after the Market Maker complies with prescribed re-entry threshold limits. Only those Equity Shares which have been acquired by the Market Maker on the platform of the SME Exchange during market making process shall be counted towards the Market Maker's threshold. The Market Maker shall be required to provide two-way quotes during the first three months of the market making irrespective of the level of holding.
4. The minimum depth of the quote shall be Rs.1,00,000/-. However, the investor with holdings of value less than Rs.1,00,000/- shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to that effect to the selling broker.
5. There shall be no exemption/ threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process, the concerned Stock Exchange may intimate the same to SEBI after due verification.
6. The Market Maker shall not sell lots less than the minimum contract size allowed for trading on the Emerge Platform of NSE and the same may be changed by the Emerge Platform of NSE from time to time.



7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by them.
8. 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 NSE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
9. The Market Maker shall start providing quotes from the day of the listing/ the day when designated as the Market Maker for their respective scrip and shall be subject to the guidelines laid down for market making by the SME Exchange.
10. 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.
11. Market Maker shall not buy the Equity Shares from the Promoters or Persons belonging to promoter group of VARDAAN BIOTECH or any person who has acquired shares from such promoter or person belonging to promoter group, during the compulsory market making period.
12. The Promoters' holding in VARDAAN BIOTECH Equity Shares shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the promoters' holding in VARDAAN BIOTECH which is not locked-in as per the SEBI (ICDR) Regulations, as amended, can be traded with prior permission of the **Emerge Platform of NSE**, and in the manner specified by SEBI from time to time.
13. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Company at any particular level and is purely supposed to facilitate liquidity on the counter of VARDAAN BIOTECH via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.
14. **Risk containment measures and monitoring for Market Maker:** Emerge Platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
15. **Punitive Action in case of default by Market Maker(s):** Emerge Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non- compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case it 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.

16. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) 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.20to Rs.50 Crore	20%	19%
Rs.50to Rs.80 Crore	15%	14%
AboveRs.80 Crore	12%	11%

17. All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

**On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.**

## CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus is set forth below:

(₹ In Lakh except per share amount)			
Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A.	<b>AUTHORISED SHARE CAPITAL</b>		
	2,10,00,000 Equity Shares having face value of ₹ 10.00 each	2,100.00	--
B.	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	1,41,70,000 Equity Shares having face value of ₹ 10.00 each	1,417.00	--
C.	<b>PRESENT ISSUE IN TERMS OF THE DRAFT RED HERRING PROSPECTUS <sup>(1)</sup></b>		
	Issue of up to 53,18,000 Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share	531.80	[●]
	<i>Consisting of</i>		
	Fresh Issue of up to 48,18,000 Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share	481.80	
	#Offer for sale of up to 5,00,000 Equity Shares of ₹ 10.00 each at a Price of ₹ [●] per Equity Share	50.00	
	<i>Which comprises</i>		
	Net Issue to Public of 47,86,000 Equity Shares of ₹ 10.00 each at an Issue Price of ₹ [●]/- per Equity Share to the Public	478.60	[●]
	5,32,000 Equity Shares of ₹ 10.00 each at an Issue Price of ₹ [●]/- per Equity Share reserved as Market Maker Portion	5.32	[●]
	[●] Equity Shares of ₹ 10.00 each at an Issue Price of ₹ [●]/- per Equity Share reserved for Qualified Institutional Placement	[●]	[●]
	<b>Net Issue* to Public consists of <sup>(2)</sup></b>	--	--
	[●] Equity Shares of ₹ 10.00 each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation for Investors investing amount up to ₹ 2.00 Lakh	[●]	[●]
	[●] Equity Shares of ₹ 10.00 each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation for Investors investing amount above ₹ 2.00 Lakh (Non-Retail Portion)	[●]	[●]
D.	<b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY CAPITAL AFTER THE ISSUE</b>		
	1,89,88,000 Equity Shares having face value of ₹ 10.00 each	189.88	
E.	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		[●]
	After the Issue		[●]

\* For detailed information on the Net Issue and its allocation various categories, please refer chapter titled “The Issue” on Page number 55 of this Draft Red Herring Prospectus.

(1) The present Issue has been authorized by our Board of Directors vide a resolution passed at its meeting held on dated March 10, 2024 and by our shareholders vide a Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the EGM held on March 11, 2024

(2) Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Size. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

#The Offer for Sale has been authorized by the Selling Shareholders by their consent letter dated April 15, 2024.

Sr. No	Name of the Selling Shareholders	No of Equity Shares offered	% of the pre-issue paid-up Equity Share capital
1.	Mr. Lokendra Singh Rajput	5,00,000	3.53

*The Selling Shareholders confirm that the Equity Shares being offered by it are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. Further, the Selling Shareholders confirm that the Offered Shares is within the thresholds prescribed under the SEBI ICDR Regulations, to the extent applicable to it*

#### Class of Shares

The company has only one class of shares i.e. Equity Shares of ₹10.00 each only and all Equity Shares are ranked pari-passu in all respect. All Equity Shares issued are fully paid-up as on date of the Draft Red Herring Prospectus. Our Company does not have any partly paid-up equity shares as on the date of this Draft Red Herring Prospectus. Our Company does not have any outstanding convertible instruments as on the date of the Draft Red Herring Prospectus.

#### NOTES TO THE CAPITAL STRUCTURE

##### 1. Details of changes in Authorized Share Capital of our Company

Since the Incorporation of our Company, the authorized equity share capital of our Company has been changed in the manner set forth below:

Sr. No.	Particulars of Increase	Cumulative no. of Equity Shares	Cumulative Authorized Share Capital (₹ in Lakhs)	Date of Meeting	Whether AGM/ EGM
1	On incorporation	10,000	1.00	Not Applicable	NA
2	The Authorized Share Capital was increased from ₹1,00,000 to ₹ 21,00,000	2,10,000	21.00	March 10, 2014	EGM
3	The Authorized Share Capital was increased from ₹ 21,00,000 to ₹ 61,00,000	6,10,000	61.00	December 08, 2014	EGM
4	The Authorized Share Capital was increased from ₹ 61,00,000 to ₹ 1,01,00,000	10,10,000	101.00	February 19, 2018	EGM
5	The Authorized Share Capital was increased from ₹ 1,01,00,000 to ₹ 1,51,00,000	15,10,000	151.00	May 24, 2018	EGM
6	The Authorized Share Capital was increased from ₹ 1,51,00,000 to ₹ 3,00,00,000	30,00,000	300.00	February 24, 2020	EGM
7	The Authorized Share Capital was increased from ₹ 3,00,00,000 to ₹ 4,00,00,000	40,00,000	400.00	November 23, 2020	EGM
8	The Authorized Share Capital was increased from ₹ 4,00,00,000 to ₹ 5,00,00,000	50,00,000	500.00	February 03, 2021	EGM
9	The Authorized Share Capital was increased from ₹ 5,00,00,000 to ₹ 15,00,00,000	1,50,00,000	1500.00	April, 25, 2022	EGM
10	The Authorized Share Capital was increased from ₹ 15,00,00,000 to ₹ 21,00,00,000	2,10,00,000	2100.00	February, 29, 2024	EGM

##### 2. History of Paid-up Share Capital:

Our existing Paid-up Equity Share Capital has been subscribed and allotted in the manner set forth below:

Date of Allotment	Nature of Allotment	No. of Equity Shares Allotted	Face Value (In ₹)	Issue Price (In ₹)	Nature of Consideration	Cumulative Number of Equity Shares	Cumulative Paid-up share Capital (₹ in Lakh)	Cumulative Share Premium (In ₹ Lakhs)
December 20, 2007	Subscription to Memorandum of Association <sup>(i)</sup>	10,000	10.00	10.00	Cash	10,000	1.00	0.00
March 20, 2014	Preferential allotment <sup>(ii)</sup>	2,00,000	10.00	10.00	Cash	2,10,000	21.00	0.00
December 08, 2014	Right Issue <sup>(iii)</sup>	4,00,000	10.00	10.00	Cash	6,10,000	61.00	0.00
May 24, 2018	Preferential allotment <sup>(iv)</sup>	7,20,000	10.00	10.00	Cash	13,30,000	133.00	0.00
May 22, 2020	Right Issue <sup>(v)</sup>	1,94,186	10.00	86.00	Cash	15,24,186	152.41	147.58
May 25, 2020	Bonus Issue <sup>(vi)</sup>	14,75,814	10.00	NIL	Consideration other than cash	30,00,000	300.00	147.58
December 14, 2022	Bonus Issue <sup>(vii)</sup>	60,00,000	10.00	NIL	Consideration other than cash	90,00,000	900.00	0.00
March 07, 2024	Bonus Issue <sup>(viii)</sup>	45,00,000	10.00	NIL	Consideration other than cash	1,35,00,000	1,350.00	0.00
March 28, 2024	Private Placement <sup>(ix)</sup>	6,70,000	10.00	96.00	Cash	1,41,70,000	1,417.00	723.78

i) Details of allotment of 10,000 Fully Paid-up Equity Shares made to the subscribers to the Memorandum of Associations are as follows:

**Allotment**

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1	Mr. Lokendra Singh Rajput	5,000	10.00	10.00
2	Ms. Rashmi Rajput	5,000	10.00	10.00
	<b>Total</b>	<b>10,000</b>	<b>-</b>	<b>-</b>

(ii) Details of allotment of 2,00,000 Equity Shares made on March 20, 2014 by way of preferential allotment are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1	Mr. Lokendra Singh Rajput	1,00,000	10.00	10.00
2	Ms. Rashmi Rajput	1,00,000	10.00	10.00
	<b>Total</b>	<b>2,00,000</b>		

(iii) Details of allotment of 4,00,000 Equity Shares made on December 08, 2014 by way of rights issue are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1	Mr. Lokendra Singh Rajput	2,00,000	10.00	10.00
2	Ms. Rashmi Rajput	2,00,000	10.00	10.00

	<b>Total</b>	<b>4,00,000</b>		
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(iv) Details of allotment of 7,20,000 Equity Shares made on May 24, 2018 by way of private placement are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1	Mr. Lokendra Singh Rajput	2,00,000	10.00	10.00
2	Ms. Rashmi Rajput	2,40,000	10.00	10.00
3	Ms. Pushpa Rajput	2,80,000	10.00	10.00
	<b>Total</b>	<b>7,20,000</b>		

(v) Details of allotment of 20,00,000 Equity Shares made on May 22, 2020 by way of rights issue are as follows:

Sr. No.	Name of Allotees	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1	Mr. Lokendra Singh Rajput	68,605	10.00	86.00
2	Ms. Rashmi Rajput	79,070	10.00	86.00
3	Ms. Pushpa Rajput	46,511	10.00	86.00
	<b>Total</b>	<b>1,94,186</b>		

(vi) Details of allotment of 14,75,814 Equity Shares of face value of ₹ 10/- each fully paid up made on May 25, 2020 under Bonus Issue in the ratio of 2:1 are as follows:

Sr. No.	Name of Allotees	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1	Mr. Lokendra Singh Rajput	5,60,809	10.00	Nil
2	Ms. Rashmi Rajput	6,05,084	10.00	Nil
3	Ms. Pushpa Rajput	3,09,921	10.00	Nil
	<b>Total</b>	<b>14,75,814</b>		

vii) Details of allotment of 60,00,000 Equity Shares of face value of ₹ 10/- each fully paid up made on December 14, 2022 under Bonus Issue in the ratio of 2:1 are as follows:

Sr. No.	Name of Allotees	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1	Mr. Lokendra Singh Rajput	35,41,412	10.00	Nil
2	Ms. Rashmi Rajput	24,58,308	10.00	Nil
3	Ms. Pushpa Rajput	200	10.00	Nil
4	Mr. Lakhan Jaiswal	20	10.00	Nil
5	Mr. Somesh Panchal	20	10.00	Nil
6	Mr. Pankaj Solanki	20	10.00	Nil
7	Mr. Sanjay Kumar	20	10.00	Nil
	<b>Total</b>	<b>60,00,000</b>		

viii) Details of allotment of 45,00,000 Equity Shares of face value of ₹ 10/- each fully paid up made on March 07, 2024 under Bonus Issue in the ratio of 1:2 are as follows:

Sr. No.	Name of Allotees	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1	Mr. Lokendra Singh Rajput	26,11,059	10.00	Nil
2	Ms. Rashmi Rajput	15,93,731	10.00	Nil
3	Ms. Pushpa Rajput	150	10.00	Nil
4	Mr. Anshul Laxkar	250,000	10.00	Nil
5	Mr. Hari Singh	15	10.00	Nil
6	Mr. Samar Rajput	15	10.00	Nil
7	Ms. Tanushka Singh	15	10.00	Nil
8	Mr. Sanjay Kumar	15	10.00	Nil
9	Mr. Bhoopendra Singh Rajput	37,500	10.00	Nil
10	Ms. Anushka Rajput	7,500	10.00	Nil
	<b>Total</b>	<b>45,00,000</b>		

ix) Details of allotment of 6,70,000 Equity Shares made on March 28, 2024 by way of private placement are as follows:

Sr. No.	Name of Allotees	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1	BRJ Resources Private Limited	90,000	10.00	96.00
2	Mr. Pradeep Samal	10,000	10.00	96.00
3	Sushanta Sarangi HUF	15,000	10.00	96.00
4	Mr. Naim I Chogule	9,000	10.00	96.00
5	Arabind Das HUF	7,000	10.00	96.00
6	Mr. Waseem Javed Khan	28,000	10.00	96.00
7	Stockify fintech Private Limited	51,000	10.00	96.00
8	Mr. Diwakar Gandhi	51,000	10.00	96.00
9	Mr. Jagdeep Bansal	28,000	10.00	96.00
10	Mr. Nikhil Shridhar Khetan	28,000	10.00	96.00
11	Prakash Mandhaniya HUF	22,000	10.00	96.00
12	Priyanka Mukesh Saraswat	21,000	10.00	96.00
13	G- Trading India Private Limited	22,000	10.00	96.00
14	Arika Securities Private Limited	87,000	10.00	96.00
15	Mr. Ganapathy Hanumanth Puranik	9,000	10.00	96.00
16	Ms. Diksha Joshi	5,000	10.00	96.00
17	Ms. Anu Bhatia	4,000	10.00	96.00
18	Sygnific Corporate Solutions Private Limited	15,000	10.00	96.00
19	Capital Trade Links Limited	23,000	10.00	96.00
20	Ms. Lakshmi Devi	18,000	10.00	96.00
21	Ms. Ridhi Khurana	18,000	10.00	96.00
22	Mr. Suman Jeet Agarwal	18,000	10.00	96.00
23	Mr. Ankur Krishnakant Choksi	26,000	10.00	96.00
24	Mr. Jigarkumar Dahyalal Patel	26,000	10.00	96.00
25	Mr. Jainik Bharatkumar Shah	5,000	10.00	96.00
26	Mr. Shivraj S Singh	5,000	10.00	96.00
27	Ms. Sonal Shah	5,000	10.00	96.00
28	Mr. Vishnu Menon	5,000	10.00	96.00
29	Ms. Bharatiben Rajendrakumar Shah	10,000	10.00	96.00
30	Ms. Nivedita Rajeshkumar Trivedi	9,000	10.00	96.00
	<b>Total</b>	<b>6,70,000</b>		

3. Our Company has not allotted any Equity Shares pursuant to any scheme of merger or amalgamation approved under Section 230- 234 of the Companies Act, 2013.

4. Issue of equity shares for consideration other than cash or out of revaluation reserves and through Bonus Issue:

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of allotment	Number of Equity Shares Allotted	Face value (₹)	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which Bonus Shares Issued
May 25, 2020	14,75,814	10.00	0.00	Bonus issue in the ratio of 02 Equity Shares issued for every 01 Equity Shares held by the existing Equity Shareholders authorised by	-	Out of Reserves and Surplus <sup>(1)</sup>

				our Board, pursuant to a resolution passed at its meeting held on May 25, 2020 and by our Shareholders pursuant to a resolution passed at the EGM held on May 25, 2020 <sup>(1)</sup>		
December 14, 2022	60,00,000	10.00	0.00	Bonus issue in the ratio of 02 Equity Shares issued for every 01 Equity Shares held by the existing Equity Shareholders authorised by our Board, pursuant to a resolution passed at its meeting held on December 10, 2022 and by our Shareholders pursuant to a resolution passed at the EGM held on December 12, 2022 <sup>(2)</sup>	-	Out of Free Reserves or such other account <sup>(2)</sup>
March 07, 2024	45,00,000	10.00	0.00	Bonus issue in the ratio of 01 Equity Shares issued for every 02 Equity Shares held by the existing Equity Shareholders authorised by our Board, pursuant to a resolution passed at its meeting held on February 07, 2024 and by our Shareholders pursuant to a resolution passed at the EGM held on February 29, 2024 <sup>(3)</sup>	-	Out of Free Reserves or such other account <sup>(3)</sup>

(1) For list of allottees see point no. 2(vi) of paragraph titled “History of Paid Up Share capital” mentioned above.

(2) For list of allottees see point no. 2(vii) of paragraph titled “History of Paid Up Share capital” mentioned above.

(3) For list of allottees see point no. 2(viii) of paragraph titled “History of Paid Up Share capital” mentioned above.

5. Our Company has not issued any Equity Shares during a period of one year preceding the date of the Draft Red Herring Prospectus at a price lower than the Issue price. However, our company has issued Bonus Shares during a period of one year preceding the date of the Draft Red Herring Prospectus:

Date of allotment	Number of Equity Shares Allotted	Face value (₹)	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which Shares Issued
March 07, 2024	45,00,000	10.00	Nil	Bonus issue in the ratio of 01 Equity Shares issued for every 02 Equity Shares held by the existing Equity Shareholders <sup>(1)</sup>	-	Bonus Issued out of Reserves and Surplus <sup>(1)</sup>



March 28, 2024	6,70,000	10.00	96.00	Private Placement (2)	-	-
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<sup>(1)</sup> For list of allottees see note 2(viii) of paragraph titled “History of Share capital of our Company” mentioned above.

<sup>(2)</sup>For list of allottees see note 2(ix) of paragraph titled “History of Share capital of our Company” mentioned above.

6. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.

#### 7. Our Shareholding Pattern:

The Shareholding Pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

S. No.	Particular	Yes/No	Promoter and Promoter Group	Public shareholder	Non-Promoter – Non-Public
1	Whether the Company has issued any partly paid-up shares?	No	No	No	No
2	Whether the Company has issued any Convertible Securities?	No	No	No	No
3	Whether the Company has issued any Warrants?	No	No	No	No
4	Whether the Company has any shares against which depository receipts are issued?	No	No	No	No
5	Whether the Company has any shares in locked-in? *	No	No	No	No
6	Whether any shares held by promoters are pledge or otherwise encumbered?	No	No	NA	NA
7	Whether company has equity shares with differential voting rights?	No	No	No	No

\* All Pre-IPO Equity Shares of our Company will be locked-in prior to listing of shares on SME Platform of NSE i.e. NSE EMERGE.

#### 8. Our Shareholding Pattern:

The Shareholding Pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

(A). Table-I - Summary Statement holding of Equity Shares

Annexure A: Summary Statement of Holding of Equity Shares																		
Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including convertible securities)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII) + (X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting (XIV) 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)	
								Class (eg: X)	Class (eg: Y)	Total								
(A)	Promoter & Promoter Group	7	12727455	-	-	12727455	89.82	12727455	0	12727455	89.82	0	89.82	0	0	0	0	12727455
(B)	Public																	
(C)	Non-Promoter-Non Public	36	1442545	-	-	1442545	10.18	1442545	0	1442545	10.18	0	10.18	0	0	0	0	1442545
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	43	14170000			14170000	100	14170000	0	14170000	100	0	100	0	0	0	0	14170000
Note																		
1	C=C1+C2																	
2	Grand Total=A+B+C																	

## 9. Total shareholding of the promoters in the Company

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate 1,26,14,370 Equity Shares constituting 89.02% of issued and paid up share capital of our company. The details regarding our Promoters' shareholding is set forth below: -

### (a) Build-up of Promoters' shareholding in our Company

Date of Allotment / Transfer	Nature of Issue/ Transaction	Number of Equity Shares	Cumulative No. of Shares	Face Value per Equity Share (in ₹)	Issue / Transfer price per Equity Share (in ₹)	Consideration	% of pre-issue capital of Cumulative Shares	% of post issue capital of Cumulative Shares
<b>Mr. Lokendra Singh Rajput</b>								
December 20, 2007	Initial Subscription	5,000	5,000	10.00	10.00	50,000	0.03	0.02
March 20, 2014	Preferential Allotment	100,000	1,05,000	10.00	10.00	10,00,000	0.74	0.55
December 08, 2014	Right Issue	2,00,000	3,05,000	10.00	10.00	20,00,000	2.15	1.60
May 24, 2018	Private Placement	2,00,000	5,05,000	10.00	10.00	20,00,000	3.56	2.65
May 22, 2020	Right Issue	68,605	5,73,605	10.00	86.00	59,00,030	4.04	3.02
May 25, 2020	Bonus Issue	5,60,809	11,34,414	10.00	0.00	NA	8.00	5.97
May 16, 2022	Transfer from Ms. Pushpa Rajput	6,36,292	17,70,706	10.00	0.00	NA	12.49	9.32
December 14, 2022	Bonus Issue	35,41,412	53,12,118	10.00	0.00	NA	37.48	27.97
January 20, 2024	Transfer	(75,000)	52,37,118	10.00	0.00	NA	36.95	27.58
January 20, 2024	Transfer	(15,000)	52,22,118	10.00	0.00	NA	36.85	27.50
March 07, 2024	Bonus Issue	26,11,059	78,33,177	10.00	0.00	NA	55.28	41.25
<b>Ms. Rashmi Rajput</b>								
December 20, 2007	Initial Subscription	5,000	5,000	10.00	10.00	50,000	0.03	0.02
March 20, 2014	Preferential Allotment	100,000	1,05,000	10.00	10.00	10,00,000	0.74	0.55
December	Right Issue	2,00,000	3,05,000	10.	10.00	20,00,0	2.1	1.60

r 08, 2014				00		00	5	
May 24, 2018	Private Placement	2,40,000	5,45,000	10.00	10.00	24,00,000	3.84	2.87
May 22, 2020	Right Issue	79,070	6,24,070	10.00	86.00	68,00,020	4.40	3.28
May 25, 2020	Bonus Issue	6,05,084	12,29,154	10.00	10.00	NA	8.67	6.47
December 14, 2022	Bonus Issue	24,58,308	36,87,463	10.00	0.00	NA	26.02	19.41
January 02, 2023	Transfer	(5,00,000)	31,87,462	10.00	0.00	NA	22.49	16.78
March 07, 2024	Bonus Issue	15,93,731	47,81,193	10.00	0.00	NA	33.74	25.18

10. As on the date of the Draft Red Herring Prospectus, there are no partly paid-up shares / outstanding convertible securities / warrants in our Company.

11. As on the date of the Draft Red Herring Prospectus, our Promoter and Promoter Group hold a total of 1,27,27,455 Equity Shares representing 89.82% of the pre-issue paid up share capital of our Company. The details are as under:

Sr. No.	Name of shareholders	Pre-Issue		Post-Issue	
		No. of equity shares	As a % of Issued Capital*	No. of equity shares	As a % of Issued Capital*
<b>I</b>	<b>PROMOTER</b>				
1	Mr. Lokendra Singh Rajput	78,33,177	55.28	73,33,177	38.62
2	Ms. Rashmi Rajput	47,81,193	33.74	47,81,193	25.18
<b>II</b>	<b>PROMOTER GROUP</b>				
1	Ms. Pushpa Rajput	450	0.00	450	0.00
2	Mr. Hari Singh Rajput	45	0.00	45	0.00
3	Mr. Samar Pratap Singh Rajput	45	0.00	45	0.00
4	Ms. Tanushka Singh	45	0.00	45	0.00
5	Mr. Bhoopendra Singh Rajput	1,12,500	0.80	1,12,500	0.59
<b>III</b>	<b>TOTAL</b>	<b>1,27,27,455</b>	<b>89.82</b>	<b>1,22,27,455</b>	<b>64.39</b>

A. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company and the number of Equity Shares held by them as on date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held	% of Paid-up Capital*
1	Mr. Lokendra Singh Rajput	78,33,177	55.28
2	Ms. Rashmi Rajput	47,81,193	33.74
3	Mr. Anshul Laxkar	7,50,000	5.29

B. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company and the number of Equity Shares held by them two years prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held	% of Paid-up Capital*
1	Mr. Lokendra Singh Rajput	17,70,706	12.49
2	Ms. Rashmi Rajput	12,29,154	8.67

C. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company and the number of Equity Shares held by them one year prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held	% of Paid-up Capital*
1	Mr. Lokendra Singh Rajput	53,12,118	59.02
2	Ms. Rashmi Rajput	31,87,462	35.41
3	Mr. Anshul Laxkar	5,00,000	5.55

- D.** List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company and the number of Equity Shares held by them ten days prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held	% of Paid up Capital*
1	Mr. Lokendra Singh Rajput	78,33,177	55.28
2	Ms. Rashmi Rajput	47,81,193	33.74
3	Mr. Anshul Laxkar	7,50,000	5.29

\* the % has been calculated based on existing (pre-issue) Paid up Capital of the Company.

12. Except for allotment of Equity Shares pursuant to the Issue, our Company does not intend to alter its capital structure for a period of six months from the date of opening of issue by way of split of shares or consolidation of denomination of shares, or issue of shares on preferential basis or issue of bonus or rights shares or further public offer of specified securities until the equity shares have been listed on Stock Exchanges or the application moneys are unblocked in ASBA Accounts on account of non-listing, under-subscription etc. as the case may be.
13. We have 43 (Forty-three) shareholders as on the date of filing of this Draft Red Herring Prospectus.
14. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Sr. No.	Name of Promoter	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹) *
1.	Mr. Lokendra Singh Rajput	78,33,177	2.26
2.	Ms. Rashmi Rajput	47,81,193	2.21

\*The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire shares as reduced by the amount received on sell of shares i.e. net of sale consideration is divided by net quantity of shares acquired.

15. No shares purchased/sold by the Promoter(s) and Promoter Group, directors of our Company and their relatives during last six months.
16. The members of the Promoters' Group, our Directors and the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing the Draft Red Herring Prospectus.

#### 17. Details of lock-in of Equity Shares:

As per Sub-Regulation (1) of Regulation 236 and Regulation 238 of the SEBI (ICDR) Regulations, 2018 and in terms of the aforesaid table, an aggregate of 20.04 % of the post-Issue Capital shall be considered as Promoter's Contribution. As on date of this Draft Red Herring Prospectus, our Promoters and Promoters Group holds 1,27,27,455 Equity Shares constituting 89.82% of the Pre-Issue Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoter's Contribution.

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20.00% of the post-issue Equity Share Capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the completion of the lock-in period specified above.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of three years from the date of allotment, are set out in the following table:

Name of Promoter	No. of Equity Shares Locked-in	Post- Issue equity share capital %
Mr. Lokendra Singh Rajput	[●]	[●]
Ms. Rashmi Rajput	[●]	[●]

*All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition of such Equity Shares, as the case may be. For details regarding allotment of the above Equity Shares, please refer section “History of Paid-up Share Capital of our Company”.*

The lock-in of the Minimum Promoters’ Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The Equity Shares that shall be locked in are not ineligible for computation of Promoters’ contribution in terms of Regulation 237 of the SEBI Regulations. Equity Shares offered by the Promoters for the minimum Promoters’ contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Public Issue.

We confirm that the minimum Promoters’ contribution of 20.00 % which is subject to lock-in for three years shall not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets;
- Equity Shares acquired during the preceding three years resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters’ contribution;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the Issue Price;
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters’ Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters’ Contribution subject to lock-in.
- The Equity Shares in Promoter’s Contribution does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

Specific written consent shall be obtained from the Promoters for inclusion of [●] Equity Shares for ensuring lock-in of three years to the extent of minimum 20.00 % of post issue Paid-up Equity Share Capital from the date of allotment in the public Issue.

#### **18. Inscription or recording of non-transferability**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription “Non-Transferable” and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

#### **19. Equity Shares locked-in for one year**

In addition to above Equity Shares that are locked-in for three years as the minimum Promoters’ contribution, the balance pre-Issue Equity Share capital of our Company, i.e. [●] Equity Shares shall be locked in for a period of one year from the date of Allotment in the Public Issue. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

#### **20. Pledge of Locked in Equity Shares:**

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- In case of Minimum Promoters’ Contribution under the clause (a) of Regulation 238, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.

- b. In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution under the clause (b) of Regulation 238, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

**21. Transferability of Locked in Equity Shares:**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable:

- a. The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- b. The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock- in period stipulated has expired.
22. Our Company, our Promoters, our Directors and the Book Running Lead Manager to this Offer have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.
23. There are no safety net arrangements for this public Issue.
24. As on the date of filing of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
25. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
26. All the Equity Shares of our Company are fully paid up as on the date of the Draft Red Herring Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
27. As per RBI regulations, OCBs are not allowed to participate in this Issue.
28. There is no "Buyback", "Standby", or similar arrangement by our Company/Promoters/Directors/ Book Running Lead Manager for purchase of Equity Shares issued / offered through this Draft Red Herring Prospectus.
29. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
30. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and NSE.
31. The Issue is being made through Book Building Process.
32. Book Running Lead Manager to the Issue and their associates do not hold any Equity Shares of our Company.
33. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we may consider raising bridge financing facilities, pending receipt of the Net Proceeds.
34. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.

35. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
36. An Applicant cannot make an application for more than the number of Equity Shares being Issued/Offered through this Draft Red Herring Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
37. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
38. Our Promoters and the members of our Promoter Group will not participate in this Issue.
39. Prior to this Initial Public Offer, our Company has not made any public issue or right issue to public at large.
40. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
41. For the details of transactions by our Company with our Promoter Group, Group Companies/ Entities during the period ended on December 31, 2023 and for last three Fiscals i.e. 2023, 2022 and 2021, please refer to Annexure IX “Statement of Related Parties and details of *Related Party Transaction*” in the chapter titled ‘*Financial Information*’ beginning on page number 183 of the Draft Red Herring Prospectus.

None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “*Our Management*” beginning on page number 159 of this Draft Red Herring Prospectus.



## OBJECTS OF THE ISSUE

The Issue comprises of Fresh Issue of up to 48,18,000\* Equity Shares and Offer for Sale of up to 5,00,000 by the Selling Shareholder of our Company at an Issue Price of ₹ [●]/-per Equity Share, aggregating up to ₹ [●] lakhs by our Company. The proceeds from the Issue after deducting Issue related expenses are estimated to be ₹ [●] lakhs (the “**Net proceeds**”).

*\*Subject to finalisation of basis of allotment*

### FRESH ISSUE

The Issue Proceeds from the Fresh Issue will be utilized towards the following objects:

1. Meeting Working Capital Requirements
2. Repayment of certain borrowings availed by the Company
3. General Corporate Purposes
4. Issue Expenses

(Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of NSE Emerge. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

### OFFER FOR SALE

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of the Issue related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale. Further, the proceeds received from the Offer for Sale will not form part of the net proceeds, i.e., gross proceeds of the Fresh Issue less the Offer related expenses applicable to the Fresh Issue (“**Net Proceeds**”). For details of the Selling Shareholders, see “Other Regulatory and Statutory Disclosures – Authority for the Offer Approvals from the Selling Shareholders” on page 245

For further details, see “- Issue Expenses” on page 99

### NET ISSUE PROCEEDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ [●] Lakhs (the “**Net Issue Proceeds**”).

The following table summarizes the requirement of funds:

Particulars	Amount (₹ in Lakhs)
Gross Issue Proceeds	[●]
Less: Public Issue Related Expenses*	[●]
<b>Net Issue Proceeds**</b>	<b>[●]</b>

*\* Except for the Listing fees, which will be borne by our Company, all other expenses relating to the Issue as mentioned above will be borne by our Company and the Selling Shareholder in proportion to the Equity Shares contributed / issued in the offer*

*\*\*To be finalised upon determination of the Issue Price and updated in the Prospectus prior to the filing with the RoC.*

### REQUIREMENT OF FUNDS AND UTILISATION OF NET ISSUE PROCEEDS

The Net Issue Proceeds will be utilized for following purpose:

Sr. No.	Particulars	Amount ( in Lakhs)
1	Funding Working Capital Requirements	3,800
2	Repayment of certain borrowings availed by the Company	1,000
3	General Corporate Purpose <sup>(1)</sup>	[●]
<b>Total</b>		<b>[●]</b>

(1) To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

#### PROPOSED SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF NET ISSUE PROCEEDS

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:

( in Lakhs)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Amount to be deployed from the Net Issue Proceeds in Fiscal 2024-2025	Amount to be deployed from the Net Issue Proceeds in Fiscal 2025-2026
1	Meeting Working Capital Requirements	[•]	3,800	[•]
2	Repayment of certain borrowings availed by the Company	[•]	1,000	[•]
3	General corporate purposes *	[•]	[•]	[•]
	<b>Total</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

\* To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Fresh Issue.

The requirement and deployment of funds as indicated above are based on our current business plan, internal management estimates, prevailing market conditions and other commercial and technical factors, including interest rates and other charges, and the financing and other agreements entered into by our Company, and have not been appraised by any bank or financial institution. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations and configuration of the project, increase in input costs of construction materials and labour costs, logistics and transport costs incremental preoperative expenses, taxes and duties, interest and finance charges, engineering procurement and construction costs, working capital margin, regulatory costs, environmental factors and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law.

Moreover, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for General Corporate Purposes to the extent that the total amount to be utilized towards General Corporate Purposes will not exceed 25% of the gross proceeds from the Fresh Issue in accordance with Regulation 230 (2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals, general corporate purposes and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Fresh Issue. To the extent our Company is unable to utilise any portion of the Net Issue Proceeds towards the aforementioned objects, as per the estimated scheduled of deployment specified above, our Company shall deploy the Net Issue Proceeds in subsequent Fiscals towards the aforementioned Objects.

#### MEANS OF FINANCE

The fund requirements for all the Objects of the Issue are proposed to be entirely funded from the Net Issue Proceeds. Accordingly, we confirm that we are in compliance with the requirement to make the firm arrangement of finance under Regulation 230(1) (e) of the SEBI ICDR Regulation and Clause 9 (C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals).

For further details on the risks involved in our business plans and executing our business strategies, please see the Section titled “Risk Factors” beginning on page number 26 of this Draft Red Herring Prospectus.

## DETAILS OF USE OF ISSUE PROCEEDS

### 1. FUNDING WORKING CAPITAL REQUIREMENTS:

With the growth in business, there will be need for additional working capital requirement in the Company. We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, and unsecured loans. For further details, please refer to the chapter titled “Financial Indebtedness” on page number 219. Our Company requires additional working capital for funding its incremental working capital requirements. We intend to utilise ₹3,800 lakhs from the Net Proceeds to fund working capital requirements of our Company.

The details of Company’s working capital as at December 31, 2023 and for the period ended March 31, 2023 and the source of funding, on the basis of Restated Financial Statements, as certified by our Statutory auditor & Peer reviewed auditor M/s Borar & Co vide their report dated March 22, 2024 are provided in the table below. Further, in light of the incremental business requirements, our Company requires additional working capital for funding its working capital requirements in the Fiscal 2024-2025. The Company plans to fund the existing and estimated incremental working capital requirement through internal accruals and net proceeds from Issue. On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated [●] has approved the business plan for the Fiscal 2024 and the proposed funding of such working capital requirements.

The breakup of the working capital requirements year wise is given in the table below:

(₹ In Lakhs-Rounded Off)

Particulars	Fiscal 2023 (Actual)	Nine Months Period Ended December 31, 2023 (Actual)	Fiscal 2024 (Provisional)	Fiscal 2025 (Estimated)
<b>Current Assets</b>				
Inventories	4,211.89	3,366.59	4,610.74	9,885.48
Trade Receivables	1,594.28	3,383.55	3,052.31	4,849.36
Cash and Cash Equivalents	6.14	19.04	35.17	36.93
Loans & Advances	124.44	1,263.50	1,243.74	1,492.49
Other Current Assets	49.04	37.83	123.07	147.69
<b>Total Current Assets (A)</b>	<b>5,985.79</b>	<b>8,070.51</b>	<b>9,065.03</b>	<b>16,411.95</b>
<b>Current Liabilities</b>				
Trade Payables	644.99	414.23	462.71	416.44
Short Term Provisions	492.80	946.27	605.06	1,088.604
Other Current Liabilities	1,026.51	741.61	833.42	583.39
<b>Total Current Liabilities (B)</b>	<b>2,164.30</b>	<b>2,102.11</b>	<b>1,901.19</b>	<b>2,088.43</b>
<b>Net Working capital Requirement (A-B)</b>	<b>3,821.50</b>	<b>5,968.41</b>	<b>7,163.84</b>	<b>14,323.52</b>
<b>Funding Pattern</b>				
Internal Accruals	1983.55	4228.70	5,437.21	8,923.52
Secured Borrowing from Banks & NBFC	1837.94	1739.70	1726.63	1,600.00
IPO Proceeds	0.00	0.00	0.00	3,800.00
<b>TOTAL</b>	<b>3821.50</b>	<b>5968.41</b>	<b>7,163.84</b>	<b>14,323.52</b>

Note: Projected Financials are certified by M/s. M Borar & Company, Statutory Auditor of the company dated March 18, 2024

**Assumptions for Holding Levels**

Particulars	Holding Level for Fiscal 2023 (Actual)	Holding Level for the period ended December 31, 2023 (Actual)	Holding Level for Fiscal 2024 (Provisional)	Holding Level for Fiscal 2025 (Estimated)
<b>Current Assets</b>				
Trade Receivables (in months)	1.47	3.68	2.62	2.78
Inventories (in month)	3.89	3.66	3.96	5.67
Other Current Assets	0.05	0.04	0.11	0.08
<b>Current Liabilities</b>				
Trade Payables	0.75	0.66	0.54	0.34
Other Current Liabilities	1.40	1.84	1.24	0.96
Working Capital (in months)	1.83	4.60	4.68	7.29

#### Justification for “Holding Period” levels

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

Trade receivables	Our Company had maintained trade receivable of 2.62 Months for the year ended 31st March 2024. Further, we estimate the receivables at 2.78 months for the year ended 31stMarch 2025. The customers have become more demanding and needs extended credit facility. The receivables have been projected on the basis of trend of our ongoing business.
Inventories	Our Company had maintained inventory of 3.96 Months for the year ended 31st March 2024. Further, we estimate the inventory holding at 5.67 months for the year ended 31stMarch 2025. Our company is engaged in the production, processing, and marketing of certified seeds and hybrid seeds. Given that profitability in hybrid seeds is higher than that in certified seeds, the company is gradually increasing the production and sale of hybrid seeds, which is estimated to reach 60% of total sales in FY 2024 – 25. The holding period for hybrid seeds is relatively lengthy, spanning around 8 to 9 months. This duration of holding is necessary as the company needs to maintain inventory for nearly an entire season, ensuring that it can meet market demand and fulfil orders effectively. Accordingly, the average inventory holding is estimated at 5.67 months as of 31.03.2025, compared to the holding level of 3.96 months as of 31.03.2024.
Other Current Assets	Our Company had maintained other current assets of 0.04 months as at 31.03.2023. Further, , the company is gradually increasing the production and sale of hybrid seeds, which is estimated to reach 60% of total sales in FY 2024 – 25. The holding period for hybrid seeds is relatively lengthy, spanning around 8 to 9 months. The other current assets have been estimated 0.08 at 31.03.2025 due to increase in advance to suppliers for Hybrid Seeds.
Trade Payables	Our Company had maintained trade payables of 0.54 months for the year ended 31stMarch 2024. However, going forward we estimate to maintain payables at 0.34 months for FY 2025 to avail best pricing.
Other Current Liabilities	Our Company has maintained other current liabilities at 1.40 months for 31.03.2023 and the estimated levels are as per regular Business Norms at 1.24 Months as at 31.03.2024 and 0.96 months as at 31.03.2025.
Working Capital	Our company is engaged in the production, processing, and marketing of certified seeds and hybrid seeds. Given that profitability in hybrid seeds is higher than that in certified seeds, the company is gradually increasing the production and sale of hybrid seeds, which is estimated to reach 60% of total sales in FY 2024 – 25. The holding period for hybrid seeds is relatively lengthy, spanning around 8 to 9 months. This duration of holding is necessary as the company needs to maintain inventory for nearly an entire season, ensuring that it can meet market demand and fulfil orders effectively. Accordingly, the working capital level estimated at 7.29 months as of 31.03.2025, compared to the holding level of 4.68 months as of 31.03.2024.

*Note:*

1. Holding period level (in months) of Trade Receivables is calculated by dividing closing trade receivables by revenue from operations multiplied by number of months in the year.
2. Holding period level (in months) of Other Current Assets (Total current asset less trade receivables, inventories, cash & bank balances and Short-term loans and advances) and is calculated by dividing average other current assets by revenue from operations multiplied by number of months in the year.
3. Holding period level (in months) of Inventories is calculated by closing inventories by revenue from operations multiplied by number of months in the year.
4. Holding period level (in months) of Trade Payables is calculated by dividing average trade payables by revenue from operations multiplied by number of months in the year/period.
5. Holding period level (in months) of Other Current Liabilities (Total current liabilities less trade payables, short-term borrowings and excluding creditors for capital expenditure) is calculated by dividing closing other current liabilities by revenue from operations multiplied by number of days in the year.

## **2. REPAYMENT OF CERTAIN BORROWINGS AVAILED BY THE COMPANY**

Our Company has entered into various financial arrangements from time to time, with banks and financial institutions and others. The loan facilities availed by our Company include borrowing in the form of, inter alia, term loans and working capital facility from various lenders. For further details, see “Statement of Financial Indebtedness” on page 229 of the Draft Red Herring Prospectus. Pursuant to the terms of the financing arrangements, prepayment of certain borrowings may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will be funded from the internal accruals of our Company.

As at December 31, 2023, we had total outstanding of Rs.3,046.25 Lakhs. We propose to utilise an estimated amount of Rs. 1000 Lakhs from the Net Proceeds to repay part borrowing availed by our Company. Pursuant to the terms of the financing arrangements, prepayment of certain borrowings may attract prepayment charges as prescribed by the respective lender.

We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The details of the borrowing availed by our Company, which are proposed to be fully repaid or pre-paid from the Net Proceeds is mentioned below: -

<b>Sr. No</b>	<b>Name of Lender</b>	<b>Nature of borrowings</b>	<b>Sanctioned amt (In lakhs)</b>	<b>Rate of Interest (%)</b>	<b>Amount outstanding as at 20 March, 2024 (In Lakhs)</b>	<b>Proposed to be repaid from IPO Proceed (In Lakhs)</b>
1.	Faithful Vincom Private Limited	Unsecured Loan	780.00	Nil on or before May 31,2024 and 18% post May 31,2024	780.00	780.00
2.	Worthy Distributors Private Limited	Unsecured Loan	220.00	Nil on or before May 31,2024 and 18% post May 31,2024	220.00	220.00

## **3. GENERAL CORPORATE PURPOSE:**

Our Company proposes to deploy the Net Issue Proceeds aggregating to ₹ [●] Lakhs towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Issue, in compliance with SEBI ICDR Regulations. Our Company intends to deploy the balance Net Issue Proceeds for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following Strategic initiatives;

- Strategic initiatives
- Brand Building and strengthening of marketing activities; and
- Ongoing 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 Issue Proceeds for General Corporate Purposes, as mentioned above. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

## DEPLOYMENT OF FUNDS

Our Company has received the sources and deployment funds certificate dated April 17, 2024, from M/s M Borar & Co., Chartered Accountants. The Certificate states that Our Company has incurred ₹ 22.17 Lakhs till the date of issuance this certificate towards “Issue Expenses” for Initial Public Offer.

## 4. ISSUE RELATED EXPENSES

The total expenses of the Issue are estimated to be approximately ₹ [●] Lakhs. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expense, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as under:

Expenses*	Estimated expenses (₹ in Lakhs)	As a % of the total estimated Issue expenses	As a % of the total Gross Issue Proceeds
Fees payable to the Book Running Lead Manager (including underwriting commission)	[●]	[●]	[●]
Brokerage, selling commission and uploading/processing fees <sup>(1)(2)(3)(4)</sup>	[●]	[●]	[●]
Fees payable to the Legal Advisors to the Issue	[●]	[●]	[●]
Fees to the Registrar to the Issue	[●]	[●]	[●]
Fees payable to the Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of Issue stationary	[●]	[●]	[●]
Advertising and Marketing Expenses	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs <sup>4</sup>	[●]	[●]	[●]
Processing fees to Issuer banks for UPI Mechanism w.r.t application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to them <sup>5</sup>	[●]	[●]	[●]
Others (bankers to the Issue, auditor’s fees etc.)	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	[●]	[●]	[●]

\*Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards General Corporate Purposes.

### Notes:

- Any expenses incurred towards aforesaid issue related expenses during the period till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue.
- ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Offer is made as per Phase I of UPI Circular) - Rs 10/- per application on wherein shares are allotted.
- Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them) – Rs. 10/- per application on wherein shares are allotted.
- Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank - Rs 10/- per application on wherein shares are allotted.



5. Sponsor Bank shall be payable processing fees on UPI application processed by them - Rs [●] per application on wherein shares are allotted.
6. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
7. The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.
8. Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. 9. Offer Expenses other than the listing fees shall be shared among our Company and the Selling Shareholder on a pro rata basis, in proportion to the Equity Shares Allotted.

#### **APPRAISAL REPORT**

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions / banks.

#### **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 the existing ongoing project facility 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 our existing/ongoing projects will be repaid from the Net Proceeds of the Issue.

#### **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 Fresh Issue does not exceed ₹10,000 Lakhs, in terms of Regulation 262 of the SEBI (ICDR) Regulations, 2018, 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 SEBI (LODR) Regulation, 2015, our Company shall on a half-yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net 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 SEBI (LODR) Regulation, 2015 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 Net Proceeds for the objects stated in this Draft 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 proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.



## BASIS FOR ISSUE PRICE

The issue price has been determined by the company and Selling Shareholders in consultation with the Book Running Lead Manager. The financial data presented in this section are based on our Company's Restated Financial Statements. Investors should also refer to the sections/chapters titled "Risk Factors" and "Financial Information" on page number 26 and 183, respectively of this Draft Red Herring Prospectus to get a more informed view before making the investment decision.

### QUALITATIVE FACTORS

1. Experienced Promoters and Management Team
2. Wide range of Products
3. Efficient marketing team

For further details, refer to heading "Our Competitive Strengths" under the chapter titled "Business Overview" on page number 121

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the Restated Financial Information of the Company for the period December 31, 2023, and for the Financial Years 2023, 2022 and 2021 prepared in accordance with Ind GAAP, the Companies Act, 2013 and restated in accordance with SEBI ICDR Regulations. For details, refer section titled "Financial Information" on page number 183.

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

- (a) **Basic and Diluted Earnings per Share ("EPS") at face value of ₹10 each, as adjusted for changes in capital: (As per our restated financial information)**

For the Year/Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2023	12.63	12.63	3
March 31, 2022	4.73	4.73	2
March 31, 2021	1.23	1.23	1
Weighted Average	8.10	8.10	
For the Nine Months Period ended on December 31, 2023*	15.02	15.02	

\*Not Annualized

Note: EPS of March 31, 2023, March 31, 2022, March 31, 2021, has been calculated after giving effect to Bonus Issue made on December 14, 2022

**Note: -**

- (A) Basic Earnings per share = Net profit / (loss) after tax for the year/period, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/period.
- (B) Diluted Earnings per share = Net profit after tax for the year/period, as restated attributable to equity shareholders / Weighted average number of potential equity shares outstanding during the year/period.
- (C) Weighted average EPS = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal] / [Total of weights].
- (D) Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the period/ year adjusted by the number of Equity Shares issued during the period/ year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year.
- (E) Earnings per share calculations are in accordance with the notified Indian Accounting Standard 33 "Earnings per share".

- (b) **Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [●] per Equity Share of face value of ₹10 each fully paid up**

Particulars	EPS (in ₹)	P/E at the Issue Price
P/E ratio based on Basic EPS for the financial year 2022-2023	12.63	[●]
P/E ratio based on Diluted EPS for the financial year 2022-2023	12.63	[●]
Based on Weighted Average EPS	8.10	[●]
<b>Industry Peer Group P/E ratio</b>		
Highest		112.93
Lowest		30.64

Particulars	EPS (in ₹)	P/E at the Issue Price
Average		71.78

*Note-The highest and lowest industry P/E has been considered from the industry peer set provided later in this chapter. The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this chapter. For further details, see “Comparison of Accounting Ratios with Listed Industry Companies”- Note (e) of this chapter.*

**(c) Return on Net worth (RoNW)**

**As per Restated Financial Information:**

Year/Period ended	RoNW (%)	Weight
March 31, 2023	55.18	3
March 31, 2022	46.07	2
March 31, 2021	22.16	1
Weighted average	46.64	
For the Nine Months Period ended on December 31, 2023*	39.62	

\*Not Annualized

**Notes:**

- (A) Return on Net Worth (%) = Net Profit after tax attributable to equity shareholders, as restated / Net worth as restated as at year end.
- (B) Weighted average RoNW = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.
- (C) Net worth is aggregate value of the paid-up share capital of the Company and other equity, excluding revaluation reserves if any, as per Restated Standalone and Consolidated Financial Information

**(d) Net Asset Value (NAV) per Equity Share of Face Value of ₹10 each as per Restated Financial Information:**

Particulars	₹ per Equity Share
Net Asset Value per Equity Share as on March 31, 2023	22.90
Net Asset Value per Equity Share as on December 31, 2023*	37.92
Net Asset Value per Equity Share after the Issue	[●]
Issue Price per equity share	[●]

\*Not Annualized

*Note: NAV for March 31, 2023, has been calculated after considering the Issue of Bonus shares made on December 14, 2022.*

**(e) Comparison of Accounting Ratios with Listed Industry Companies:**

We believe following is our peer group which has been determined on the basis of listed public companies comparable in the similar line of segments in which our Company operates and whose business segment in part or full may be comparable with that of our business, however, the same may not be exactly comparable in size or business portfolio on a whole with that of our business.

**Following is the comparison with our peer companies listed in India:**

Name of the Company	Standalone / Consolidated	CMP*	Basic EPS	Diluted EPS	P/E Ratio	RON W (%)	NAV (₹)	Face Value (₹)	Total Income (₹ in Lakhs)
Vardaan Biotech Limited	Standalone	[●]	12.63	12.63	[●]	55.18	22.90	10	13,016.86
<b>Peer-Group**</b>									
Indrayani Biotech Limited	Standalone	57.84	1.48	1.20	92.23	9.89	14.94	10	7,512.23
Bayer Crop Science Limited	Standalone	5,528.00	168.71	168.71	30.64	27.96	603.47	10	5,20,360.00

Bombay Super Hybrid Seeds Limited	Standalone	216.45	1.61	1.61	111.50	29.79	5.37	1	22,861.00
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\* Issue Price of our Company is considered as CMP.

\*\*Source: [www.bseindia.com](http://www.bseindia.com) / [www.nseindia.com](http://www.nseindia.com)

Notes:

- (i) Considering the nature, range of products/services, turnover and size of business of the Company, the peers are not strictly comparable. However, above Companies have been included for broad comparison.
- (ii) The figures for Vardaan Biotech Limited are based on the Restated Financial Information for the year ended March 31, 2023.
- (iii) Financial information for listed peers mentioned above is sourced from the annual reports as available of the respective peers for the year ended March 31, 2023 & March 31, 2022, submitted to Stock Exchanges.
- (iv) Current Market Price (CMP) is the closing price of the peer group scrip as on April 15, 2024 on BSE & NSE.
- (v) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and other equity (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company.
- (vi) P/E Ratio has been computed based on the closing market price of equity shares on stock exchange on April 15, 2024, divided by the Basic EPS as at December 31, 2023.
- (vii) RoNW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and other equity (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company.
- (viii) Vardaan Biotech Limited is a Book Building Price Issue.
- (ix) The Issue Price has been determined by the company in consultation with the LM on the basis of assessment of market demand from investors for the equity shares and is justified based on the above qualitative and quantitative parameters.

For further details, see section titled “Risk Factors” on page number 26 of this Draft Red Herring Prospectus and the financials of the Company including profitability and return ratios, as set out in the section titled “Financial Information” on page number 183 and the “Management Analysis of Financial Conditions and Results of Operations” on Page number 205 for a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” on page number 26 and you may lose all or part of your investments.

#### KEY PERFORMANCE INDICATORS OF OUR COMPANY

Particulars	For the ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operation	11026.86	13005.06	10308.95	8457.84
EBITDA	1978.06	1852.13	849.88	271.40
EBITDA Margin (%)	17.94	14.24	8.24	3.21
Profit After Tax (PAT)	1352.18	1 136.98	425.52	110.37
ROCE (%)	42.04	76.56	71.06	35.60
ROE/RONW (%)	39.62	55.18	46.07	22.26

The Figures has been certified by our statutory auditors M/s. M Borar & Co; Chartered Accountants vide their certificate dated April 14, 2024 having UDIN: 2M30914BKHYX1172

Notes:

- 1.Revene from operations is the total revenue generated by our company
- 2.EBITDA is calculated as Profit before tax+ Depreciation+ Interest expense
3. EBITDA Margin is calculated as EBITDA divided by Revenue from operations
- 4.ROCE: Return On Capital Employed is calculated as EBIT divided by Capital Employed, which is defined as shareholders equity plus long term debt
5. ROE/RONW is calculated PAT divided by shareholders equity

KPI	Explanations
Revenue from Operations	Revenue from operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and the financial performance of our business
Profit After Tax (PAT)	Profit after Tax is an indicator which determine the actual earning available to equity shareholders
ROCE (%)	ROCE provides how efficiently our company generates earnings from the capital employed in the business

## STATEMENT OF TAX BENEFITS

To  
**The Board of Directors,  
Vardaan Biotech Limited  
C-2/1, Mahananda Nagar Dewas Road,  
Ujjain, Madhya Pradesh, India, 456010**

Dear Sir/Madam,

**Subject: Statement of Special Possible tax Benefits available to Vardaan Biotech limited and its Shareholders.**

We report that the enclosed statement in the Annexure, states the possible special tax benefits under Direct and Indirect Tax Laws and Income Tax Rules, 1962 including amendment made by the Finance act, 2023 and the Taxation Law (Amendment) Act, 2023 (hereinafter referred to as Income Tax Law'). The Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962. Customs Tariff Act, 1975, as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India. available to the Company and its Shareholders. Several of these benefits are dependent on the company, its shareholders, as the case may be, fulfilling the conditions prescribed under the act. Hence. the ability of the company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the company and its shareholders faces in the future, the company, its shareholders and its material subsidiaries if any, may or may not choose to fulfil. Further certain tax benefits may be optional. and it would be at the discretion of the company or the shareholders of the company to exercise the option by fulfilling the conditions prescribed in the Tax Laws.

The benefits discussed in the enclosed statement cover only special tax benefits available to the company and to the shareholders of the company and are not exhaustive and also do not cover any general tax benefits available to the company. Further any benefits available under any other laws within or outside India have not been examined and covered by this statement.

The benefits discussed in the enclosed Annexures are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the special tax implications arising out of their participation in the offer. Neither are we suggesting nor advising the investors to invest in the offer based on this statement.

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

- (i) The company or its shareholder will continue to obtain this benefit in future: or
- (ii) The conditions prescribed for availing the benefits have been/would be made with.
- (iii) The revenue authorities/courts will concur with the views expressed herein.

The content of the enclosed statement is based on information, explanations and representations obtained from the company and on the basis of our understanding of the business activities and operation of the company.

The statement is intended solely for information and inclusion in the Letter of offer in connection with the Issue of Equity Shares of the Company and is not be used. referred to or distributed for any other purpose without our prior consent, provided the below statement of limitation is included in the Offer Letter.

Limitation:

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the Revenue Authorities/ Courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume

responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, Liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment except to the extent of fees relating to this assignment as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

**For M/s M Borar & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 314255E**

**Sd/-**  
**CA Swarnim Gupta**  
**Partner**  
**Membership No. 430914**  
**UDIN: 24430914BKHMYV3072**  
**Date: April 15, 2024**

## ANNEXURE I

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE VARDAA BIOTECH LIMITED (THE "COMPANY") AND TTS SHAREHOLDERS

#### 1) Under the Income Tax Act, 1961

##### I. Special Tax Benefits available to the Company under the Act.

##### (a) Lower Corporate Tax rate under Section 115BAA

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) from the financial year 2019-20, provided such companies do not avail specified exemptions/incentives (eg. deduction under Section 10AA, 32(l)(iia), 33ABA, 35(2AB), 80-1A etc.)

The Amendment Act, 2019 also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA. MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit:

The Company has exercised the above option.

##### (b) Deductions from Gross Total Income

Section 80 JJAA-Deduction in respect of employment of new employees.

Subject to fulfillment of prescribed conditions, the Company is entitled to claim deduction under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

#### 2. Special Tax Benefits available to Shareholders

There are no Special Tax Benefits available to the Shareholders (other than Resident Corporate Shareholder') of the Company.

#### NOTES:

The above statement of Possible Special Tax Benefits sets out the provisions of Tax laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of shares.

The above statement covers only certain Special Tax Benefits under the Act, read with the relevant rules, circulars and notifications, and does not cover any benefit under any, other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

The above statement of Possible Special Tax Benefits is as per the current Direct Tax laws relevant for the assessment year 2024-25 and assessment year 2025-26. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

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

As the Company has opted for concessional corporate income tax rate in previous years as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions.

Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone).

Deduction under clause (iia) of sub-section (1) of section 32 (Additional Depreciation).

Deduction under section 32AD or section 33AB or section 33ABA (investment allowance in backward areas, Investment deposit account, Site restoration fund).

Deduction under sub-clause (ii) or sub-clause (tia) or sub-clause (iii) of sub-section or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research) Deduction under section 35AD or section 35CCC (Deduction for specified business, agriculture extension project).

Deduction under section 35CCD (expenditure on skill development) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JAA or section 80M:

No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred to above.

No set off of any loss or allowance for unabsorbed depreciation deemed so under section.72A, if such loss or depreciation is attributable to any of the deductions referred above.

This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequence, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

## **II Under the Indirect Tax Laws**

### **I. Special Indirect Tax Benefits available to the Company.**

The Company is not entitled to any special tax benefits under indirect tax laws.

### **2.Special Tax Benefits available to Shareholders**

The Shareholders of the Company are not entitled to any Special Tax Benefits under indirect tax laws.

#### **NOTES:**

1. These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws

2. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view, of the individual nature of tax consequences, each investor is advised to consult his or her Tax Advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

3. 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 changes from time to time. We do not assume responsibilities to update the views consequent to such changes.

## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### GLOBAL ECONOMY – OVERVIEW

#### MODERATING INFLATION AND STEADY GROWTH OPEN PATH TO SOFT LANDING

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and then assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Policymakers' near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and—where wage and price pressures are clearly dissipating—adjusting to a less restrictive stance. At the same time, in many cases, with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation to rebuild budgetary capacity to deal with future shocks, raise revenue for new spending priorities, and curb the rise of public debt is needed. Targeted and carefully sequenced structural reforms would reinforce productivity growth and debt sustainability and accelerate convergence toward higher income levels. More efficient multilateral coordination is needed for, among other things, debt resolution, to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

#### Growth Outlook

Resilient but Slow Global growth, estimated at 3.1 percent in 2023, is projected to remain at 3.1 percent in 2024 before rising modestly to 3.2 percent in 2025. Compared with that in the October 2023 WEO, the forecast for 2024 is about 0.2 percentage point higher, reflecting upgrades for China, the United States, and large emerging market and developing economies. Nevertheless, the projection for global growth in 2024 and 2025 is below the historical (2000–19) annual average of 3.8 percent, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth. Advanced economies are expected to see growth decline slightly in 2024 before rising in 2025, with a recovery in the euro area from low growth in 2023 and a moderation of growth in the United States. Emerging market and developing economies are expected to experience stable growth through 2024 and 2025, with regional differences.

World trade growth is projected at 3.3 percent in 2024 and 3.6 percent in 2025, below its historical average growth rate of 4.9 percent. Rising trade distortions and geoeconomic fragmentation are expected to continue to weigh on the level of global trade. Countries imposed about 3,200 new restrictions on trade in 2022 and about 3,000 in 2023, up from about 1,100 in 2019, according to Global Trade Alert data.

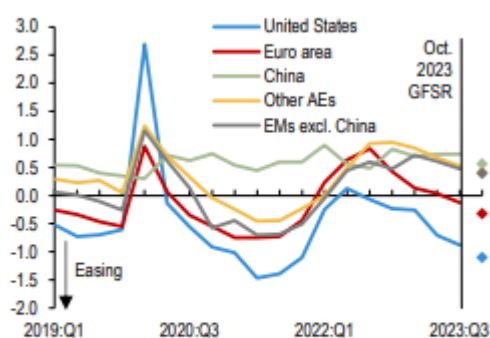


## Global Financial Stability Update

Since the October 2023 Global Financial Stability Report, inflationary pressures have continued to recede, fueling expectations that monetary policy in advanced economies will ease in the coming quarters. The resulting momentous decline in interest rate expectations in December has driven a broad-based rally in risky assets. Global financial conditions have loosened, on net, since October, with that loosening driven by higher equity valuations, lower volatility, and already compressed corporate bond spreads (Figure 1.1)

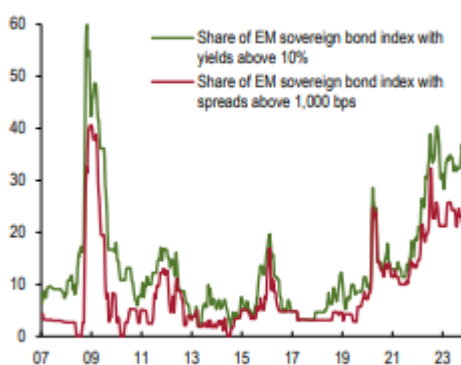
Amid significant interest rate volatility, the correlation between emerging market assets and US Treasury yields has increased. Higher yields in advanced economies have led to outflows in emerging market assets, although this has reversed since November for local currency assets. Nevertheless, financial conditions in this higher-rate environment may continue to challenge economies in some regions, especially those of weaker emerging markets and countries with rapidly narrowing differentials against interest rates in the United States (Figure 1.2)

**Figure 1.1. Financial Conditions Index**  
(Standard deviations from the mean)



Sources: Bloomberg Finance L.P.; Haver Analytics; national data sources; and IMF staff calculations.  
Note: Data for 4Q23 end uses high-frequency proxy values; AEs = advanced economies; EMs = emerging markets. excl. = excluding; GFSR = Global Financial Stability Report.

**Figure 1.2. Share of EM Sovereigns with High Yields and Wide Spreads**  
(Percent)



Sources: Bloomberg Finance L.P.; and IMF staff calculations.  
Note: Data for frontier markets are included in those for emerging market sovereigns; bps = basis points; EM = emerging market.

(Source: <https://www.imf.org/en/Publications/WE0/Issues/2024/01/30/world-economic-outlook-update-january-2024> )

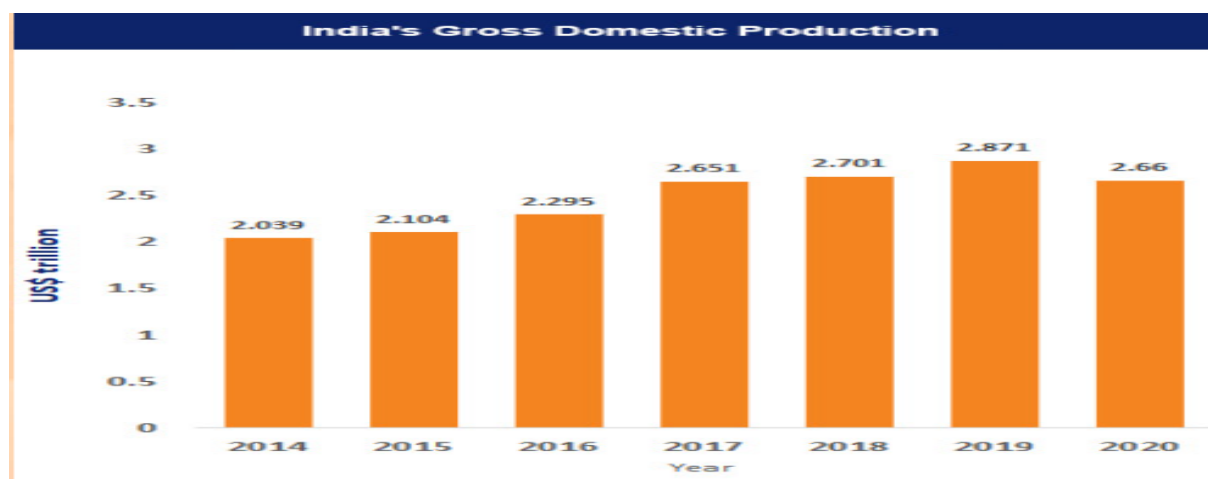
## THE INDIAN ECONOMY

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. India's gross domestic product (GDP) at current prices in the second quarter (Q2) of 2023-24 is estimated to be Rs. 71.66 trillion (US\$ 861.2 billion), as against Rs. 65.67 trillion (US\$ 789.2 billion) in Q2 of 2022-23, showing a growth rate of 9.1%. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. In 2023-24 (April-December), India's service exports stood at US\$ 247.92 billion. Furthermore, India's overall exports (services and merchandise) in 2023-24 (April-December) were estimated at US\$ 565.04 billion. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

## Market Size



India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 296.58 trillion (US\$ 3.56 trillion) in 2023-24. Additionally, the Nominal GDP at current prices in Q2 of 2023-24 was Rs. 71.66 trillion (US\$ 861.2 billion), as against Rs. 65.67 trillion (US\$ 789.2 billion) in 2022-23, estimating a growth of 9.1%. As of 03rd October 2023, India is home to 111 unicorns with a total valuation of US\$ 349.67 Billion. Out of the total number of unicorns, 45 unicorns with a total valuation of US\$ 102.30 Billion were born in 2021 and 22 unicorns with a total valuation of \$ 29.20 Billion were born in 2022. India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. The current account deficit stood at US\$ 8.3 billion, or 1% of GDP, in the second quarter of fiscal 2023-24 as compared to US\$ 9.2 billion or 1.1% of GDP in the preceding quarter.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

## Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of January 19, 2024, India's foreign exchange reserves stood at US\$ 616.14 billion.
- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in December 2023 stood at US\$ 38.45 billion, with total merchandise exports of US\$ 505.15 billion during the period of April-December (2023-24).
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- At the beginning of January 2024, the PMI Services comfortably remained in the expansionary zone, registering a value of 61.2.
- In December 2023, the gross Goods and Services Tax (GST) revenue collection stood at Rs.1,64,882 crore (US\$ 19.80 billion), of which CGST is Rs. 30,443 crore (US\$ 3.65 billion), SGST is Rs. 37,935 crore (US\$ 4.55 billion).
- Between April 2000–September 2023, cumulative FDI equity inflows to India stood at US\$ 953.14 billion.

- In November 2023, the overall IIP (Index of Industrial Production) stood at 141. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 131.1, 139.2 and 176.3, respectively, in November 2023.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.55% in November 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 261,856 crore (US\$ 31.5 billion) in India during April-December (2023-24).
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

### Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India.

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. Further, In the interim budget for FY24, Government increased FY25 Capex outlay to record Rs.11.11 lakh crore (US\$ 133.5 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

## GLOBAL AGRICULTURE MARKET

Global agricultural and food production are projected to continue to increase over the next ten years, but at a slower pace of growth than the previous decade due to demographic trends, according to a report released today by the Food and Agriculture Organization of the United Nations (FAO) and the Organisation for Economic Co-operation and Development (OECD).

### Key commodity findings

The demand for growth in cereals production is projected to slow, in part as per capita food consumption of most cereals is reaching saturation levels in many countries. In 2032, it is estimated that 41 percent of all cereals will be directly consumed by humans, 37 percent will be used for animal feeds, and biofuels and other industrial uses will account for the rest.

Global crop production growth will mainly be driven by continued progress in plant breeding and a transition to more intensive production systems. Yield improvements are projected to account for 79 percent of global crop production growth, cropland expansion for 15 percent, and higher cropping intensity for 6 percent over the Outlook period.

Global growth of sugar consumption will be driven entirely by Africa and Asia, with demand projected to surge in areas where the level of per capita intake is currently low. By contrast, consumption is set to continue to decline in high-income countries.

Global average per capita consumption of meat is projected to increase by 0.1 percent annually, mostly driven by middle and lower-income countries. Worldwide demand for meat is expected to increase through 2032, but per-capita consumption levels in high-income countries are projected to decline in the coming decade, led by drops in Western Europe and North America.

Fish available for food consumption is expected to grow everywhere, and fastest in Africa, but projected rapid population growth in this region will limit per capita consumption increases.

Global production of livestock and fish is projected to expand by 1.3 percent annually over the next decade, slower than seen in the recent past. Poultry meat is projected to account for almost half the increase in total meat production through 2032.

World milk production is projected to grow at 1.5 percent annually over the next decade, with more than half the increase coming from India and Pakistan, which together will account for almost a third of global milk output in 2032. Milk production in the European Union is projected to decline slightly due to the ongoing transition towards more environmentally sustainable production systems.

### **Trade patterns**

Global trade in agricultural commodities covered in the Outlook is projected to expand by 1.3 percent annually - half the pace recorded in the past decade - due mostly to slower growth in demand by middle-income countries. Maize, wheat and soybeans contributed the most to the overall agricultural trade growth in the past decade; however, they are projected to experience the biggest drop in trade growth over the next 10 years.

After becoming a net importer of agricultural commodities in recent years, South and Southeast Asia's net imports are projected to increase further, driven mainly by continuing strong demand growth within the subregion.

Sub-Saharan Africa's trade deficit in major food items is projected to almost double by 2032, largely reflecting rapid population growth compared to other regions.

In Latin America, the agricultural trade surplus is expected to expand by 17 percent, raising the exported share of agricultural production to 40 percent by 2032.

North America is projected to remain the second largest exporter of agricultural commodities to world markets over the next 10 years, but strong domestic consumption growth is expected to slightly curb its net export position. The region's agricultural sector may play a key stabilizing role allowing it to expand production to normalize high price cycles.

### **Climate and Agriculture**

Greenhouse gas emissions from agriculture are expected to increase by 7.5 percent in the next decade – just less than half the projected output growth – indicating a significant fall in the carbon intensity of agricultural production. The livestock sector is projected to account for 86 percent of the increased emissions.

The Outlook projects declining GHG emissions from agriculture in North America and rising emissions in sub-Saharan Africa as crop and livestock production rises, underscoring the importance of transformative investments in the region's agrifood systems.

Agricultural GHG emissions in Latin America are projected to remain higher than the region's share of global output.

(Source: <https://www.fao.org/newsroom/detail/oecd-fao-agricultural-outlook-2023-32-maps-key-output--consumption-and-trade-trends/en>)

**Introduction**

India is one of the major players in the agriculture sector worldwide and it is the primary source of livelihood for ~55% of India's population. India has the world's largest cattle herd (buffaloes), the largest area planted for wheat, rice, and cotton, and is the largest producer of milk, pulses, and spices in the world. It is the second-largest producer of fruit, vegetables, tea, farmed fish, cotton, sugarcane, wheat, rice, cotton, and sugar. The agriculture sector in India holds the record for second-largest agricultural land in the world generating employment for about half of the country's population. Thus, farmers become an integral part of the sector to provide us with a means of sustenance.

Consumer spending in India will return to growth in 2021 post the pandemic-led contraction, expanding by as much as 6.6%. 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 processing industry accounts for 32% 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.

Foodgrain production in India touched 330.5 million metric tonnes (MT) in 2022-23 (3rd Advance Estimate). India is the world's 2nd largest producer of food grains, fruits and vegetables and the 2nd largest exporter of sugar. A total of 521.27 LMT rice has been anticipated for procurement for the upcoming KMS 2023-24, up from 496 LMT produced during the previous KMS 2022-23.

**Market Size**

According to Inc42, the Indian agricultural sector is predicted to increase to US\$ 24 billion by 2025. Indian food and grocery market is the world's sixth largest, with retail contributing 70% of the sales. As per the First Advance Estimates for 2023-24 (Kharif only), total foodgrain production in the country is estimated at 148.5 million tonnes. Rabi crop area has increased by 3.25%, from 697.98 lakh hectares in 2021-22 to 720.68 lakh hectares in 2022-23. This is a 22.71 lakh hectare, a 13.71% increase over the average sown area in 2021-22. As per the First Advance Estimates for 2023-24, rice is estimated at 1,063.13 lakh tonnes during the kharif season.

In 2022-23 (as per the second advance estimate), India's horticulture output is expected to have hit a record 351.92 million tonnes (MT), an increase of about 4.74 million tonnes (1.37%) as compared to the year 2021-22.

In 2022-23, of the 141 million hectares of gross sown area in the country, nearly 73 million hectares, or 52%, had irrigation access.

The Agriculture and Allied industry sector witnessed some major developments, investments and support from the Government in the recent past. Between April 2000-September 2023, FDI in agriculture services stood at US\$ 4.77 billion.

According to the Department for Promotion of Industry and Internal Trade (DPIIT), the Indian food processing industry has cumulatively attracted a Foreign Direct Investment (FDI) equity inflow of about US\$ 12.35 billion between April 2000-September 2023. This accounts for 1.89% of total FDI inflows received across industries.

During 2023-24 (April-October), processed vegetables accounted for US\$ 446.84 million, miscellaneous preparations accounted for US\$ 758.94 million and processed fruits, juices and nuts accounted for US\$ 367.85 million.

Rapid population expansion in India is the main factor driving the industry. The rising income levels in rural and urban areas, which have contributed to an increase in the demand for agricultural products across the nation, provide additional support for this. In accordance with this, the market is being stimulated by the growing adoption of cutting-edge techniques including blockchain, artificial intelligence (AI), geographic information systems (GIS), drones, and remote sensing technologies, as well as the release of various e-farming applications.

In terms of exports, the sector has seen good growth in the past year. India's agricultural and processed food products exports stood at US\$ 27.01 billion in 2023-24 (April-October).

**Investment**

Some major investments and developments in agriculture are as follows:

- In December 2023, NBCC signed an MoU with the National Cooperative Development Cooperation (NCDC) and NABARD for the construction of (1,469-grain storage units) the world's largest grain storage plan in the cooperative sector.
- India to host the 27th WAIPA World Investment Conference in New Delhi from December 11-14, 2023.

- In December 2023, Tata-owned Rallis India launched NAYAZINC fertilizer.
- In December 2023, NITI Aayog and IFPRI signed a Statement of Intent to strengthen policy frameworks for agricultural transformation and rural development.
- In November 2023, India signed deals to export 5,00,000 tons of new season basmati rice in Europe and the Middle East.
- In October 2023, the President of India launched the Fourth Krishi Road map of Bihar.
- In October 2023, Coal India, partnered to invest Rs. 3,095 crore (US\$ 371.69 million) in fertiliser JV to boost output.

### **Government Initiatives**

- The Agriculture Export Policy, 2018 was approved by the Government of India in December 2018. The new policy aimed to increase India's agricultural export to US\$ 60 billion by 2022 and US\$ 100 billion in the next few years with a stable trade policy regime.
- The Agricultural Technology Management Agency (ATMA) Scheme has been implemented in 704 districts across 28 states and 5 UTs to educate farmers. Grants-in-aid are released to the State Government under the scheme with the goal of supporting State Governments' efforts to make available the latest agricultural technologies and good agricultural practices in various thematic areas of agriculture and allied sector.
- In the Union Budget 2023-24:
  - Rs. 1.24 lakh crore (US\$ 15.9 billion) has been allocated to the Department of Agriculture, Cooperation and Farmers' Welfare.
  - Rs. 8,514 crore (US\$ 1.1 billion) has been allocated to the Department of Agricultural Research and Education.
- Through several Digital Initiatives, such as the National e-Governance Plan in Agriculture (NeGP-A), the construction of Digital Public Infrastructure (DPI), digital registries, etc., the government has taken a number of steps to ensure access to IT across the nation.
- The Soil Health Card site has been updated and connected with a Geographic Information System (GIS) system, allowing all test results to be captured and shown on a map. Samples are now being gathered using a mobile application as of April 2023 under the new system.
- The Agricultural Technology Management Agency (ATMA) Scheme has been implemented in 704 districts across 28 states and 5 UTs to educate farmers. Grants-in-aid are released to the State Government under the scheme with the goal of supporting State Governments' efforts to make available the latest agricultural technologies and good agricultural practices in various thematic areas of agriculture and allied sector.
- The Government of India is going to provide Rs. 2,000 crore (US\$ 306.29 million) for the computerisation of the Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology.
- The Government of India launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of Rs. 50,000 crore (US\$ 7.7 billion) aimed at the development of irrigation sources for providing a permanent solution to drought.
- Government plans to triple the capacity of the food processing sector in India from the current 10% of agricultural produce and has also committed Rs. 6,000 crore (US\$ 729 million) 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% FDI in the marketing of food products and in food product E-commerce under the automatic route.

### **Road Ahead**

The agriculture sector in India is expected to generate better momentum in the next few years due to increased investment 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 the concerted effort of scientists to get early maturing varieties of pulses and the increase in minimum support price.

In the next five years, the central government will aim US\$ 9 billion in investments in the fisheries sector under PM Matsya Sampada Yojana. The government is targeting to raise fish production to 220 lakh tonnes by 2024-25. 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.

Through the Ministry of Food Processing Industries (MoFPI), the Government of India is taking all necessary steps to boost investments in the food processing industry in India. Government of India has continued the umbrella PMKSY scheme with an allocation of Rs. 4,600 crore (US\$ 559.4 million) till March 2026.



**References:** Agricultural and Processed Food Products Export Development Authority (APEDA), Department of Commerce and Industry, Union Budget 2021-22, 2022-23, Press Information Bureau, Ministry of Statistics and Programme Implementation, Press Releases, Media Reports, Ministry of Agriculture and Farmers Welfare, Crisil, Union Budget 2023-24, Economic Survey 2022-23.

*\*as per 3rd advance estimates, PE- Provisional Estimates*

**Note:** Conversion rate used in November 2023, Rs. 1 = US\$ 0.012

(Source: <https://www.ibef.org/industry/agriculture-india>)

## GLOBAL SEED MARKET

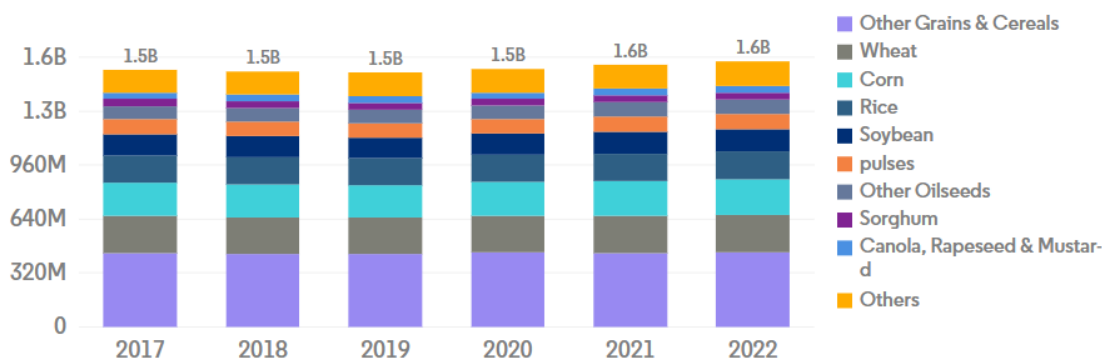
Globally, the grains and cereals segment was the largest cultivated segment, with an area of 1.1 billion hectares in 2022. Wheat, corn, and rice are the major grain crops cultivated extensively globally. The area under grains and cereals cultivation increased by 1.9% between 2017 and 2022. This increase was mainly due to increased demand for grains as staple foods in most of the countries. Wheat is the major grain crop, and it accounted for around 20.5% of the total grain crop area in 2022. It is cultivated mainly in temperate regions and subtropical regions as a staple food crop. Asia-Pacific had the largest area under wheat cultivation because of the favourable climatic conditions and demand from consumers and the processing industries.

Oilseeds accounted for 18.4% of global row crop acreage (1.5 billion hectares) in 2022. Soybeans accounted for most oilseed acreage, followed by rapeseed and sunflower. The area under cultivation for oilseeds increased by 9% between 2017 and 2022, reaching 289.6 million hectares. This increase was mainly due to increased demand for oilseeds globally with attractive prices.

The area under forage crop cultivation reached 80.4 million ha in 2022. Among the forage crops, alfalfa is a dominant crop in terms of cultivation area. It accounted for 39.2% in 2022. This is because of alfalfa's capacity to produce abundant amounts of protein and attractive forage under various weather and soil conditions.

Therefore, an increase in the demand for crops for consumption at home and by processing industries has helped increase the cultivation area and is estimated to drive the market's growth during the forecast period.

**Area Under Cultivation of Row Crops, Hectare, Global, 2017-2022**



Source: Mordor Intelligence

(Source: <https://www.mordorintelligence.com/industry-reports/seeds-industry>)

## 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.

### **Policy Initiatives in Seed Sector**

The following policy initiatives have been taken by the Government of India in seed sector:

- Enactment of the Seeds Act, 1966
- Seed Review Team-SRT (1968)
- National Commission on Agriculture’s Seed Group (1972)
- Launching of the World Bank aided National Seeds Programme (1975-85) in three phases leading to the creation of State Seeds Corporations, State Seed Certification Agencies, State Seed Testing Laboratories, Breeder Seed Programmes etc
- Seed Control Order (1983)
- Creation of the Technology Mission on Oilseeds & Pulses (TMOP) in 1986 now called The Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM).
- Production and Distribution Subsidy
- Distribution of Seed Mini-kits
- Seed Transport Subsidy Scheme (1987)
- New Policy on Seed Development (1988)
- Seed Bank Scheme (2000)
- National Seeds Policy (2002)
- The Seeds Bill (2004)
- Formulation of National Seed Plan (2005)
- National Food Security Mission (2007)
- Rashtriya Krishi Vikas Yojna (2007)

### **National Seeds Policy, 2002: Thrust Areas**

variety development  
 plant variety protection  
 seed production  
 quality assurance  
 seed distribution and marketing  
 infrastructure facilities  
 transgenic plant varieties  
 import of seeds and planting materials  
 seed exports  
 promotion of domestic private sector seed industry  
 strengthening of the monitoring system

### **Seeds Bill, 2004: Salient Features**

Registration of kinds and varieties of Seeds etc.

- Evaluation of performance
- Compensation to Framers
- Registration of Seed Producers and Processing Units
- Seed dealers to be Registered

Regulation of Sale of Seed and Seed Certification

- Seed Analysis and Seed Testing
- Export and Import of Seeds and Planting Material
- Offences and Punishment.

### **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;

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

Information on Production and availability of Breeder, Foundation and Certified seeds can be accessed from this portal.

<b>Production / Availability of Certified/Quality Seed</b>							
<b>Qty. In Million Tonnes</b>							
	<b>X Plan period</b>					<b>XI Plan</b>	
<b>CROP</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
WHEAT	0.3150	0.3653	0.4783	0.4001	0.4568	0.6700	0.8768
PADDY	0.2921	0.3228	0.3156	0.367	0.4035	0.5354	0.6654
MAIZE	0.0455	0.1025	0.0815	0.0886	0.0808	0.0553	0.0740
JOWAR	0.0366	0.039	0.0352	0.0411	0.0348	0.0278	0.0274
BAJRA	0.0263	0.0347	0.0284	0.0349	0.0243	0.0244	0.0261
RAGI	0.0025	0.0027	0.0027	0.0026	0.0028	0.003	0.0036
BARLEY	0.0052	0.0062	0.0071	0.0054	0.0072	0.0241	0.0231
<b>CEREAL TOTAL</b>	<b>0.7232</b>	<b>0.8732</b>	<b>0.9488</b>	<b>0.9397</b>	<b>1.0101</b>	<b>1.3400</b>	<b>1.6964</b>
GRAM	0.0245	0.0258	0.0327	0.0296	0.057	0.0608	0.0835
LENTIL	0.0031	0.0043	0.0047	0.0041	0.0026	0.0063	0.0059
PEAS	0.0036	0.0062	0.0065	0.0034	0.0044	0.0115	0.0130
URD	0.0134	0.0165	0.0138	0.0207	0.0146	0.0179	0.0314
MOONG	0.0096	0.0094	0.0114	0.019	0.0163	0.0169	0.0248
ARHAR	0.0086	0.0086	0.0085	0.0099	0.0119	0.0167	0.0175
COWPEA	0.0012	0.0009	0.001	0.0011	0.0013	0.0017	0.0024
MOTH	0.0003	0.0002	0.0004	0.0006	0.0006	0.0006	0.0020
OTHERS	0.0003	0.0002	0.0002	0.0003	0.0013	0.0018	0.0026
<b>PULSES TOTAL</b>	<b>0.0646</b>	<b>0.721</b>	<b>0.0792</b>	<b>0.0887</b>	<b>0.1101</b>	<b>0.1341</b>	<b>0.1830</b>
GROUNDNUT	0.0730	0.101	0.0682	0.1119	0.1114	0.1762	0.3187
RAPE/MUST.	0.0105	0.0108	0.0164	0.016	0.0197	0.0196	0.0207
TIL	0.0022	0.0017	0.0018	0.0023	0.0021	0.002	0.0028
SUNFLOWER	0.0107	0.0118	0.0103	0.0133	0.0102	0.0111	0.0059
SOYABEAN	0.0662	0.0952	0.1181	0.1478	0.1348	0.1691	0.1801
LINSEED	0.0001	0.0002	0.0001	0.0001	0.0002	0.0003	0.0003
CASTOR	0.0044	0.0051	0.0045	0.0056	0.0063	0.0056	0.0056
SAFFLOWER	0.0010	0.0012	0.001	0.0013	0.0008	0.0009	0.0007
NIGER/others		0	0.0003	0	0.0006	0.0002	0.0001
<b>OILSEEDS TOTAL</b>	<b>0.1681</b>	<b>0.227</b>	<b>0.2207</b>	<b>0.2983</b>	<b>0.2861</b>	<b>0.3851</b>	<b>0.5350</b>
COTTON	0.0367	0.0307	0.0301	0.0288	0.0256	0.0261	0.0272
JUTE	0.002	0.0022	0.002	0.0052	0.0037	0.008	0.0042
MESTA/OTHER	0.005	0.0001	0.0001	0.0002	0.0006	0.0018	0.0047
<b>FIBRE TOTAL</b>	<b>0.0437</b>	<b>0.033</b>	<b>0.0322</b>	<b>0.0342</b>	<b>0.0299</b>	<b>0.0358</b>	<b>0.0361</b>
POTATO	0.038	0.037	0.0397	0.0417	0.0415	0.0435	0.0430
OTHERS	0.002	0.0015	0.0021	0.0025	0.0041	0.0047	0.0100
<b>GRAND TOTAL</b>	<b>1.0396</b>	<b>1.2438</b>	<b>1.3227</b>	<b>1.4051</b>	<b>1.4818</b>	<b>1.9431</b>	<b>2.5035</b>

(Source: compiled by Seeds Division of DAC)

### Role of Public & Private Seed Sector

The private sector has started to play a significant role in the seed industry over the last few years. At present, the number of companies engaged in seed production or seed trade is of the order of 400 or 500. However, the main focus of private seed companies has been on the high value low volume seeds and market for low value high volume seeds of cereals, pulses and oilseeds is still dominated by the public sector seed corporations. Private sector companies have a significant place mainly in the case of maize and sunflower and cotton. However, in the case of vegetable seeds and planting materials of horticultural crops, the private sector is the dominant player. As the private sector has not been enthusiastic about entering into seed production of high-volume low margin crops of wheat, paddy, other cereals, oilseeds and pulses, the public sector seed corporations will continue to remain dominant in cereals, pulses and oilseeds for many more years to come. At present 15 State Seeds Corporation and 2 National level seeds Corporations (National Seeds Corporation of India & State Farms Corporation of India) are functioning in the country. Besides, significant quantities of seeds are also produced by the State Departments of Agriculture, where the State Seeds corporations are not in existence. The contribution of private sector seed companies in total seed production of the country is depicted in the following table:

Year of Production	Total Seed Production (Lakh qtls.)	Share of private sector
2003-04	132.27	47.48%
2004-05	140.51	45.02%
2005-06	148.18	46.80%
2006-07	194.31	41.00%

(Source: compiled by Seeds Division of DAC)

Major seed producing states are depicted in the following map:



### Variety Registration Procedures:

Each variety has to pass through 3 phases of evaluation. Breeders contribute their best entries on the basis of evaluation carried out in their local programmes for testing in the Initial Yield Evaluation Trial (IET) or Preliminary Yield Trial (PYT). These trials are organized in selected number of Places in each zone. Simultaneously, these entries are supplied to Pathologists to study their reaction to important diseases. Entries qualifying from yield, disease and quality point of view in IET/PYT are tested in the Uniform Regional Trials (URT). These trials are also called Advanced Varietal Trials (AVT) or Coordinated Varietal Trials (CVT). These trials are organized at a very large number of locations in each zone and the plot size is larger than that in IET. During the tests, reaction to

various diseases, pests and quality traits are also studied. Entries found suitable in the second phase are again evaluated in the URT and simultaneously supplied to Pathologists, Entomologists, Nematologists, Agronomists and Quality Evaluation Groups to study the entries comprehensively for factors which are important from the point of view of their own discipline. Actual measurements are also made on other parameters. Agronomy group evaluates these entries for their adaptability to varied range of agronomic variables such as sowing dates, levels of fertilizers and number of irrigations etc. These are occasionally studied for their reaction to important herbicides. These tests are followed by a critical discussion in a crop workshop. A Special Committee of multi-disciplinary scientists is constituted at the workshop to consider the proposals for identification of the varieties for release. Varieties evolved by the SAUs and Government Research Institutes are tested within the concerned States at limited locations. Central Seed Committee (CSC) pointed out in 1982 that varieties of State importance might also be tested in the concerned All India Crop Improvement Project. All the States are now submitting their samples for the coordinated trials though some have reservations of this decision. Concept of simultaneous testing of State varieties in the coordinated trials needs to be welcomed by the State Governments and their Research Institutes all over the country. Simultaneous testing of all State varieties along with the Central Varieties provides exposure to the State varieties to a wide range of environments. This will help to identify the varieties which are highly prone to diseases and pests and release of which may cause problems in some other States.

Identification of superior genotypes by Plant Breeder can benefit the public only if it is offered for commercial multiplication. It is therefore, necessary to maintain a system where quantities of promising genotype are made available for commercial production. This process is referred to as release of the varieties. The purpose of release system is to introduce newly evolved varieties to the public for general cultivation in the regions in which it is suitable. It serves as a guideline in the choice of varieties for cultivation in any region. The practice of official release of varieties started in October, 1964 with the formation of the Central Variety Release Committee (CVRC) at the Central level and State Variety Release Committee (SARC) at State level. CVRC functioned up to November, 1969 when its functions were taken over by the CSC established Seeds Act, 1966. The CSC constituted a Central Sub-committee on Crop Standards, Notification and Release of Varieties (CSC on CS, N&RV). The sub-committee discharges the functions of release and notification of varieties at Central level, while State Seed Sub-Committees (SSSCs) discharge similar function at State level. CSC and its Sub-committee have due representation for all the agencies involved in seed research, production and quality control namely State Governments, SCAs, SAUs, ICAR Institutes, Seed producing agency in public and private sector and seed farmers.

### **Varietal Protection in India:**

India is signatory of World Trade Organization (WTO). WTO has at least half a dozen intergovernmental agreements that directly affect agriculture. Under the TRIPS Agreement Article 27(3) (b), which resulted from the negotiations of the Uruguay Round, requires members to protect plant varieties either by patents or by an effective '*sui generis*' system of protection or by a combination of both these systems. In compliance to the TRIPS Agreement India established Protection of Plant Varieties and Farmers Rights (PPV&FR) Authority, under the Protection of Plant Varieties and Farmers Rights Act, 2001. PPV & FR Authority has become operational since 11<sup>th</sup> November, 2005. The objectives of the Authority are:

- Establishment of an effective system for protection of plant varieties, the rights of farmers and plant breeders and to encourage development of new varieties of plants.
- Recognition and protection of the rights of farmers in respect to their contribution in conserving, improving and making the available plant genetic resources for the development of new plant varieties.
- Accelerated agricultural development in the country by stimulation of investment for research and development both in public and private sector.
- Facilitate growth of seed industry to ensure the availability of quality seeds and planting material to the farmers.

Any of the following persons can make an application to the PPV & FRA for registration of a variety:-

- i) Any person claimed to be a breeder of a variety.
- ii) Any person being the assignee of the breeder of a variety.
- iii) Any farmer or group of farmers or community of farmers claiming to be the breeder of a variety.
- iv) Any University or publicly funded agricultural institution claiming to be breeder of a variety.

PPV & FR Authority shall maintain a National Register of Plant Varieties. The certificate of Registration shall be valid for 9 years in the case of trees and vines and six years in case of other crops. The total period of variety shall not exceed 18 years for trees and vines and 15 years for extant varieties notified under Seeds Act and for other crops. PPV & FR Authority shall invite claims for beneficiary in respect of any variety for which registration has been granted. The PPV & FR Authority shall determine beneficiary on the basis of following: -

- a) The extent and nature of the use of genetic material of the claimant
- b) Commercial utility and demand in market of the variety relating to which benefit has been claimed.

The benefit determined by the PPV & FR Authority shall be deposited by the breeder with the National Gene Fund. The amount of benefit sharing shall be recoverable as arrear of land revenue. Certificate of Registration shall confer an exclusive right on the breeder, his successor, his agent or licensee the right to produce, sell, market, distribute, import or export the variety.

Farmer who has developed or bred a new variety shall be entitled for registration as a breeder of a variety. Farmer shall be deemed to be entitled to save, use, sow, re-sow, exchange, share or sell his farm produce including seed of a variety protected under this Act in the same manner as he was entitled before coming into force of this Act provided that the farmer shall not be entitled to sell branded seed of a variety protected under this Act. Farmers' variety shall be entitled for registration.

Farmer who is engaged in the conservation of genetic resources of land basis and wild relatives of economic plants and their improvement and preservation shall be entitled to recognition and reward from the Gene Fund provided the material so selected and preserved has been used as a donor of genes in varieties register able under the PPV & FR Act. Any person or group of persons (whether actively engaged in farming or not) or any other Governmental or Non-governmental organization may stake a claim on behalf of the village or local community.

There is a provision for compulsory licensing to meet the reasonable requirement of the public for seed or other propagating material.

Further information can be accessed from the PPV&FR Authority's official website [www.plantauthority.gov.in](http://www.plantauthority.gov.in)

### **Seed Certification System in India:**

In general, seed certification is a process designed to maintain and make available to the general public continuous supply of high-quality seeds and propagating materials of notified kinds and varieties of crops, so grown and distributed to ensure the physical identity and genetic purity. Seed certification is a legally sanctioned system for quality control of seed multiplication and production.

#### **(i) History of Seed Certification**

The origin of the concept of seed certification dates back to the earlier part of the twentieth century. The seed certification concept grew out of the increased concern for the rapid loss of identity of varieties during production cycles. For this, credit should go to the Swedish workers who are the first to initiate the process of field evaluation of the seed crops. It began with the visits of agronomists and plant breeders to the fields of progressive farmers who took the seeds of new varieties from the. This was primarily to educate them on seed production. This initiated the process of field inspection and later on found to be very helpful in keeping varieties pure in the production chain, but other problems appeared. To overcome some of these problems, scientists from USA and Canada met in Chicago, Illinois in 1919 and formed an International Crop Improvement Association (ICIA), which later on 1969 changed its name to Association of Official Seed Certifying Agencies (AOSCA) paving the way for modern day seed certification.

In India the field evaluation of the seed crop and its certification started with the establishment of National Seeds Corporation in 1963. A legal status was given to seed certification with the enactment of first Indian Seed Act in the year 1966 and formulation of Seed Rules in 1968. The Seed Act of 1966 provided the required impetus for the establishment of official Seed Certification Agencies by the States. Maharashtra was the first State to establish an official Seed Certifications Agency during 1970 as a part of the Department of Agriculture, whereas Karnataka was the first State to establish the Seed Certification Agency as an autonomous body during 1974. At present 22 States in the country have their own Seed Certification Agencies established under the Seed Act, 1966. In great majority of the countries in the World, including India, seed certification is voluntary and labelling is compulsory.

#### **(ii) Objective of Seed Certification**

The main objective of the Seed Certification is to ensure the acceptable standards of seed viability, vigour, purity and seed health. A well-organized seed certification should help in accomplishing the following three primary objectives.

- The systematic increase of superior varieties;
- The identification of new varieties and their rapid increase under appropriate and generally accepted names.
- Provision for continuous supply of comparable material by careful maintenance.

#### **(iii) Eligibility requirements for certification**

Any variety to become eligible for seed certification should meet the following requirement:

- General requirements;
- Field standards;
- Specific requirements;
- Seed Standards

#### **(iv) General requirements**

- Should be a notified variety under Section-5 of the Indian Seed Act, 1966.
- Should be in the production chain and its pedigree should be traceable.

(v) **Field standards**

Field standards include the selection of site, isolation requirements, spacing, planting ratio, border rows etc.

(vi) **Specific Requirements**

Presence of off-types in any seed crop, pollen-shedders in Sorghum, Bajra, Sunflower etc., Shedding tassels in maize crosses, disease affected plants, objectionable weed plants etc., should be within the maximum permissible levels for certification.

(vii) **Seed Certification Agencies**

Seeds Act, 1966 provides for the establishment of Seed Certification Agencies in each State. Seed Certification Agency should function on the following broad principles:

- Seed Certification agency should be an autonomous body.
- Seed Certification Agency should not involve itself in the production and marketing of seeds.
- The Seed Certification Standards and procedures adapted by seed certification agency should be uniform, throughout the country.
- Seed Certification Agency should have close linkage with the technical and other related institutions.
- Its long-term objective should be to operate on no-profit no-loss basis.
- Adequate staff trained in seed certification should be maintained by the Certification Agency.
- It should have provision for creating adequate facilities for ensuring timely and through inspections.
- It should serve the interests of seed producers and farmers/users.

(viii) **Organizational set-up of a Seed Certification Agency**

Organization and establishment of a Seed Certification Agency needs careful planning. In planning one should take into consideration the pertinent data about anticipated acreage for certification of various crops/varieties, area of operation, farm sizes etc. The organizational set up of the Certification Agency includes Board of Directors, technical and other staff for operating the programme. Seed Certification Agency may have its own seed testing laboratory or it may get its seed samples tested through seed testing laboratories.

(ix) **Seed certification consists of the following control measures:**

**An Administrative check on the origin of the propagating material:** Source seed verification is the first step in Seed Certification Programme. Unless the seed is from approved source and of designated class certification agency will not accept the seed field for certification, thereby ensuring the use of high quality true to type seed for sowing of seed crops.

**Field Inspection :** Evaluation of the growing crop in the field for varietal purity, isolation of seed crop is to prevent out-cross, physical admixtures, disease dissemination and also ensure crop condition as regards to the spread of designated diseases and the presence of objectionable weed plants etc.

**Sample inspection:** assessing the planting value of the seeds by laboratory tests. Certification agency draws representative samples from the seeds produced under certification programme and subjects them to germination and other purity tests required for conforming to varietal purity.

**Bulk Inspection:** Under certification programme provision has been made for bulk inspection. Hence, the evaluation of the lot for the purpose of checking homogeneity of the bulk seed produced as compared with the standard sample is carried out. This gives an idea about the genuinity of lot and sample.

**Control plot testing:** Here the samples drawn from the source and final seed produced are grown side by side along with the standard samples of the variety in question. By comparison it can be determined whether the varietal purity and health of the produced seed are equal to the results based on field inspection.

**Grow-out test:** Evaluation of the seeds for their genuineness to species or varieties or seed borne infection. Here the samples drawn from the lots are grown in the field along with the standard checks. Growing plants are observed for the varietal purity. Grow-out test helps in the elimination of the sub-standard seed lots.

(x) **Phases of Seed Certification**

Seed Certification is carried out in six broad phases listed as under:

- i. Verification of seed source, class and other requirements of the seed used for raising the seed crop.
- ii. Receipt and scrutiny of application.
- iii. Inspection of the seed crop in the field to verify its conformity to the prescribed field standards.
- iv. Supervision at post-harvest stages including processing and packing.

- v. Drawing of samples and arranging for analysis to verify conformity to the seed standards; and
- vi. Grant of certificate, issue of certification tags, labelling, sealing etc.

### **Seed Export / Import**

The export/import of seeds and planting material is governed by the Export and Import (EXIM) Policy 2002-07 and amendment made therein. Restrictions on export of all cultivated varieties of seeds have been removed w.e.f. 01.04.2002, except the following:

- (i) breeder or foundation or wild varieties;
- (ii) onion, berseem, cashew, nux vomica, rubber, pepper cuttings, sandalwood, saffron, neem, forestry species and wild ornamental plants;
- (iii) export of niger which is canalized through TRIFED, NAFED, etc.
- (iv) groundnuts, exports of which is subject to compulsory registration of contract with APEDA;

The export of these seeds is restricted and is only allowed on case-to-case basis under licence issued by Director General Foreign Trade on the basis of the recommendations of Department of Agriculture and Cooperation.

The provisions regarding import of seeds and planting material are as under:

- (a) import of seeds/tubers/bulbs/cuttings/saplings of vegetables, flowers and fruits is allowed without a licence in accordance with import permit granted under Plant Quarantine (Order), 2003 and amendment made therein.
- (b) import of seeds, planting materials and living plants by ICAR, etc. is allowed without a licence in accordance with conditions specified by the Ministry of Agriculture;
- (c) import of seeds/tubers of potato, garlic, fennel, coriander, cumin, etc. is allowed in accordance with import permit granted under PQ Order, 2003.
- (d) import of seeds of wheat, rye, barley, oat, maize, rice, millet, jowar, bajra, ragi, other cereals, soybean, groundnut, linseed, palmnut, cotton, castor, sesamum, mustard, safflower, clover, jojoba, etc. is allowed without licence subject to the New Policy on Seed Development, 1988 and in accordance with import permit granted under PQ Order, 2003.

The EXIM Policy reiterates that all imports of seeds and planting material would be regulated under the Plant Quarantine Order 2003. Import licences would be granted by DGFT only on the recommendations of DAC. A small quantity of seeds sought to be imported would be given to ICAR, or farms accredited by ICAR, for trial and evaluation for one crop season. On receipt of applications for commercial import, DAC would consider the trial/evaluation report on the performance of the seed and their resistance to seed/soil borne diseases. DAC is required to either reject or recommend the application to DGFT for grant of import licence within 30 days of receipt. All importers have to make available a small specified quantity of the imported seeds to the ICAR at cost price for testing/accession to the gene bank of National Bureau of Plant Genetic Resources (NBPGR). The import of seeds has to be cleared/rejected by Plant Protection Adviser (PPA) after quarantine checks within three weeks. The rejected consignment has to be destroyed. During quarantine, the imported consignment is kept in a bonded warehouse at the cost of the importer. While importing seeds and planting material, it has to be ensured that there is absolutely no compromise on plant quarantine procedures. Every effort has to be made to prevent the entry into India of exotic pests, diseases and weeds that are detrimental to the interests of the farmers.

An EXIM Committee was constituted in the Seeds Division to deal with application for exports/imports of seeds and planting materials in accordance with the New Policy on Seed Development and EXIM Regulations. The Committee meets every month, subject to tendency of proposals for import/export of seeds and planting material, and analyses applications and furnishes recommendations to PPA/DGFT for issuing of otherwise of the licence for import/export of seeds and planting material. Exporters/importers are required to submit 20 copies of applications for export/import in the prescribed formats. The minutes of the EXIM Committee are posted on the Seednet Portal (<http://seednet.gov.in>).

As per World Seed Trade Statistics, India has sixth largest size of domestic seed market in the world, estimated to be at about 1300 million dollars. However, India's share in global trade in seeds (import & export) is of only about 37 million dollars only. To give a boost to seed export, India has decided to participate in OECD Seed Schemes for the following categories of crops:

- Grasses and legumes
- Crucifers and other oil or fibre species
- Cereals
- Maize and sorghum
- Vegetables

OECD Seed Schemes is one of the international frameworks available for certification of agricultural seeds moving in international trade. The objective of the OECD Seed Schemes is to encourage use of seeds of consistently high quality in participating countries. The Scheme authorizes use of labels and certificates for seed produced and processed for international trade according to agreed principles. The Joint Secretary (Seeds) in the Department of Agriculture & Cooperation has been nominated as the National Designated Authority. Further, Heads of Seed Certification Agencies in Karnataka, Andhra Pradesh, Tamil Nadu, Maharashtra, Rajasthan, Uttaranchal, Uttar Pradesh, Haryana, Bihar and Assam have been nominated as the Designated Authorities under the Scheme to undertake certification work under OECD Seed Schemes. The department is in the process of completing other formalities under the OECD Seed Scheme guidelines before the certification work gets started.

### **Conclusion**

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.

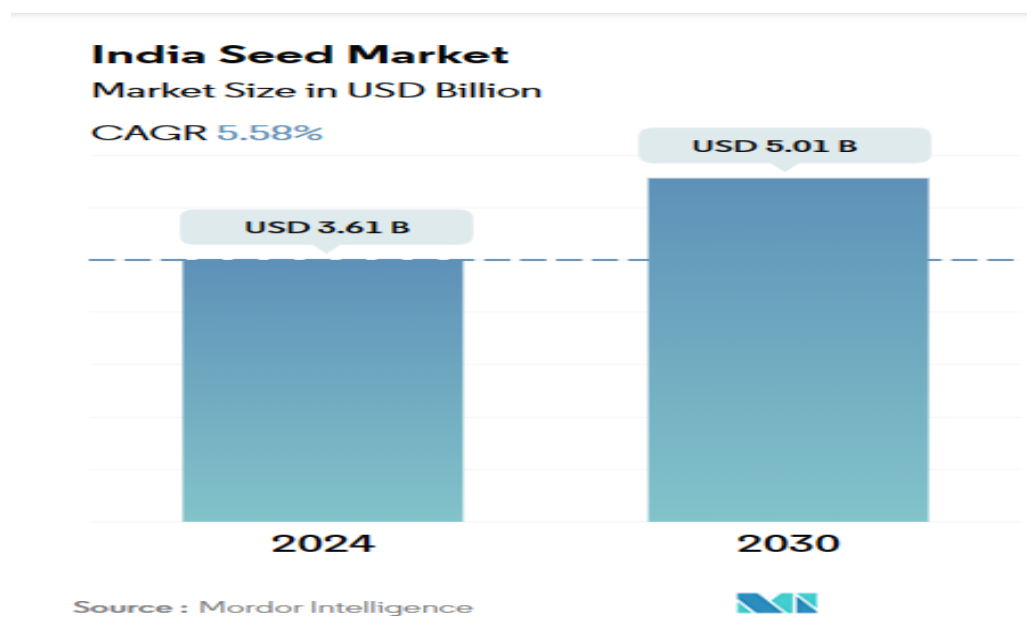
Similarly, for post-harvest handling, the Indian seed processing/conditioning industry has perfected the techniques of quality up-gradation and maintenance to ensure high standards of physical condition and quality. By virtue of the diverse agro-climates several geographical zones in the country have 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 State level research set up in the State Agricultural Universities. In seed education, 4-5 prominent State Agricultural Universities offer post-graduation in Seed Technology leading to M.Sc./Ph.D Degree. 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, SFICI, State 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: <https://seednet.gov.in/Material/IndianSeedSector.aspx>)



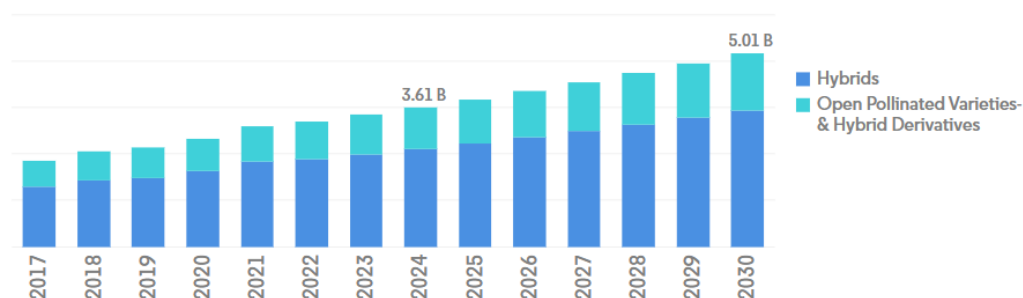


The India Seed Market size is estimated at 3.61 billion USD in 2024, and is expected to reach 5.01 billion USD by 2030, growing at a CAGR of 5.58% during the forecast period (2024-2030).

Hybrids dominate the seed market in the country with the increase in the concerns for higher yield

- In India, hybrids dominated over open-pollinated varieties, accounting for USD 2.3 billion in 2022. Farmers are adopting and using more hybrid seeds, considering the pest-resistant properties of these seeds that reduce the losses and cost of production.
- The per capita availability of arable land decreasing to 0.11 ha in 2020 from 0.12 ha in 2016 is considered a driver for India's commercial seed industry.
- In 2022, hybrid seed usage increased in the country by adopting transgenic cotton hybrids, single-cross corn hybrids, oil-rich oilseed hybrids, and hybrid vegetables. This increased demand for hybrid seeds has boosted the market for commercial seeds. This trend has encouraged farmers to shift their focus from conventional seed sources to packaged seeds that promise better yields.
- In commercial seed cultivation acreage in 2022, hybrids alone accounted for 80.6% of the area, whereas OPVs accounted for 19.4% in India. Therefore, the seed market is estimated to increase as hybrid usage grows in the country.
- The major breeding techniques include selecting plants based on natural variants, hybridizing, and choosing specific genes or marker profiles using molecular tools. The main objective of these techniques is the selection of better plant types among variants in terms of yield, quality, and pest resistance.
- The scenario post-adoption of hybrids and improved OPVs has resulted in many advantages, such as yield improvement, ensuring higher prices, and availability of seeds at an affordable price. These factors will drive the growth of the Indian seed market in the forecast period.

Value of Seeds by Breeding Technology Categories, USD, India, 2017 - 2030



Source: Mordor Intelligence



(Source: <https://www.mordorintelligence.com/industry-reports/indian-seed-sector-analysis>)

### India Seed Market Trends

Rice is highly cultivated in India among row crops, primarily because of the favorable conditions for its cultivation and the consistent market demand

- India is geographically diverse, with various climates and different soil types. This diversity allows for cultivating various row crops throughout the year. As a result, the area under row crops reached 179.2 million in 2022, which increased by 2.7% between 2017 and 2022. This growth is associated with the introduction of modern agricultural technologies, including improved seed varieties and mechanized equipment, making it more feasible for farmers to cultivate row crops.
- Rice accounted for the major share of 25.8% of the Indian row crop acreage in 2022. This is because the country's diverse agro-climatic zones provide favorable conditions for rice cultivation. Additionally, the stability of the rice market, combined with its consistent demand, makes it an attractive option for many Indian farmers. As a result, the acreage for rice is estimated to reach 51.6 million ha in 2030.
- Wheat accounted for the second largest acreage in India, with a share of 17.0% of the overall country's row crop cultivation area in 2022. This is because wheat is a staple food for many Indian populations, and The Indian government supports wheat cultivation through policies such as minimum support prices (MSPs) and procurement programs, which in turn drive the cultivation of wheat.
- In 2022, Uttar Pradesh and Madhya Pradesh accounted for India's major cultivation land for grains and cereals, with a share of 17.2% (17.1 million ha) and 10.6% (10.5 million ha). This is because both states have the largest geographical area in India and have fertile soils, which are highly suitable for cereal and grain cultivation. The favorable government policies and stable demand for row crops in the domestic market are estimated to drive the acreage in the country.

(Source: <https://www.mordorintelligence.com/industry-reports/indian-seed-sector-analysis>)

## OUR BUSINESS

### OVERVIEW

Our Company was originally incorporated as Vardaan Biotech Private Limited pursuant to Certificate of Incorporation dated December 20, 2007 issued by the Registrar of Companies, Madhya Pradesh, and Chhattisgarh as a private limited company under the provisions of Companies Act, 1956. With effect from 15th January 2021 the company was converted into a Public Limited company vide special resolution passed by shareholders of the Company at an extraordinary general meeting held on January 05, 2021, and a fresh certificate of incorporation was issued by Registrar of Companies, Gwalior.

Our Company is in the business of production, processing and marketing of hybrid, research, and improved varied agricultural seeds and has established a separate identity and recognition for itself in the industry. We are among the top ten Seed Production Company in Central India.

We are instrumental in rendering a wide assortment of ISO 9001:2015 certified quality products including Wheat, Maize, Paddy, , Bajra, Hybrid SSG, Mustard, Peas, Tomato, Chili, Imported Coriander, Okra, Hybrid Watermelon, Soyabean Seeds, Ride-Gourd, Hybrid Sponge Gourd Cucumber, Improved Onion, Green Gram, Tur Dal, Hybrid Sunflower, Hybrid Bitter Gourd and have recently forayed into certified, hybrid and research products. Our products are widely utilized for their pure cultivation, moisture proof packaging, high yield assurance and longer shelf life.

Mr. Lokendra Singh Rajput, a graduate in agricultural science, is the Founder Promoter of our Company. He started the business of seed production by promoting and incorporating our Company on December 20, 2007. Our Company has gained over seventeen years of experience in the business and production of quality seeds.

We are producing quality seed with the following objectives:

- Supply of quality seeds at the doorstep of the farmers at the reasonable affordable price;
- Reduction in cultivation cost of quality seed production with pollution free organic farming;
- Technical and economic strengthening of seed growers;
- Making the required seeds of latest varieties available at the right place, at the right time and at the right price.

We started our operation in Madhya Pradesh and have now spread our customer base in the following States:










- Maharashtra;
- Bihar;
- Chhattisgarh;
- Jharkhand;
- Rajasthan;
- Uttar Pradesh;
- Telangana;
- Haryana;
- Gujarat;
- Karnataka









We have also established marketing network with wholesalers and retailers spread over in Madhya Pradesh and other states such as Bihar, Jharkhand, Uttar Pradesh, Rajasthan, Chhattisgarh, Telangana, and Maharashtra, Gujarat, Haryana, Karnataka. All the seed varieties produced and developed by our Company are marketed under the brand of 'Vardaan'.

**Our revenue and profit in the last three (3) Financial Years are reproduced below:**

Particulars	For the period ended December 31, 2023	Financial year (Rs. In Lakhs)		
		For the period ended March 31, 2023	For the period ended March 31, 2022	For the period ended March 31, 2021
Revenue from operations	11026.86	13005.06	10308.95	8457.84
Net Profit after tax	1352.18	1206.27	451.59	114.77

### OUR PRODUCT RANGE

Name of the Product	Qualities and Features
Hybrid Maize (In different variants) 	<ul style="list-style-type: none"> <li>• Single Cross;</li> <li>• Strong stalks suitable for high density;</li> <li>• Duration 105 days to 140 days in Rabi Season;</li> </ul>
Hybrid Paddy (In different variants) 	<ul style="list-style-type: none"> <li>• Semi-dwarf Plant;</li> <li>• Medium slender grains;</li> <li>• Wider adaptability with 69% shelling;</li> <li>• Tolerant to blast, BPH and Grain moulds;</li> <li>• Duration 100 days to 105 days (Kharif), 110 to 115 days (Rabi);</li> </ul>
Improved Paddy (In different variants) 	<ul style="list-style-type: none"> <li>• Medium Slender Grain;</li> <li>• Lengthy panicle with more number of grains;</li> <li>• 10 to 14 tillers per plant;</li> <li>• High Tolerance to disease;</li> <li>• Duration 120 to 140 days</li> </ul>
Hybrid Bajra 	<ul style="list-style-type: none"> <li>• Late Maturing tall hybrid</li> <li>• Good adaptability across the locations</li> <li>• Globular Grey colored grain</li> <li>• Duration 80 to 85 Days</li> </ul>
Hybrid SSG Ruby 	<ul style="list-style-type: none"> <li>• Stem is non-pigmented, medium thick with sweet juice;</li> <li>• Leaves are long and medium board, smooth and soft with dull white mid rib;</li> <li>• Inflorescence is long with very long peduncle, semi-loose with erect primary branches;</li> <li>• Glumes are red to purple in colour;</li> <li>• Seed is partial red tinged; round to elliptical shaped and dimpled;</li> </ul>
Hybrid SSG Moti 	<ul style="list-style-type: none"> <li>• Stem is non-pigmented, medium thick with sweet juice;</li> <li>• Multicutting;</li> <li>• Long internodes, and foliage is high;</li> <li>• Leaves are long and narrow, smooth and thin with pale white mid rib;</li> <li>• Glumes mahogany to purple in colour;</li> <li>• Seed is white, non-lustrous, round shaped, dimpled and medium sized;</li> </ul>
Improved Mustard 	<ul style="list-style-type: none"> <li>• Duration 11 to 120 Days;</li> <li>• Medium height Plant;</li> <li>• Cruciferous flower with yellow petals;</li> <li>• Blackish brown: round; bold petals;</li> <li>• Better oil percentage.</li> </ul>
Improved Pea 	<ul style="list-style-type: none"> <li>• Plant height 70-85 cms;</li> <li>• Number of seeds 10-11 per pod;</li> <li>• Duration 80 to 85 Days;</li> <li>• Green normal leaf;</li> <li>• Flower light blue petal colour;</li> <li>• Seed Cylindrical shape with smooth surface.</li> </ul>
Improved Wheat 	<ul style="list-style-type: none"> <li>• Semi erect plant;</li> <li>• Plant height 85-90 cms;</li> <li>• Duration 100 days to 157 days;</li> <li>• Grain colour amber</li> </ul>

<b>Hybrid Tomato</b> 	<ul style="list-style-type: none"> <li>• Strong Plant;</li> <li>• Attractive Red Fruit;</li> <li>• Fruit weight 90 to 100 gsm;</li> <li>• Good Firmness and Shelf life;</li> <li>• First Harvest 65 to 70 days;</li> <li>• Tolerant to ToLCV and early blight;</li> </ul>
<b>Hybrid Chilly</b> 	<ul style="list-style-type: none"> <li>• Attractive shining light green;</li> <li>• Good shelf life;</li> <li>• Cayenne type with wrinkles;</li> <li>• Number of seeds 6-7 per pod;</li> <li>• Height Pungency 13 to 15 cms;</li> <li>• Fruit Length with thickness of 1.2 to 1.4 cms;</li> </ul>
<b>Imported Coriander</b> 	<ul style="list-style-type: none"> <li>• Good Plant Vigour;</li> <li>• Attractive dark green leaves;</li> <li>• Stem does not break on bending;</li> <li>• Suitable for multiple harvests;</li> <li>• First Harvest 25-30 days after sowing</li> </ul>
<b>Hybrid Okra</b> 	<ul style="list-style-type: none"> <li>• High Yields;</li> <li>• Attractive tender Dark Green;</li> <li>• Fruits Tolerant to YVMV.</li> <li>• Fruit Length 9 to 11 cm;</li> </ul>
<b>Research Okra</b> 	<ul style="list-style-type: none"> <li>• High Yields;</li> <li>• Attractive tender Dark Green;</li> <li>• Fruits Tolerant to YVMV;</li> <li>• Fruit Length 9 to 11Cm;</li> </ul>
<b>Hybrid Watermelon</b> 	<ul style="list-style-type: none"> <li>• Early Hybrid and High Yields;</li> <li>• Good Transport Quality;</li> <li>• Black Green fruits and fruit size 2.5 to 4 Kg;</li> <li>• Crimson color flesh and good texture;</li> </ul>
<b>Hybrid Ridge Gourd</b> 	<ul style="list-style-type: none"> <li>• Strong and Vigorous plant long with deep ridges fruit;</li> <li>• Attractive Green color fruit with length 25 to 35 cm;</li> <li>• Fruit weight 150 to 200 gms;</li> </ul>
<b>Hybrid Cucumber</b> 	<ul style="list-style-type: none"> <li>• Strong plant with dense foliage;</li> <li>• Maturity 40 to 45 days;</li> <li>• Fruit length 18 to 21 cm. and weight 175 to 225 gms;</li> </ul> <p>Diameter 3.5 to 5 cm. and smooth skin</p>
<b>Onion Nasik Red</b>	<ul style="list-style-type: none"> <li>• Grown in mainly Kharif Season;</li> <li>• Bulb colour dark red globular shape;</li> <li>• Maturity after transplanting 90-110 days;</li> </ul> <p>Yield 250-300 qnths/ha;</p>
<b>Beans</b>	<ul style="list-style-type: none"> <li>• Plant bushy and strong type;</li> <li>• Fruit colour bright dark green and white seed;</li> <li>• Pod stingless round shape with 15-18cm long flesh;</li> </ul> <p>First picking after sowing 40-45 days;</p>

## OUR KEY PRODUCTS

<b>Wheat</b>	Wheat is a cereal grain which is a worldwide staple food. Our Company deals in 6 variants of WheatSeeds i.e. Wheat Samrat, Wheat Keshav-172, Wheat Arjun-303, Wheat Kailash, Wheat Shivam, Improved Wheat Keshav-172.
<b>Paddy</b>	Our Company deals in 11 Varieties of Paddy i.e. Hybrid Paddy V-1344, Hybrid Paddy V-1355, Improved Paddy V-Amman, Improved Paddy Bheeshma, Improved Paddy V-Saurav, Paddy V-Hy Rise, Paddy VH- 13
<b>Soya</b>	Our Company deals in production (through contract growers) & trading of Certified soyabean seeds which are widely used for growing of edible bean, in common parlance this is known as soyabean seeds. These seeds are certified under the strict supervision of the State Seed Certification Agency.
<b>Maize</b>	Maize is grown in almost all the major cropping regions throughout the world. It is one of the most important crops for food, animal feed and industrial use in the world. Maize hybrids are produced as single crosses, double crosses and three way crosses. Our Company deals in 6 variants of Hybrid Maize i.e. Hybrid Maize V-1122, V-1133, V-1155, V-1166, V-1222, V-1244.

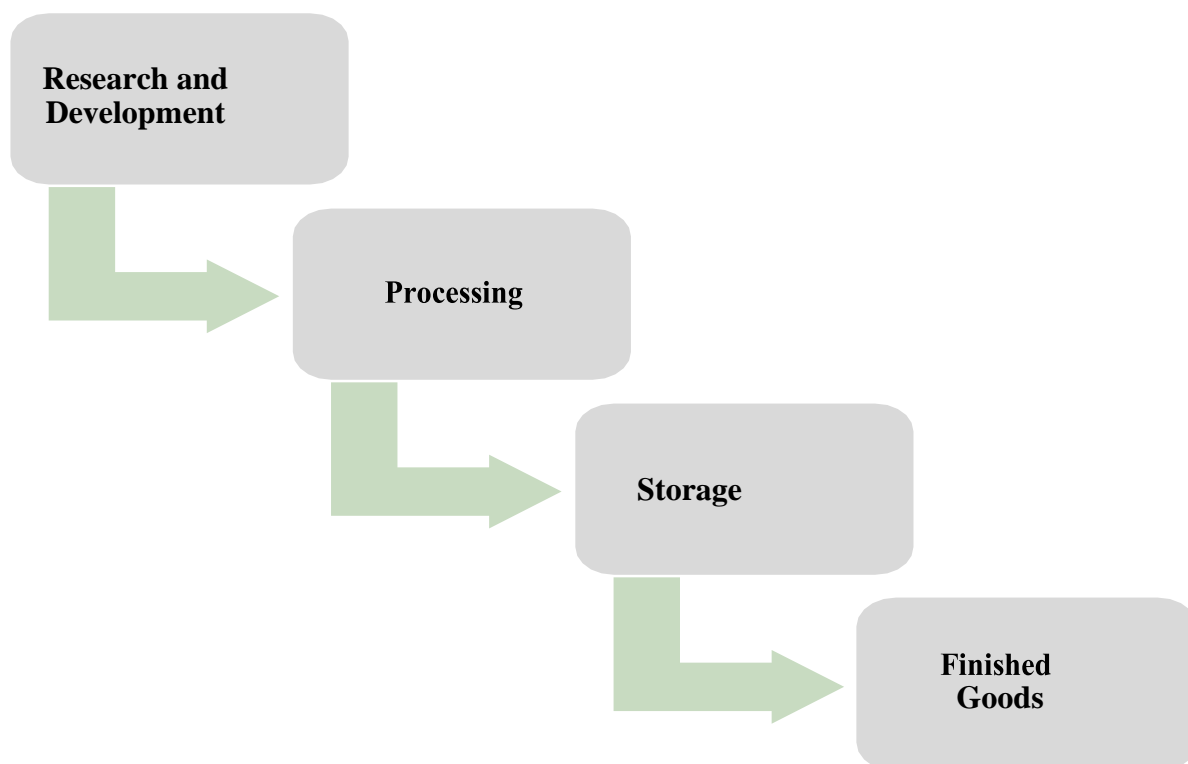
### PROCESSING UNITS

S. No.	Location of the property	Parties to the Agreement	Status of Property	Agreement Period	
				From	To
1.	New Godown No.2, Gali No.10 Situated at Modern Food Industries Kalidas Marg Maks Road Factory Area Ujjain (M.P.)	Landlord: Modern Food Industries (India) Limited  Tenant: Vardaan Biotech Private Limited	The company has secured the stay order dated February 15, 2023 the matter is pending before The High Court of Madhya Pradesh at Indore.	April 01, 2020	March 31, 2021
2.	Survey No. 262 Gram Jaithal Near Bharat Petrol Pump, Agar Road Ujjain (M.P.).	Landlord: Mr. Lokendra Singh Rajput  Tenant: Vardaan Biotech Private Limited	Land is Leased	18 years Lease expiring on May 31, 2038	May 31, 2038

### SEED PRODUCTION AND DEVELOPMENT PROCESS

In seed production program, our Company procures raw material seeds from the agricultural lands of the farmers. These foundation seeds are usually produced under strict supervision of the breeders. Breeding is the process of bringing together two specific parent plants to produce a new offspring plant which will have the desired traits and characteristics. These produced and procured foundation seeds are then processed at our seed processing units. Further, our Company has entered into an arrangement and agreement with a few carrying and forwarding agents of various States, for efficiently storing the seeds at the warehouse of the said agents for the purpose of retaining the quality of seeds.





#### **STAGE I – RESEARCH AND DEVELOPMENT**

One of the most important factors which are responsible for continuous improvement of seed quality are Research & Development (R&D) and Innovations. The special focus on these factors in last few years has been responsible for impressive productivity gains. The resultant prosperity has ensured an abundant and safe food supply to an ever-growing population.

We focus on research and development efforts for the purpose of developing new products as well as addressing gaps in technology by integrating traditional breeding techniques and modern technology. The emphasis of our breeding programs is on higher yields, enhanced product quality, insect and disease tolerance, drought tolerance and expedient product development.

In the Financial Year 2020-2021, 2021-2022, 2022-2023 and the three months ended March 31, 2024, our Company incurred ₹.0.02 Lakhs, ₹0.11 Lakhs, ₹0.02 Lakhs, and ₹0.22 Lakhs respectively, on research and development, which accounted for 0.0267%, 0.110%, 0.017% and 0.196% of our revenue from operations in those periods, respectively.

#### **STEPS TOWARDS SEED PRODUCTION ARE AS UNDER:**

##### **GERMPLASM COLLECTION**

We consider this as the main activity in our seed research and development process. Germplasm is the complete set of genetic material of any plant species. Plant breeding involves the creation of new allelic combinations, fixing of specific combinations of alleles and selection of superior combinations of alleles resulting in superior varieties or parents for hybrid seed production. Donor or source material used for breeding crosses should be determined to be of appropriate quality with regard to genetic purity and seed borne and seed transmitted pathogens.

##### **NUCLEUS SEEDS**

Nucleus seed is the initial handful of pure seeds of improved variety or parental lines of hybrid plant. When a new variety of plants is released, only a handful of superior seeds will be selected by the breeder from individual plants. Nucleus seeds, being genetically pure, do not contain physical impurities. The nucleus seed is produced under strict isolation, to avoid both genetical and physical contamination. Nucleus seeds are managed with great care so that all seed produced from it remains true to the new variety. This is a most important step, onus for the same lies on 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 the Breeder Seed.

##### **BREEDER SEEDS**

Breeder seed is the progeny of nucleus seed. Generally, breeder seed is produced in one stage. But if there is greater demand for breeder seed and there is low seed multiplication ratio, then breeders seed can be produced in two stages:

- Breeder stage I
- Breeder stage II.

In such cases breeder seed stage, I becomes source for the breeder Stage II. Breeder seed plots are subjected to joint inspection by a team consisting of crop breeder from Agricultural Universities in the State, representative of All India Coordinated Research Projects of the crop, National Seeds Corporation, State Seeds Corporation and Divisional Seed Certification Officer. Breeder seed produced should meet all prescribed standards viz. genetic purity (depending on crops in the range of 85% to 99%), physical purity (98%). These seeds are supervised by qualified plant breeders.

### **FOUNDATION SEEDS**

Foundation seed is the seed produced from growing the breeder seed. It is produced by trained people to maintain the genetic purity of the variety. Foundation seed is less expensive than breeder seed and is not as pure as the nucleus and breeder seeds. As soon as breeder seeds are approved by the Universities, they are sent to farmers under the supervision of the Madhya Pradesh Seeds Certification Authority (hereinafter referred to as 'MPSSCA').

### **HYBRID SEEDS**

Hybrid seeds on the other hand, are produced through open pollination and cross pollination process. These hybrid seeds are further classified into:

- Male Female
- Research Seeds

### **CERTIFIED/ RESEARCH SEEDS**

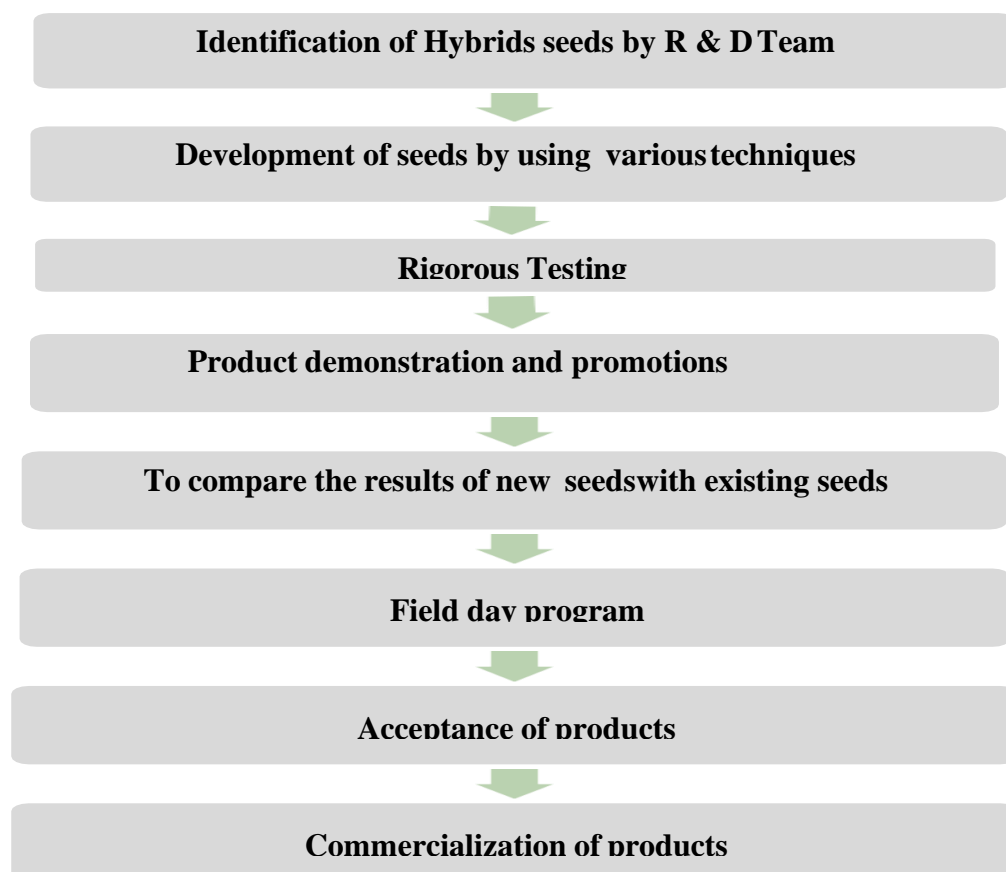
Certified seed is produced from growing foundation, registered, or certified seed. It is grown by selected farmers to maintain sufficient varietal purity. Production is subject to field and seed inspections. It is grown by selected farmers in a way that maintains genetic purity. Production of certified seeds undergoes field and seed inspections by seed certification agency to ensure conformity with standards. Research seeds are high quality seeds, being produced by a backward integration process, which offers natural nutrient qualities. These research seeds require intensive research and are also called pure seeds.

## **STAGE II- SEED PROCESSING AND CONDITIONING**

### **SEED DEVELOPMENT PROCESS**

#### **Seed Production Cycle**





Crop	Production Cycle		Production Area
	Planting Months	Harvesting Months	
Wheat	October to November	March to April	Ujjain District, (Madhya Pradesh), Himmat Nagar (Gujarat).
Soya	June to July	September to October	Ujjain District, Ashok Nagar
Maize	October, June, and February	April to September, June	Huzurabad, Eluru (Telangana)
Paddy	May to June and October to November	October, March-April	Kareem Nagar, Jammikunta, Armoor, Nizamabaad, Warangal (Telangana)
Bajra	December to January	April	Armoor (Telangana)

#### **Seed Production Volumes**

Type of Seeds	State	For the period ended December 31, 2023	Financial Year		
			2022-2023	2021-2022	2020-2021
Certified seeds	Madhya Pradesh (Wheat)	5815309.01	18662558.87	11025847	16368102.27
	Madhya Pradesh (Soyabean)	754893	2119966	2347375	7907222.41

Hybrid and Research seeds	Telangana	5733742.14	4136991.48	2937438.7	1415473.6
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### CAPACITY UTILIZATION

#### JAITHAL

Year	Installed Capacity (Quintals)	Actual Production (Quintals)	Utilization (%)	Remarks
2021	1,75,00,000	1,40,43,750	80.25	Full utilization towards certified seeds.
2022	1,15,50,000	1,13,79,060	98.52	Installed Capacity decreased due to processing of Hybrid Seeds. As the packing of hybrid seeds is in small size.
2023	1,15,50,000	1,10,32,560	95.52	Installed Capacity decreased due to processing of Hybrid Seeds. As the packing of hybrid seeds is in small size.
2024 (Stub)	86,62,500	78,54,289	90.67	Installed Capacity decreased due to processing of Hybrid Seeds. As the packing of hybrid seeds is in small size.

#### DALDA

Year	Installed Capacity (Quintals)	Actual Production (Quintals)	Utilization (%)	Remarks
2021	70,00,000	66,85,700	95.51	-
2022	49,00,000	45,81,990	93.51	Installed Capacity decreased due to processing of Hybrid Seeds. As the packing of hybrid seeds is in small size.
2023	49,00,000	48,26,990	98.51	Installed Capacity decreased due to processing of Hybrid Seeds. As the packing of hybrid seeds is in small size.
2024 (Stub)	36,75,000	35,10,360	95.52	Installed Capacity decreased due to processing of Hybrid Seeds. As the packing of hybrid seeds is in small size.

#### HYDERABAD

Year	Installed Capacity (Quintals)	Actual Production(Quintals)	Utilization (%)
2021	NA due to Job Work	49,61,348	NA due to Job Work
2022	NA due to Job Work	3,49,611	NA due to Job Work
2022	NA due to Job Work	90,59,966	NA due to Job Work
2024 (Stub)	NA due to Job Work	9,39,295	NA due to Job Work

## QUALITY CONTROL IN SEED PRODUCTION

Our Company has a system in place to control the quality of the seeds as per the specific requirement of the various governmental authorities. Quality control is quite essential to any seed development program. Our Company thrusts on quality control at all stages of seed production from germplasm to commercial seed production so that our seeds are qualitative, yields higher productivity and are disease resistant. Quality control is maintained physically, through automated machines, and via scientific methods.

Following are the activities undertaken by our Company to ensure quality control in seed production:

- a) Closely monitor for better agronomic management;
- b) Maintain purity standard of seed entering a breeding program;
- c) Maintain appropriate protocols for pathogen and pest detection;
- d) Manage perfect synchronization of flowering in both parents;
- e) Ensure genetic purity through standard field isolation;
- f) Systematically monitor and report at critical stages of crop growth;
- g) Test seeds using appropriate methodology;
- h) Establish and confirm integrity and purity of seed used in breeding program;

The harvested seeds are affected due to various factors including but not limited to weed seed, other crop seed, immature seed, damaged seed, diseased seed and under sized seed, which ultimately affect sowing, quality, and storability of the harvested seeds. In order to improve the sowing quality of the seed, these damaging factors need to be reduced to a threshold level. All the operations commencing from harvesting to the storage of the seeds are to be performed carefully to improve the sowing quality and longevity of the seed. Further, to improve and upgrade the physical quality of the seed, undesirable materials have to be filtered and weeded out of the damaged and undersized seed by mechanical devices with highest efficiency. This process of hauling damaged and undesirable material is referred to as seed processing. Post-production, the seeds are brought to our processing facility. These seeds are thereafter subjected to various stages of processing including drying, cleaning, de- weeding, screening, etc. The moisture content in the seeds is reduced to the optimum level in order to increase their storage life. Our Company uses certain technologies like chemical treatment and seed coating with insecticides and fungicides to ensure faster germination, qualitative and quantitative yield and disease resistant crop. Our Company has made investment in establishing infrastructure for Research and Development, Processing, Testing, and Packing of the products. The seeds are produced by our experienced contract growers and are then processed at the seed processing plants located at Madhya Pradesh and Hyderabad.

**Seed processing involves multiple operations, including pre-conditioning, basic cleaning and grading. These operations are detailed as under:**

a) **Pre-conditioning**

This is the first step of operation, that prepares a seed lot for basic cleaning. The equipment required for this operation are generally specific for individual crop. Some of the important preconditioning equipment are as under:

i. **Sheller**

A Sheller is an equipment made up of perforated steel sheet with concave structure to remove kernel (seed) of maize from cob. This perforated steel allows the seed to pass through and retain the cobs and its parts.

ii. **Huller**

Huller is an equipment which eases the process of removal of tightly fixed husk from the seeds of grasses which facilitate in the process of sowing and germination. This process is known as hulling.

iii. **Debearder**

Debearder is an equipment which removes awn and other appendages from seed of oat and barley that hampers processing of seed lot. This process is known as debearding.

iv. Scarifier

It scratches the hard seed coat to facilitate process of germination by increasing exchange of water and oxygen in crops like lucerne, faba bean, and rice bean and this process is known as scarification

**b) Basic Cleaning**

Under this step of operation of seed processing, the larger, smaller, lighter and thicker, adulterants are removed as compared to the crop seed, from the seed lot. It is done based on weight, size, and density, using a cleaner with air screen. This process involves following basic steps:

i. Grader

A grader, separates undersized seeds and coarse impurities viz., trash, soil pads, etc. from the normal desirable seed, based on seed density and size with the help of screen of different mesh size and their vibration.

ii. Scalper

High quantity of inert matter is present with seed after threshing, winnowing or pre-conditioning. It is the top most screen of a seed cleaner with larger holes than desirable seed size to remove the inert matter of larger size than the seed. This process is known as scalping.

iii. Aspirator

An aspirator removes lighter inert matter and adulterant from the crop seed with the help of air pressure and the process is known as aspiration.

**c) Grading**

Classification of a seed lot, based on commercial usages viz., size, shape, density, and colour is known as grading. Grading is primarily done for further improvement of seed lot as finishing operation. The process of grading requires different types of separators, that help remove weed, broken and undesirable seeds.

Following are the different types of grading equipment, operated and utilized by our Company:

i. Disk separator

Pieces of broken seeds, weed and other crop seeds of round shape can be removed by the disk separators. It has a series of indented disk that are rotated inside a cylinder through which the seeds move.

ii. Indented cylindrical separators

Indented cylindrical separators can separate the impurities, especially broken seed, other crop seeds and weed seed that are either longer or shorter than the crop seed. It has two types of grading system as Forward grading-removal of impurities of shorter than the required seed size e.g. Wheat, rice. Reverse grading- removal of impurities of larger than the required seed size

iii. Gravity separators

Gravity separators help in exploiting the differences of density between the quality seed and undesirable seed. Further, it employs the principle of floatation, in which the seeds are vertically stratified in layer on the deck according to their density by vibration. It also helps in improving the germination percentage of seed lots by eradicating and removing immature, broken, undesirable seeds.

iv. Spiral separators

Difference in the roundness or shape of the seed are exploited in the spiral or dropper separators which removes the contaminants present in the seeds.

v. Colour separators

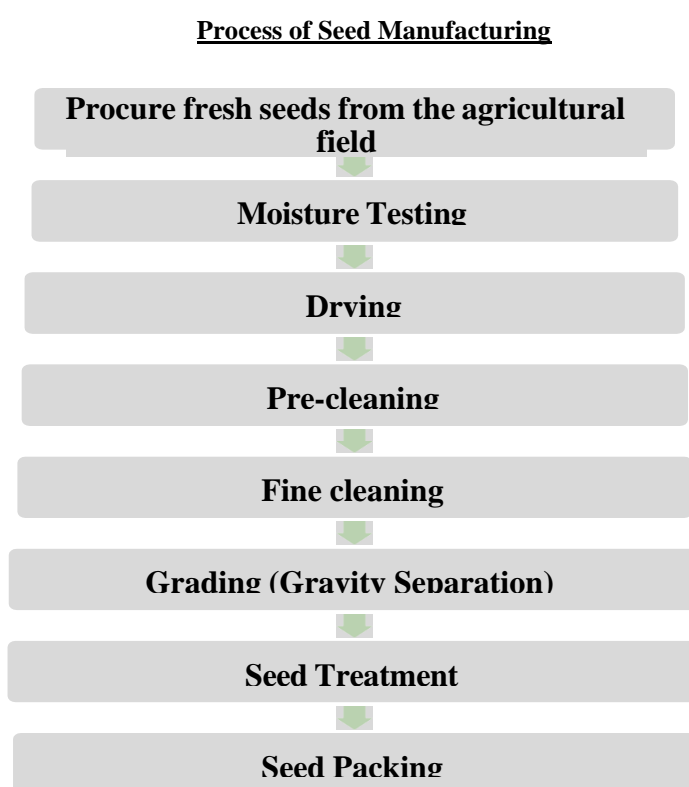
Colour separators can remove seeds of different varieties, crops or weed based on difference in the colour of the seed. Colour separator helps in improving the genetic purity, seed health and separate out weathered and moisture damage seeds.

vi. Surface texture separators

Surface texture separators helps in removing inert matter based on the surface texture differences to removes rough texture weed and other crop seeds from smooth crop seeds.

vii. Magnetic separators

Magnetic separators, separate the small weed and other crop seed and mechanically damaged seed based on the differences in the seeds affinity for liquids.



**a) Quality Control in Seed conditioning**

Our Company procures the foundation seeds which are grown under strict supervision of the breeders. The multiplied seeds are tested in laboratory for germination and genetical purity. We continuously endeavour that our seeds meet the required quality parameters of germination, genetic purity and yield, thus maximizing profitability for farmers who are the end users of our product. We try to adhere to our pre-determined quality standards during production as well as during processing and conditioning at our plant. We draw samples from the seed lots received and test them at seed testing laboratories and grow-out test (hereinafter referred to as ‘GOT’) located at GOT center, located at Bangalore, (hereinafter referred to as ‘GOT Center’) in order to conduct GOTs and other tests for quality.

The different tests/ processes adopted by our Company for ensuring quality control are as follows:

- i. Physical Purity Test;
- ii. Moisture Test;
- iii. Germination Test;
- iv. Seed Viability Test;
- v. Seed Health;
- vi. Vigour Test;

## LAB TESTING PROCESS

### i. Seed Sampling

The purpose of seed sampling is to segregate the non-germinating seeds when sampling from a larger seed lot to ensure that the sample is representative in all attributes of the initial seed lot. This process applies to all seeds being sampled at our Company

All staff members responsible for taking samples must ensure that:

- All sampling in accordance with standard rule and procedure; On the other end the plant operators must ensure that:
- Sampling during the bagging is performed by taking a sample from every 4<sup>th</sup> bag during bagging and reducing this down if necessary, by the use of a conical divider to obtain a submitted sample.
- In case of paddy sampling must be obtained from each bag. Seed sampling for quality test

For the purposes of this procedure, seed quality refers to the following parameters:

- Germination;
- Physical Purity;
- Genetic Purity;
- Moisture Content;
- Trait Purity Status (for cotton).

The sampling of the bagged seed-lot is done to obtain samples for submission to lab testing. Given below is the submitted sample sizes:

Species	Purity Minimum Sample Weights			
	Maximum Weight of Lot(kg)	Submitted Sample (g)	Working sample for purity analysis (g)	Working sample for count of other species (g)
Brassica (Mustard)	10,000	100	10	100
Glycine max (Soybeans)	25,000	1000	500	1000
Helianthus annuus (Sunflower)	25,000	1000	200	1000
Pennisetum glaucum (Pearl Millet)	10,000	150	15	150
Sorghum bicolor (Sorghum)	30,000	900	90	900
Sorghum bicolor x S. Sudanese (Sorghum)	30,000	500	30	300
Sorghum sudanense (Sudan Grass)	10,000	250	25	
Triticum sp. (wheat)	25,000	1000	120	1000
Zea mays (corn)	40,000	1000	900	1000

**Table 1 - Maximum seed lot sizes and minimum sample weights**

The submitted sample will be made of a composite of primary samples taken from varying positions in the bags of the lot at the following frequencies:

1-4 bags	3 primary samples from each bag
5-8 bags	2 primary samples from each bag
9-15 bags	1 primary sample from each bag
16-30 bags	15 primary samples from the seedlot
Seed held in bulk will be sampled either by collecting primary samples using a sampling spear. This spear must be long enough to sample the full depth of seed held in bulk.	
Up to 500 kg	At least 5 primary samples
501 - 3000 kg	1 primary sample for every 300 kg but never less than 5

3,001 - 20,000 kg	1 primary sample for each 500kg but never less than 10
20,001 and above	1 primary sample for each 700kg but not less than 40
For Research Paddy / Hybrid Paddy collect the samples from each bag	

A series of primary samples taken from across the stream of seed (at the same intensity as specified above) is transferred to bulk containers (called as jumbo bag). The required minimum number of primary samples are thereafter combined to form a composite sample. In most the cases, this composite sample is much larger than the required submitted sample weight. The composite sample must therefore be well mixed and divided down to the required weight. This is most effectively achieved by using a 'Riffle Divider'.

These samples weighing minimum of 100g are thereafter to be tested for moisture content, which must be placed in specific sealable water tight, moisture test sample containers. If these are not available, the sample must be placed inside a suitable moisture proof container (e.g. double plastic bags). The excess air present should be removed from any headspace in the container (in the case of plastic bags).

All these sample bags and containers must then be clearly labelled with details of variety and batch number (in the case if graded seed) or grower, variety and line number (in the case if ungraded seed). In addition to the requirement for all sample containers to be clearly identified with the variety name and lot number (in case of cleaned seed) or variety name, and lot number (in case of raw seed) it is also essential to ensure that the sample is accompanied by the relevant sample statement form.

If sampling is done during bagging by taking a sample from every 4th bag, it shall be necessary to use the 'Conical Divider' to reduce the larger composite sample down to the required submitted sample weight. For Orange International Certificates (OIC's), the sampling must be performed by an ISTA accredited sampler.

## ii. Fumigation Procedure

Following is the procedure followed by the Company to undertake fumigation of seeds;

- i. It is advisable to have stack of standard dimension for effective fumigation;
- ii. To check the fumigation, cover for any leakage. In case of any leakage, the same has to be rectified;
- iii. To check the moisture content of the seeds; and ensure that it is always under 12%;
- iv. To calculate the quantity to be fumigated to arrive at the dosage;
- v. To cover the stacks by folding the four corners. And to check the cover properly with the help of torch light to find out if the cover is torn or ripped from any sides. In case of torn or ripped stack, ensure that, the said is plugged with the holes with a BOP tape;
- vi. To open the bottle carefully with the help of an opener. To calculate the tablets at the rate 3 to 4 tablets of Aluminium Phosphide per M.T. and put it in a disposable cups or tie in a perforated cotton cloth and keep it inside in all four sides equally on the top of the stack;
- vii. After placing the tablets, they have to be sealed and covered using either BOP tapes or sand bags. It is important to ensure that the cover is leak proof. A visual display is pasted on the cover mentioning 'DANGER BOARD' is displayed with all the relevant information including the number of the PCO's;
- viii. If any foul smell is sensed, during the fumigation period immediately caution has to be taken by barricading the area and undertaking the necessary suitable action;
- ix. In order to maintain aeration, the security/ maintenance persons are instructed to open all the windows/ doors;
- x. Care is taken to keep the people away from the premises and lift the cover of all the four corners; so as to allow the phosphine gas to escape. It is advisable to undertake the said activity in the evening, after ensuring that all the people have vacated the premises;
- xi. To remove the cover and collect the residues. The residue collected shall be taken away from the premises;
- xii. All kharif paddy seed produced should be fumigated and sundried to bring the moisture level below 11%. It is advisable that, fumigation should be done only one time only for the said stock. In case of need of second fumigation, the gap between first fumigation and second fumigation must be at least for 2 months. In such a scenario, special care has to be adhered to remove and uncover the fumigation cover from the stack within a period 7 days only. The stock has to be sundried/ re-netting has to be undertaken;

## iii. Specific intake specifications and precautionary measures to be undertaken for OP Paddy Kharif

### At Production Level

- i. The crop shall be harvested after attaining physiological maturity;
- ii. To ensure that the seed reaches from farm to the Processing Plant within a period of 15 days from the day

of harvest of such crop and to dry the seed at farm level;

- iii. Special care has to be taken to avoid storing of seed after harvest at the farmer's farm or any other place, in order to avoid admixture and fungal development on account of timely non-drying of seed by the farmer;
- iv. If the **MC is >12%**, the farmers are advised and asked to dry the seeds at common drying yard or at plant level, the cost for which shall be borne by the farmers. So as to retain the quality of the seeds, our Company rewards the farmers with incentives for the lots more than **12% MC** and imposes penalties in case less than **12%MC** lots;
- v. The supply of the quality seed to the plant is determined on the basis of the drying capacity of the plant per day. In this regard, production team rolls-out in advance day-wise schedule of dispatch on weekly intervals to the plant manager; who in turn is responsible for proper planning and management of Seed Production and processing, within the stipulated time;
- vi. These seeds are thereafter dispatched along with details of **date of harvest** of the lots. Special measures are undertaken to ensure that, each variety of seed is dispatched in different truck;
- vii. Following is the quality norms prescribed for OP Paddy Kharif Seeds

Moisture	ODVs	Discolor Seeds
<12% MC	<0.2%	<5%

#### At Plant Level

- i. To verify the documents of controller, and thereafter unload the stock on the same day. Lot-wise sampling is to be done by the Plant Quality Team. This team has to cross-check the MC of each bag at 2-3 spots with probe moisture meter to find the variance of MC within bag. If the variance is in and around 1%, the variance bag is accepted; otherwise the variance bag is rejected and accept the homogeneous lots;
- ii. All **>12% MC** lots are to be dried within a period of **4 days** after processing through 'Pre-cleaner' and then the activity of mechanical drying has to be undertaken. All **<12% MC** lots are to be sundried on the platform within a period of **30 days** from the date of arrival. It is important to bring down the moisture at preferably **11%** after drying, if not at least at **11.5%**.  
The samples are to be drawn from each bag at 2-3 spots from each lot. It is significant to test the MC of seed at 2-3 spots by using 'Probe Moisture Meter', from each bag to know the MC variance within the bag. The criteria for determination of acceptance and rejection of the bag is based on the MC variance percentage, for example, if the MC variance is around 1% the bag will be accepted, or if it is more than 1%, the bag is rejected. The sampling is to be carried out at the time of arrival, before drying and after drying, and at the time of renetting from each bag. The sample drawn at the time of Renetting shall also be used for Cyclic tests also;
- iii. The Company ensures that, stock is stored in ambient warehouse in not more than 12 tiers height;
- iv. The re-netting is undertaken by the Company after a period of two months from the date of arrival of seeds at the plant. At the time of re-netting, sampling activity is undertaken from each bag and this sample is thereafter used for further cyclic test;

#### PEST CONTROL OPERATIONS

The Company endeavours to maintain the warehouse well kept at all times by maintaining standard level of hygiene. In this regard, our Company undertakes spraying operations in and around the warehouse every week by altering the chemicals, to maintain sanitization and hygiene at the warehouse, and the vicinity adjacent to the warehouse.

#### Fumigation

The intake of all kharif paddy is fumigated at raw seed stage, to ensure that all the insects are destroyed at larva stage and adult stage. These eggs can be naturally killed by ultraviolet rays of sun; and hence sun-drying activity is the most preferred way of drying for this crop.

#### Processing

This activity is undertaken in order to ensure that smut balls, soil pebbles, paddy straw pieces, husk, rice need are properly removed. This activity is undertaken by undertaken uniformly by using recommended chemicals.



### Packing

The seed below 10% MC are packed ensuring the weight of the primary packet. Post packing, our Company shall also ensure that, labelling has been undertaken on the said packages as specified.

#### Responsibilities undertaken at Plant Operations

- i. Timely unload of the arrivals, to dry and to ensure that all lots are to dried religiously irrespective of arrival moisture;
- ii. Undertake re-netting of all stacks are undertaken within a period of 2 months from the date of arrival for free aeration;
- iii. Carry on spraying operation on a weekly basis, preferably on every Tuesday, whereas fogging operation on are undertaken every Saturday. Further, fumigation of entire stock is undertaken before 15 days of processing of stock;
- iv. Keep the warehouse clean with good hygienic conditions;
- v. Process and pack the lot of seeds as per the approval request and thereafter timely dispatch the seeds.

### **STAGE III - STORAGE**

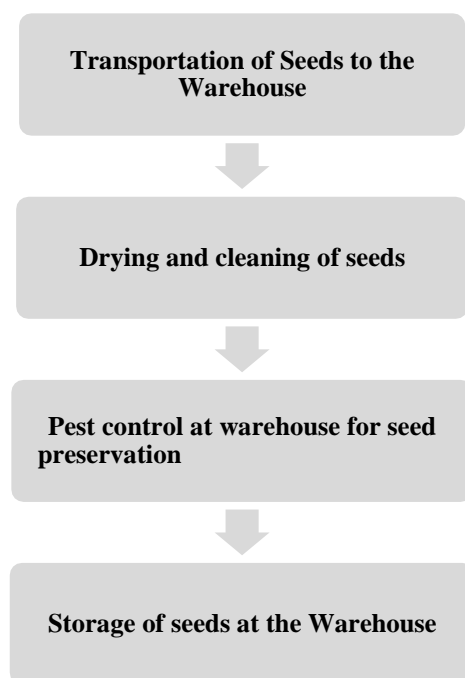
Our Company does not own any warehouse for the purpose of storing agricultural produce. However, our Company vide a few agreements and mutual arrangements with few carrying and forwarding agents of various States, stores the said produce at the warehouse of the said agents. This facility enables us to store seeds without any deterioration of quality.

To facilitate timely distribution of seeds, our Company maintains seed distribution and storage facilities at strategic locations, including carrying and forwarding agent warehouses, which help us meet the requirements of our customers in different states in India. Some of these facilities are located within the same State in which our processing and conditioning facilities are located. We try to maintain additional stocks at these storage facilities to meet unexpected shortages in production or unexpected increases in demand. We also utilise our storage facilities to absorb excess production due to improved agricultural performance during a particular crop season.

Set out below are details of these facilities as on the date of this Draft Red Herring Prospectus:

Sr. No.	Appointed Carrying and Forwarding Agent	Location	Period of the Agreement	
			From	To
1.	M/s Balajee Agri Sales and Services	G- 130, Phase 2, Parking no. 5, Transport Nagar, Transport Nagar Kanpur Road, Lucknow- 226012, U.P., India	April 22, 2024	March 21, 2025
2.	M/s Basas Seeds International Private Limited	2 <sup>nd</sup> Floor The Western Tower Ratu Road Ranchi- 83405, Jharkhand	April 22, 2024	March 21, 2025
3.	M/s Basas Seeds International Private Limited	Plot no. 15/3, Bank of Baroda, Bhanpuri, Raipur- 493221, Chhattisgarh	April 22, 2024	March 21, 2025
5.	Super Crop Science	Khasra No. 17 Survey No. 79/3/37, Peki, IPRK Dewas Naka – 453771, Indore, Madhya Pradesh	April 27, 2024	March 26, 2025
6.	Krishna Seeds	Krishna Tower, Dr. Kamal Ashraf Lane, S.P. Road- 800001, Patna, Bihar	March 28, 2024	February 27, 2025

### **STEPS FOR STORAGE PROCESS**



### **Our Competitive Strengths**

We have been in the business of seed production, processing and marketing for a period of more than seventeen years:

#### **1. We have hybrid seeds for a wide range of crops**

We have hybrid seeds for, paddy, sunflower maize, bajra, etc. These varieties give us an edge in the market and we have the ability and infrastructure to further develop different hybrids in these crops. Our product portfolio gives us a natural hedge 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.

#### **2. Over Seventeen years of experience in the Industry**

Lokendra Singh Rajput, a graduate in agricultural science, is the founder of our Company. He started the business of seed production by promoting and incorporating our Company on December 20, 2007. The main objective and motive of our Company has always been:

- Supply of quality seeds at the affordable price;
- Technical and economic strengthening of seed growers; and
- Making the required seeds available at the right place, at the right time and at the right price.

This motive and rich experience in this field has helped our Company in understanding ever-changing needs and demands of our customers. On account of this long-standing presence in the Indian market, we believe that we enjoy brand equity and reliability in the farming community.

We believe that the experience of our management team and its in-depth understanding of the agricultural input industry and the market for seeds in India will enable us to continue to take advantage of both current and future market opportunities. For further details, see the section titled ‘**Our Management**’ on page number 159 of this Draft Red Herring Prospectus.

#### **3. Our Research and Development capabilities**

We have been undertaking R&D for breeding high performance hybrids in Our Research Facility in Telangana on land admeasuring Twenty [20] acres situated in Bandamadharam Village. In the past we had tied up with Lorven Biologics limited at Jeedimetla, Telangana. However, the agreement was short term in nature. Our success depends on our ability to continue developing new products. Our strategy involves retaining and growing our market share by continuing to develop high quality, proprietary hybrids for the key markets in which we operate and to actively pursue the development of new technologies through our research and development efforts.

Further, we have an experienced and professionally qualified Research and Development team who are engaged in full time research.

#### 4. Marketing and Distribution

We have a technically skilled marketing team. Further we have also engaged various distributors across the nation. This enables us to reach all the important markets of the country.

We are also connected with various other distributors in eleven states as mentioned above. Following is the list of top fifteen distributors of the Company

Sr. No.	Name of Distributors	States
1	Krusha Vaibhav Seeds & Fertilizer Pvt. Ltd. Arni	Maharashtra
2	Sneh Sagar Enterprises Akola	Maharashtra
3	Nathmal Champalal Kochar, Malkapur	Maharashtra
4	Adarsh Agro Agencies	Rajasthan
5	Superdeal Agro Services, Amravati	Maharashtra
6	Vasundhara Fertilizer, Nanded	Maharashtra
7	Balaji Krushi Sewa Kendra, Nanded	Maharashtra
8	Punjab Beej Bhandar	Uttar Pradesh
9	M/S Sankalp Retail Store	Madhya Pradesh
10	Anand Krishi Kendra Badnera Amrawati	Maharashtra
11	Nitin Marketing Service Pvt. Ltd., Nagpur	Maharashtra
12	Shankar Krishi Kendra, Kandagaon	Chattisgarh
13	Adarsh Agro Agencies, Jalgaon	Maharashtra
14	Kedar Krushi Seva Kendra, Latur	Maharashtra
15	Purushottam Prasad Agrawal	Bihar

*Note: But there is no definite or formal agreement with aforesaid distributors.*

#### Capacity Utilization

Sr No.	Manufacturing Facility	Location	Area covered by the facility*	Product Manufactures	Installed Production Capacity*	Capacity Utilized of total installed capacity (%) for period ended December 31, 2023*
1.	Processing facility	Our factory premises situated at Survey No. 262/2, and Survey No. 261 Near Bharat Petrol Pump, Agar Road, Jaithal, Ujjain (M.P.)	6,000 Sq. Mtr.	Wheat and Soybean	86,62,500	78,54,289
2.	Processing facility	Our factory premises situated Godown 2 - Modern Food Industries, Maksi Road, Ujjain - 456010	1,564.85 Sq. Mtr.	Wheat, Soyabean, Paddy, Maize, and Moong	36,75,000	35,10,360

## PROMOTER BACKGROUND

Our promoter has deep domain knowledge, skill and experience in operating and managing agricultural input businesses in general and in particular, the business of production, marketing and distribution of seeds.

Mr. Lokendra Rajput, who is promoter and Managing Director of our Company has more than 15 years of experience in our business and has played a key role in the growth and development of our business. He started the business of seed production by promoting and incorporating our Company on December 20, 2007. Under his leadership, he has taken the Company to its optimized zone by achieving the award ***Fastest Growing Indian Company Excellence Award*** by *Indian Economic Development and Research Association*.

## BUSINESS STRATEGY

Our goal is to maintain and expand our presence as a national player in the seed industry with substantial product development capabilities. Our key strategies are set out below:

### 1. Investment in Research and Development

We believe that research and development has been a key component of our performance over the past few years and we believe that it will be a significant contributor to our business growth in the future. We believe that our success is dependent on our continued investment in and focus on research and development activities. Our strategy involves retaining and growing our market share by continuing to develop high quality seeds for the markets in which we operate and to actively pursue the development of new technologies through our research and development efforts.

The seed market is very dynamic in nature. Once a hybrid seed is developed and introduced in the market, its acceptability gradually declines from year to year. Therefore, we need to invest in research to introduce different high-quality hybrids in the market to ensure sustainable growth levels in our revenues. Each new hybrid developed attracts the attention of farming community. Nature throws new challenges in the form of erratic monsoon, new diseases etc. Farmers also look forward for value added produce like better nutritional content, higher oil or protein, longer keeping quality etc. In order to keep abreast with competition, we scout the market for the latest technology and explore opportunities for acquiring licenses to such advanced technology.

The following are the key objectives of our research and development efforts:

- To conceptualize, plan, design, develop and implement seed development and crop management technologies and programs in line with farmers' and market's requirements;
- To assess yield and quality limiting factors/ genes in well adopted varieties of hybrid, research and certified seeds of major crops;
- To undertake market-oriented research to understand the requirement of farmers and agro industries;

### 2. Venturing into new product

We believe that our success depends on our ability to understand the changing preferences and circumstances of farmers, who are our end consumers and developing new products to suit their preferences and requirements. We intend to continue to develop new varieties and hybrids of seeds which address these changing requirements. We have already penetrated into the market by producing certified seeds, hybrid seeds, and research seeds. We further intend to develop and escalate the chain of quality production in each of the crops being serviced by us, while retaining our hold on the varied seeds produced by us. We have already made progress in moving up the value chain in development of quality agricultural seeds. Through continuing research and development efforts and further market penetration, our strategy is to ensure that we continue moving up the value chain through new and improved products which we hope will lead to better and higher margins and realizations.

### 3. Distribution Network

Seeds require very careful handling, proper humidity and temperatures should be maintained to ensure viability until it is sown in the field. We try to ensure that our seeds are available in the market on a timely basis to meet agricultural demand. Supply chain logistics in the agricultural sector are highly complex because of the seasonal nature of demand. We recognize further building of distribution network as fundamental to our proposed expansion strategy. We shall focus on expansion of our distribution network throughout India, through setting up of marketing offices, go-downs and creating awareness among farmers and dealers. We believe that such expansion of our marketing and distribution capabilities shall significantly increase business opportunities.

#### 4. Tie-up with technology providers

It is absolutely necessary for us to keep abreast with the latest changes in seed science and take advantage of the latest technological developments. We use information technology and communication applications to further improve operational efficiencies in our business.

#### 5. Marketing and sales promotion strategy

While our product brands are important, we intend to continue to develop our corporate brand to enhance our brand recognition and improve cross-selling opportunities for products in our portfolio. Our strategy relies on increasing the focus on our corporate brand as well as standardizing product designs across our product range to provide greater visual uniformity and improve our corporate brand recall. We also believe that these brands provide us with a strong platform to maintain and increase our revenues. For example, we believe that the familiarity of our end consumers with, and their loyalty to, brands of our seeds and our corporate brands could in turn enable us to increase our revenues and may also grow for other crops which we shall produce seeds.

Marketing enables us not only to service our existing markets but also expand our reach further in most markets. Our core network of loyal and committed dealers has been built over our long presence in this market on the basis of proven product performance and meeting customer expectations.

We intend to create a specialized marketing team that will focus on marketing our agricultural seeds for vegetables and our field crops. Our other strategies to increase our market share for these field crops including, increasing our expenditure on research and development for such crops, increased brand-building exercises, greater collaboration with governmental agencies for farmer education programs and strategic alliances with other seeds companies.

#### Steps being taken by our Company against piracy and theft

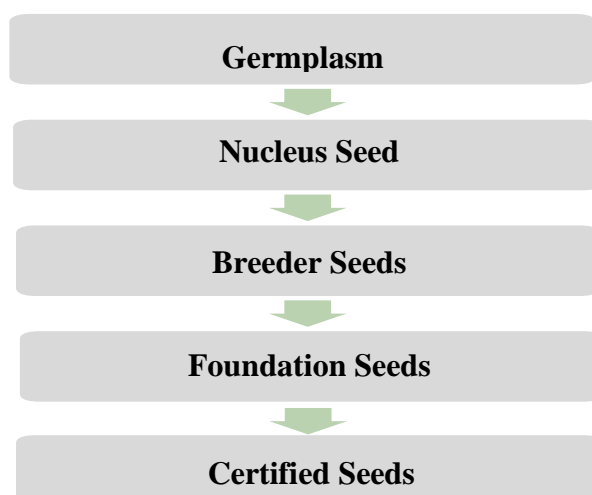
The following are the steps taken by our Company against threats like piracy and theft of Research and Development and new innovations:

All the breeding material and breeder's seed of parental lines are only grown through our contract growers and tested with ensured physical security against stealing/ theft

#### Utilities and Infrastructure Facilities

Our Registered Office is very well-equipped with computer systems, internet connectivity, other communication equipment, security and other such other facilities, as required for efficient and smooth functioning of our business operations. Further, our Registered Office and seed processing plants located at Madhya Pradesh is also equipped with basic necessities of water and electricity provided by respective authorities. The power requirements for our Company and our seed processing plants located at Madhya Pradesh are met at site through normal distribution channel like State Electricity Board.

#### Steps in Research and Development Process



## KEY PERFORMANCE INDICATORS OF OUR COMPANY

Particulars	For the ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operation	11026.86	13005.06	10308.95	8457.84
EBITDA	1978.06	1852.13	849.88	271.40
EBITDA Margin (%)	17.94	14.24	8.24	3.21
Profit After Tax (PAT)	1352.18	1 136.98	425.52	110.37
ROCE (%)	42.04	76.56	71.06	35.60
ROE/RONW (%)	39.62	55.18	46.07	22.26

*The Figures has been certified by our statutory auditors M/s. M Borar & Co; Chartered Accountants vide their certificate dated April 14, 2024 having UDIN: 2M30914BKHMYX1172*

Notes:

- 1.Revene from operations is the total revenue generated by our company
- 2.EBITDA is calculated as Profit before tax+ Depreciation+ Interest expense
3. EBITDA Margin is calculated as EBITDA divided by Revenue from operations
- 4.ROCE: Return On Capital Employed is calculated as EBIT divided by Capital Employed, which is defined as shareholders equity plus long term debt
5. ROE/RONW is calculated PAT divided by shareholders equity

KPI	Explanations
Revenue from Operations	Revenue from operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and the financial performance of our business
Profit After Tax (PAT)	Profit after Tax is an indicator which determine the actual earning available to equity shareholders
ROCE (%)	ROCE provides how efficiently our company generates earnings from the capital employed in the business

## LAND AND PROPERTY DETAILS OF OUR COMPANY

**Land and Properties owned by our Company - Nil**

**Land and Properties taken on lease by our Company – Details mentioned hereinbelow:**

Sr. No.	Location of the property	Parties to the Agreement	Status of Property	Purpose	Agreement Period	
					From	To
1.	C-2/1, Mahananda Nagar, Dewas Road, Ujjain, Madhya Pradesh – 456010, India	Owner - Pushpa Rajput  Tenant – Vardaan Biotech Limited	Rented	Registered Office	August 01, 2023	June 30, 2024
2.	Plot No. 312, KLR Venture, Medchal, M.M District 501 401, India	Owner- Sri.B.Sridhar Yadav Tenant – Vardaan Biotech Limited	Rented	Corporate Office	April 01, 2024	March 01, 2025
3.	Survey No. 261, Gram Jaithal Near Bharat Petrol Pump, Agar Road Ujjain (M.P.).	Landlord: Ms. Rashmi Rajput  Tenant:	Rented	Warehouse and Processing Unit	August 01, 2023	June 30, 2024

		Vardaan Biotech Private Limited				
4.	New Godown No.2, Gali No.10 Situated at Modern Food Industries Kalidas Marg Maksi Road Factory Area Ujjain (M.P.)	Vardan Seed & Agreetach through its Proprietor Mr. Lokendra Singh Rajput And Vardaan Biotech Private Limited	The Company is using the land under an arrangement with Vardan Seed & Agreetach for Processing and storage. Vardan Seed & Agreetach has a litigation with the Landlord Hindustan Uni Liver Limited and has secured the stay order dated February 15, 2023, and is depositing the rent amount with the Court. The matter (S.A. No. 2885 of 2022) is pending before The High Court of Madhya Pradesh at Indore	Warehouse and Processing Unit	September 24,2021	September 23, 2024
5.	Survey No. 262, Gram Jaithal Near Bharat Petrol Pump, Agar Road Ujjain (M.P.).	Lessor: Mr. Lokendra Singh Lessee: Vardaan Biotech Private Limited	Leased	Warehouse and Processing Unit	18 years Lease, expiring on May 31, 2038	
6.	Milestone Kandlakoya North Block 4 <sup>th</sup> Floor Commercial Space, Medchal, Malkajgiri District Telangana	Lessor: Smt. Gaddam Sujana Mrs. Akena Rama Devi And 6 others Lessee: Vardan Biotec Limited	Leased	New Corporate Office	02 June 2023 to expire in 7years	
7.	Bandamadharam Village Malkajigri District Telangana	Landlord: Mr. Saddi Srinivasa Reddy, Mr. Hanumantha Reddy and Mr.Narasimha Reddy Tenant: Vardaan Biotech Limited	Leased	R& D Unit	03 Years of Lease. Expiring on May 15, 2026	

## INTELLECTUAL PROPERTY

Below are the details of the trademarks registered in the name of our Company:

Sr. No.	Trademark	Application Number	Date of Application	Class	Status
1	Vardaan Biotech Private Limited	3221773	March 29, 2016	35	Registered

We have made an application with the Trademark Registry for change of name of the trademark owner in the above stated application. For details refer chapter “*Government Approvals*” beginning at page number 231 of this Draft Red Herring Prospectus.

Company has confirmed that no other applications have been made by the Company nor has it registered any other intellectual property including trademarks/copyrights and patents etc.

## OUR COMPETITION

Much of the Indian seed market is unorganized and is fragmented with many small and medium-sized companies. We face substantial competition in the seed market from other seed companies, and subsidiaries or divisions of large multinational corporations, as well as domestic competitors. We compete with other seed manufacturers on the basis of availability of product, product range, product traits, based on price, reputation, regional needs, customer service and customer convenience. The introduction of biotechnology has resulted in the entry of various agrochemical companies into the seed industry.

Our Company’s major competitors are Indrayani Biotech Limited, Bayer CropScience Limited, and Bombay Super Hybrid Seeds Limited. However, competition levels vary for each crop. There is no Company that is a leader in all the crops. In addition, the market share keeps changing constantly with advent of new technologies and hybrids. It has been observed that brand conversions in crops are very high. In present competitive environment, companies which develop effective hybrids and have state of the art research and development infrastructure will be increasingly differentiated from the others in the field.

## OUR EMPLOYEES

As on the date of this Draft Red Herring Prospectus, we have 78 full-time employees. We also employ a number of seasonal workers, which varies greatly during the year due to the seasonal nature of our business. We maintain good relationships with our employees. None of our employee are unionized and there have been no instances of any labour unrest, agitation, or strike at any of our facilities. We provide our employees with performance-based compensation and our internal policies emphasize training sessions and continuous learning and development. We also operate a royalty bonus scheme, which provides eligible employees with a financial reward based on the amount of net sales achieved for certain seed products.

The following chart shows the breakdown by position of full-time employees across the Company as on the date of this Draft Red Herring Prospectus:

Category	No. of Employees
General Administration (incl. of Compliance, Accounts & Others)	22
Production	10
Sales and Marketing	27
R & D	19
<b>Total</b>	<b>78</b>



## INSURANCE

Presently, our Company has the following Insurance Policies:

Sr no.	Insurance Company	Policy Number	Expiry Date	Details	Sum assured	Premium Paid (₹)
1	TATA AIG	5180109467	09/14/2024	All Stock Policy	15 Cr	150198
2	ICICI Lombard	2001/254838297/01/000	08/09/2024	Transportation Policy	50 Cr	235999.82
3	TATA AIG	1901623452	06/22/2030	Standard Fire and Special Perils Policy	21.75 Lac	5,005.00
4	TATA AIG	1901623500	06/22/2030	Standard Fire and Special Perils Policy	10,89,000	2,505.50
5	TATA AIG	1901623470	06/22/2030	Standard Fire and Special Perils Policy	24,90,000	5,279.00
6	TATA AIG	5160790013	09/04/2025	Building Insurance	73,00,000	9,389.00
7	ICICI Lombard	1016/249168767/01/000	06/16/2024	Machinery Insurance	75,00,000	9,818.00

## HEALTH, SAFETY AND ENVIRONMENT

As our company is operating in the seeds business, we are required to comply with various laws, rules and regulations relating to health, safety and environment. We believe that we are in compliance, in all material respects, with applicable health, safety and environmental regulations. For further details, see the section titled 'Government and Other Approvals' beginning on page number 231 of this Draft Red Herring Prospectus. We operate a safety management system at all our production and processing facilities, make conscious efforts to improve our safety record and have provided personal and other industrial safety equipment to all employees working at our facilities to protect our employees. We have installed the necessary equipment for treatment of effluents generated during our seed production and processing operations and to the extent possible, we minimize the use of harmful insecticides, pesticides and fertilizers during our operations. We try to take adequate precautions to preserve the environment and protect the safety of our employees whenever any chemicals are used. There are currently no proceedings against us, or any of our Directors, officers or employees, in relation to violation of any environmental regulations. We do not employ child labour at any of our facilities.

## LITIGATION

For details relating other legal proceedings involving our Company, our Directors, our Promoters, see the section titled '**Outstanding Litigation and Material Developments**' beginning on page number 221 of this Draft Red Herring Prospectus

## KEY INDUSTRY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an indicative summary of certain key industry laws, regulations and policies as notified by the Government of India or State Governments and other regulatory bodies, which are applicable to our Company. The information set below has been obtained from various legislations including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations set below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Further, 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. Our Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled 'Government and Other Approvals' beginning on page number 231 this Draft Red Herring Prospectus.

Set forth below are certain significant legislations and regulations which generally govern the business and operations of our Company:

### INDUSTRY SPECIFIC LAWS

#### **The Seed Act, 1966 and Seeds Rules 1968 (Seeds Rules)**

The Seeds Act, 1966 (the "Seeds Act") regulates the quality of certain seeds for sale. No person is permitted to carry on the business of selling, keeping for sale, offering for sale, bartering or otherwise supplying any seed of any notified kind or variety unless (a) such seed is identifiable as to its kind or variety, (b) such seed conforms to the minimum limits of germination and purity as prescribed by the Central Government and (c) the container of such seed bears in the prescribed manner, the mark or label containing the correct particulars thereof as specified under the Seeds Act. Further, no person is permitted for the purpose of sowing or planting, exporting or importing (or causing to be exported or imported) any seed of any notified kind or variety unless (a) such seed conforms to the minimum limits of germination and purity as prescribed by the Central Government, and (b) the container of such seed bears in the prescribed manner, the mark or label containing the correct particulars thereof as specified under the provisions of the Seeds Act. The Seeds Act provides for obtaining of a certificate for carrying out the above-mentioned activities.

#### **The Seed (Control) Order, 1983**

The Seeds (Control) Order, 1983 (the "Seeds Control Order") issued under the Essential Commodities Act necessitates every person carrying on the business of selling, exporting, or importing seeds to obtain a license. Provision 3(1) of the Seeds Control Order states that no dealer shall sell, export or import seeds in contravention to the terms and conditions of the license granted under the Seeds Control Order. As per Provision 6, every license granted shall be valid for a period of three years from the date of its issue unless previously suspended or cancelled. Pursuant to the Seeds Control (Amendment) Order, 2006, every dealer of seeds in notified kind or variety or other than notified kind or variety of seeds shall ensure that the standards of quality of seeds claimed by him shall conform to the standards prescribed for the notified kind or variety of seeds under Section 6 of the Seeds Act, 1966 and any other additional standards relating to size, colour and content of the label as may be prescribed.

#### **National Seed Policy, 2002**

India has introduced the National Seed Policy in 2002, whose main objectives are the provision of an appropriate climate for the seed industry to utilize available and prospective opportunities, safeguarding of the interests of Indian farmers and the conservation of agro-biodiversity. The National Seed Policy 2002 was launched to – provide intellectual property protection to new varieties; usher this sector into planned development; protect the interest of farmers and encourage conservation of agro-biodiversity. This policy had 10 thrust areas as follows:

1. Varietal Development and Plant Varieties Protection
2. Seed Production
3. Quality Assurance
4. Seed Distribution and Marketing.
5. Infrastructure facilities
6. Transgenic Plant Varieties
7. Import of seeds and planting material
8. Export of seeds
9. Promotion of Domestic Seed
10. Strengthening of monitoring system

The National Seeds Policy will be a vital instrument in attaining the objectives of doubling food production and making India hunger free. It is expected to provide the impetus for a new revolution in Indian agriculture, based on an efficient system for supply of seeds of the best quality to the cultivator.

### **Regulatory measure specific to transgenic seeds**

Recognising the potential of Genetic Engineering and its relevance to India, Ministry of Science and Technology gave sufficient impetus for research and monitoring of transgenic seed development. The measures of transgenic regulation fall under the Environment and Protection Act, 1986 and EPA Rules, 1989.

- Establishment of Department of Biotechnology in 1986 exclusively to apply biotechnological approaches in agricultural and human health.
- Establishment of Review Committee on Genetic Manipulation (RCGM) in 1989 for effective monitoring and evaluation which lay guidelines for assessment of GM crops.
- Establishment of Institute Bio-safety Committee at the organisational level, to monitor r-DNA technology work.
- Establishment of Special Monitoring cum Evaluation Committee under RCGM to monitor the impact of transgenic plants on the environment.

Under Seeds Rules, 1968, Central Government has declared CICR laboratory of ICAR as Referral Laboratory for Bt. Cotton seeds in 2003. The detection kits developed at CICR has been recognized by the Government as a standard test for Bt. Detection in GM seeds. As per the rules all seed testing laboratories are to perform Bt. Purity testing along with genetic purity testing and standards have been specified for the same.

### **Prevention of Black Marketing and Maintenance of Supplies Act, 1980**

To make matters worse, in 1980 came the "Prevention of Black Marketing and Maintenance of Supplies Act." It is an "Act for detention in certain cases or the purpose of prevention of black marketing and maintenance of supplies of commodities essential to the community and for matters concerned therewith".

### **M.P Shops & Establishment Act, 1958**

M.P Shops & Establishment Act, 1958 applies to the local areas specified in Schedule I. The State Government may, by notification, direct that all or any of the provisions of this Act shall apply to any other local area as may be specified in the notification on such date as may be fixed therein and different dates may be fixed for different provisions of this Act and for different classes of establishments.

Every establishment to which this Act applies shall be registered in accordance with the provision of this section. Within thirty days from the date on which this Act applies to an establishment, its employer shall send to the Inspector of the area concerned a statement, in the prescribed form, together with such fees, as may be prescribed.

### **Essential Commodities Act, 1955**

The Essential Commodities Act, 1955 (the "ECA") provides for the regulations relating to production, supply, distribution, trade and commerce of the commodities that are declared as essential, for maintaining or increasing supplies of any essential commodity or for securing their equitable distribution and availability at fair prices.

Under the ECA, if the Central Government is of the opinion that it is necessary or expedient to (i) maintain or increase supply of any essential commodity (as defined under the ECA); (ii) secure their equitable distribution and availability at fair price; or (iii) for the defence of India or conduct of any military operation, it may inter alia, (a) regulate the production or manufacture; (b) control the price; (c) regulate the storage, transport, distribution, disposal, acquisition or use; (d) prohibit the withholding from sale; and (e) require any person holding stock to sell to the Central Government or State Government, in respect of such essential commodity.

The control orders issued under the ECA regulates essential commodities. Penalties under the ECA for contravention of its provisions include fine, imprisonment and forfeiture of the goods.

### **Agriculture Produce (Grading & Marketing) Act, 1937**

The Directorate of Marketing and Inspection enforces the Agricultural Produce (Grading and Marketing) Act, 1937. Under this Act Grade standards are prescribed for agricultural and allied commodities. These are known as Agmark standards. Grading under the provisions of this Act is voluntary. The DMI enforces the Agricultural Products (Grading and Marketing) Act, 1937. Manufacturers who comply with standard laid down by DMI are allowed to use 'Agmark' labels on their products.

### **Legal Metrology Act, 2009**

The Legal Metrology Act, 2009 (“Legal Metrology Act”) governs the standards/ units/denominations used for weights and measures as well as for goods which are sold or distributed by weights, measure or number. It also states that any transaction/ contract relating to goods/ class of goods shall be as per the weight/ measurements/numbers prescribed by the Legal Metrology Act. Every unit of weight or measure shall be in accordance with the metric system based on the international system of units. Using or keeping any weight or measure otherwise than in accordance with the provisions of the Legal Metrology Act is an offence, as is tampering or altering any reference standard, secondary standard or working standard. Moreover, the Legal Metrology Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the Legal Metrology Act.

### **Legal Metrology (Packaged Commodity) Rules, 2011 (the “Packaged Commodity Rules”)**

The Packaged commodity Rules was framed under Section 52(2) (j) and (q) of the Legal Metrology Act and lays down specific provisions applicable to packages intended for retail sale, whole sale and for export and import. A pre-packaged commodity means a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The Key provisions of the Packaged Commodities Rules are:

- It is illegal to manufacture, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations as prescribed;
- All pre-packaged commodities must conform to the declarations provided thereon as per the requirements of section 18(1) of the Legal Metrology Act and
- No pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the first schedule of the Packaged Commodity Rules.

### **The warehousing (Development and Regulation) Act, 2007**

A warehouse is a place where goods are stored. It is otherwise known as “Godown”. It protects the goods until they are moved to the factory or to the market. It provides place for goods that are received in bulk. It facilitates easy sale of goods when it is located near the market. It facilitates uninterrupted sale. A warehouse receipt issued to a merchant who has stored his goods in a public warehouse, also enables him to get financial assistance. A warehouse receipt is a document of title, it helps to equalise price by matching the demand and supply position. It provides employment opportunities to many. It facilitates large-scale production of goods. The producer need not bother about storage. It is necessary to perform certain marketing activities like grading, packing. Etc.

### **The Prevention of Food Adulteration Act, 1954 and rules thereunder**

The Prevention of Food Adulteration Act, 1954 (“Prevention of Food Adulteration Act”) regulates the quality of food manufactured in India by specifying set standards on various articles of food. The Prevention of Food Adulteration Act proscribes the manufacture for sale, storage, sale, distribution or import of certain articles of food into India including any adulterated or misbranded food. It further empowers the food inspector to sample articles of food from persons selling, conveying, delivering or consigning the said food. The Prevention of Food Adulteration Act further provides for imprisonment of not less than 6 months which may be extended to 3 years or a fine of Rs 1,000 for contravention of the provisions therein.

### **Food & Safety Standard Act, 2006**

The Food Safety and Standards Act, 2006 (“Food Safety Act”) regulates the manufacture, storage, distribution, sale and import of food products including wines, liquor and alcoholic beverages. Every person involved in the business of carrying out any of the activities related to inter alia manufacture, processing, packaging, storage, transportation, or distribution of food is required to procure a license in accordance with the Food Safety Act read with Food safety and Standards (Licensing and Registration of Food Businesses), Regulations 2011.

### **ISO 9001: 2015**

ISO 9001:2015 specifies requirements for a quality management system when an organization: a) needs to demonstrate its ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements, and b) aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.

All the requirements of ISO 9001:2015 are generic and are intended to be applicable to any organization, regardless of its type or size, or the products and services it provides.

### **The Prevention of Food Adulteration Act, 1954**

The Prevention of Food Adulteration Act, 1954 is an Indian legislation enacted to ensure the purity and quality of food products sold to consumers. It aims to prevent the adulteration of food items and to regulate their manufacture, storage, distribution, sale, and import to ensure they meet the prescribed standards.

### **The Insecticide Act, 1968**

The Insecticides Act, 1968 is an important legislation in India aimed at regulating the import, manufacture, sale, transport, distribution, and use of insecticides to ensure their safety and efficacy.

## **CORPORATE LAWS**

### **The Companies Act, 2013**

The Companies Act, 2013 came into existence by repealing the Companies Act, 1956 in a phased manner. It received the assent of the President on August 29, 2013. The Ministry of Corporate Affairs has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. The Companies Act, 2013 deals with matters related to Incorporation of Companies, Prospectus and allotment of securities, share capital and Debentures, Acceptance of Deposits by Companies, Management and Administration, Appointment and Qualifications of Directors and other matters incidental thereto which are necessary for better Corporate Governance, bringing in more transparency in relation to Compliances and protection of shareholders & creditors.

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. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **The Companies Act, 1956**

The Companies Act, 1956 dealt with laws relating to companies and certain other associations. It was enacted by the Parliament in 1956. The Act primarily regulated the formation, financing, functioning and winding up of companies. The Act prescribed regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constituted the main focus of the Act. The consolidation and amendment in law relating to the Companies Act, 1956 made way to enactment of the 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 Micro, Small and Medium Enterprises Development Act, 2006**

The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) inter – alia provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto. With the help of Udo Aadhar, registration can be done under MSME (Ministry of Micro, Small and Medium Enterprises). Udyog Aadhaar is the 12 numerical registration number issued by the MSME Ministry of the Government of India.

## **EMPLOYMENT AND LABOUR LAWS**

### **Madhya Pradesh Factories Rules, 1962**

The Madhya Pradesh Factories Rules, 1962 is a social legislation that has been enacted for occupational safety, health, and welfare of workers at work place. The State of Madhya Pradesh has formulated its rules as envisaged under the Act. The Act is applicable to all factories situated in Madhya Pradesh, including State and Central Government, in the premises wherein a)10 or more workers are employed with the use of power b)20 or more workers are employed without the use of power. c)Less than 10 workers, if activity is notified by the State Government.

An occupier shall not use any premises as a factory or carry on any manufacturing process in a factory or part of a factory unless he has or deemed to have a valid license in respect of such factory in accordance with the rules.

### **The Employees' Provident Fund and Miscellaneous Provisions Act, 1952**

The EPFA came into force on March 4, 1952, and amended on September 1, 2014. Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, the employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Employees Deposit Linked Insurance Scheme, 1976**

The Employees Deposit Linked Insurance Scheme (EDLI) scheme was enacted as a part of the benevolent social legislation passed by the Government of India in the year 1976. The EDLI scheme is an insurance scheme promulgated by the Government among other social welfare initiatives for the employees of the organised sector. Under this scheme, a lump sum payment is provided to the beneficiary of the employee in case of he/she dies during the service period. An organisation that is covered under the Employee's Provident Fund (EPF) and Miscellaneous Provision Act 1952 are liable to subscribe EDLI scheme.

### **The Employees' State Insurance Act, 1948 (the "ESI Act")**

The Employees State Insurance Act of 1948 has been enacted with the objective of securing financial relief in cases of sickness, maternity and 'employment injury' to employees of factories and their dependent and to make provision for certain other matters in relation thereto. The Act is applicable to all the Factories including Factories belonging to the Government. Further, employer and employees both are required to make contribution to the fund at the rate prescribed by the Central Government. The return of the contribution made is required to be filed with the Employee State Insurance department.

### **The Equal Remuneration Act, 1976**

Equal Remuneration Act, 1976 was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution. The act provides for payment of equal remuneration to men and women workers and for prevention of discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The employer has to maintain proper registers and relevant documents of all the employees and workers as prescribed by law.

### **The Minimum Wages Act, 1948, as amended (the "Minimum Wages Act")**

The Minimum Wages Act came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages may consist of a basic rate of wages and a special allowance; or a basic rate of wages with or without the cost of living allowance and the cash value of the concessions in respect of supplies of essential commodities; or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Every employer is required to maintain such registers and records as prescribed by the Minimum Wages Act.

Workmen are to be paid for overtime at overtime rates stipulated by the appropriate State Government. The appropriate State Government may prescribe rules including the mode of calculating the cash value of wages, time and conditions of payment and permissible deductions from wages.

### **The Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961, as amended from time to time ("Maternity Benefit Act"), is aimed at regulating the employment of women in certain establishments for certain periods before and after child birth and for providing for maternity benefit and certain other benefits like medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc. Government further amended the Act which is known as "The Maternity Benefit (Amendment) Act, 2016, effective from March 28, 2017 introducing more benefits for pregnant women in certain establishments. It applies to all establishments which are factories, mines, plantations, Government establishments,

shops and establishments under the relevant applicable legislations, or any other establishment as may be notified by the Central Government.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”) provides for the protection of women at workplace and prevention of sexual harassment at workplace. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. 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.

The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Committee, which shall always be presided upon by a woman.

### **The Payment of Bonus Act, 1965**

The payment of Bonus Act, 1965 aims to regulate the amount of bonus paid to the persons employed in certain establishments based on their profits and productivity. Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where twenty or more persons are employed on any day during an accounting year, is eligible to be paid a bonus. It further provides for the payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

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

The Payment of Gratuity Act is applicable to every factory, mine, oilfield, plantation, port, railway companies and to every shop and establishment in which 10 or more persons are employed or were employed at any time during the preceding twelve months. This Act applies to all employees irrespective of their salary.

The Payment of Gratuity Act, as amended, provides for a scheme for payment of gratuity to an employee on the termination of his employment after he has rendered continuous service for not less than 5 years:

- (a) On his/her superannuation.
- (b) On his/her retirement or resignation.
- (c) On his/her death or disablement due to accident or disease (In this case the minimum requirement of five years does not apply)

### **The Child Labour (Prohibition and Regulation) Act, 1986**

The Child Labour (Prohibition & Regulation) Act, 1986, as amended from time to time (“Child Labour Act”) was enacted to prohibit the engagement of children below the age of fourteen years in certain specified occupations and processes and to regulate their conditions of work in certain other employments. No child shall be required or permitted to work in any establishment in excess of such number of hours, as may be prescribed for such establishment or class of establishments. Every child employed in an establishment shall be allowed in each week, a holiday of one whole day, which day shall be specified by the occupier in a notice permanently exhibited in a conspicuous place in the establishment and the occupier shall not alter the day so specified more than once in three months.

### **Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”)**

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 Act 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' Compensation Act, 1923, as amended (the "Employees' Compensation Act"):**

The Employee's Compensation Act, 1923 came into force on July 1, 1924. The act has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Indian Parliament approved certain amendments to the Employee's Compensation Act, 1923, as amended, to substitute, inter-alia, references to "workmen" with "employees" including in the name of the statute. The amendment came into force on January 18, 2010.

Under the Employees' Compensation Act, if personal injury is caused to an employee by accident arising out of and in the course of employment, the employer would be liable to pay such employee compensation in accordance with the provisions of the Employees' Compensation Act. However, no compensation is required to be paid (i) if the injury does not disable the employee for a period exceeding three days, (ii) where the employee, at the time of injury, was under the influence of drugs or alcohol, or (iii) where the employee wilfully disobeyed safety rules or wilfully removed or disregarded safety devices.

### **The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957**

Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 (IDA) 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 a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

## **ENVIRONMENTAL LAWS**

### **The Environment (Protection) Act of 1986 ("EPA")**

The EPA has been formulated by the Government of India for the protection and improvement of the environment in India and for matters connected therewith. The EPA is an umbrella legislation designated to provide a framework for the Government of India to co-ordinate activities of various state and central authorities established under previous environmental laws. The EPA vests the Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and for preventing, controlling and abating environmental pollution. This includes the power to make rules for among other things, determining the quality of environment, standards for emission or discharge of environment pollutants from various sources, inspection of any premises, plan, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution.

### **The Water (Prevention and Control of pollution) Act, 1981**

The Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water. The Act envisages establishing a Central Board as well as State Board for Prevention and Control of Water Pollution. If at any place where any industry, operation or process, or any treatment and disposal system or any extension or addition thereto is being carried on, due to accident or other unforeseen act or event, any poisonous, noxious or pollution matter is being discharged, or is likely to be discharged into a stream or well or sewer or on land and, as a result of such discharge, the water in any stream or well is being polluted, or is likely to be polluted, then the person in charge of such place shall forthwith intimate the occurrence of such accident, act or event to the Board constituted under the Act and such other authorities or agencies as may be prescribed.

### **The Air (Prevention and Control of pollution) Act, 1981**

The Act provides for the prevention, control and abatement of air pollution. The Act envisages establishing a Central Board as well as State Pollution Control Boards in each state. As per the Act, no person operating any industrial plant, in any air pollution control area (so declared under Section 19 of the Act) shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the Board constituted under the Act. Further, no person shall, without the previous consent of the Board constituted under the Act, establish, or operate any industrial plant in an air pollution control area.

### **Hazardous and other Wastes (Management and Trans boundary Movement) Rules, 2016("HW Rules")**



The HW Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes through a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and disposal of hazardous waste is required to obtain an authorization from the relevant state PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste. The new HW Rules as compared to the Rules of 2008 have enlarged the scope of regulated wastes by including 'other wastes' in its ambit. Other wastes include: Waste tires, paper waste, and metal scrap, used electronic items, etc. and are recognized as a resource for recycling and reuse. These resources supplement the industrial processes and reduce the load on the virgin resource of the country.

## **TAX RELATED LAWS**

### **The Income Tax Act, 1961**

The Income Tax Act deals with computation of tax liability of individuals, corporates, partnership firms and others. The Income-tax Act, 1961 ("IT Act") is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. As per the provisions of Income Tax Act, the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Income Tax Act. Filing of returns of income is compulsory for all assesses. Furthermore, it requires every taxpayer to apply to the assessing officer for a permanent account number.

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

GST is an Indirect Tax which has replaced many Indirect Taxes in India. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017. The Act came into effect on 1st July 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. GST has mainly removed the Cascading effect on the sale of goods and services. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

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 numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

### **Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

## **INTELLECTUAL PROPERTY RELATED LAWS**

### **The Trademark Act, 1999**

The Trademark Act, 1999 was developed keeping in view the need for simplification of and harmonization of Trademarks system, registration and statutory protection for the purpose of prevention of the use of fraudulent marks in India. A trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection

in the course of trade between the goods and some person having the right as proprietor to use the mark. An application for trade mark registration may be made by any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it. Once granted, trade mark registration is valid for ten years unless cancelled, which may be renewed for similar periods on payment of a prescribed renewal fee. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

### **The Patents Act, 1970 (“Patent Act”)**

The purpose of the —Patent Actl in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application. Penalty for the contravention of the provisions of the Patents Act include imposition of fines or imprisonment or both.

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 along with other applicable provisions and statutes imposed by the Central or the State for its day-to-day operations.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated as “Vardaan Biotech Private Limited” as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 20, 2007, issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting held on January 05, 2021, and the name of our Company was changed to “Vardaan Biotech Limited”. A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company was issued by the Registrar of Companies, Gwalior on January 15, 2021. The Corporate Identification Number of our Company is U15495MP2007PLC020132.

Our Company is engaged in the business of production, processing and marketing of hybrid, research, and improved varied agricultural seeds for different crops such as maize, paddy, soya, bajra, SSG ruby, SSG moti, mustard, peas, wheat, tomato, chilly, coriander, okra, watermelon, ride-gourd, cucumber, and onion and have recently forayed into certified, hybrid and research products.

### REGISTERED OFFICE

Our company’s registered office is situated at C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456 010, Madhya Pradesh, India.

Following are the details of changes in the address of the registered office of our Company since incorporation:

Date of change of Registered Office	Registered Office		Reason for Change
On Incorporation	66, Kirti Nagar, Ujjain – 456010, Madhya Pradesh, India		NA
	Changed from	Changed to	
March 22, 2013	66, Kirti Nagar, Ujjain-456010, Madhya Pradesh, India.	A-9/14 Basant Vihar, Ujjain– 456010, Madhya Pradesh, India.	Administrative purposes
March 07, 2015	A-9/14 Basant Vihar, Ujjain– 456010, Madhya Pradesh, India.	C-2/1, Mahananda Nagar, Dewas Road, Ujjain-456010, Madhya Pradesh, India.	Administrative purposes

### MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company are:

1. To carry on the business of manufactures, processors, grading, sorting, cutting, seeding, packing, grinders, millers, producers, extractors, job works, refiners, agents, buyer, traders, importers, exporters, stockiest distributors, selling agents, representatives commission agents, general brokers farmers, cultivators, producers dealers of or otherwise deal in all kind of seeds of and pules, spices, cereals, wheat, seeds, oleaginous substance, oil seeds, grams, rice, soya beans and all kind of grains and its allied products, oil seeds & their products, vegetables, fruits, fruit pulp including all kinds of fresh/ frozen/ dehydrated and tin packed vegetables, agro products fruit, jams, jellies, pulse juices, squashes, sauces, soya products, pickles, tea, coffee, herbal plantation, horticulture, floriculture, sericulture, posculture, forest produce, food products in raw, finished or semi-finished form oil cakes, seed crushers, oil extractors, Animal feeds, poultry feeds, compounded or mixed feed, concentrates, mineral, vitamins, proteins, minerals mixture, animal proteins, molasses and by-products and to carry on the business of manufacturers and sellers, dealers, stockiest, distributors, agents of all kinds of equipment’s used in agriculture and all jobs allied thereto.
2. For the purpose of carrying on the above activities, to construct, to purchase, take on lease, license or otherwise acquire, any plant and machinery, land or plantation estates or properties and to sell dispose of and deal in the same.

## AMENDMENTS TO THE MOA AND AOA OF OUR COMPANY

The following changes have been made in the Memorandum of Association of our Company in last ten (10) years:

Date of Amendment	Particulars
March 10, 2014	Amendment to Clause V to reflect increase of the authorised share capital, as follows:  “The authorized share capital was increased from ₹ 1,00,000.00 comprising of 10,000 equity shares of face value of ₹ 10.00 each to ₹ 21,00,000.00 comprising of 2,10,000 equity shares of face value of ₹ 10.00 each”
December 08, 2014	Amendment to Clause V to reflect increase of the authorised share capital, as follows:  “The authorized share capital was increased from ₹ 21,00,000.00 comprising of 2,10,000 equity shares of face value of ₹ 10.00 each to ₹ 61,00,000.00 comprising of 6,10,000 equity shares of face value of ₹ 10.00 each.”
February 19, 2018	Amendment to Clause V to reflect increase of the authorised share capital, as follows:  “The authorized share capital was increased from ₹ 61,00,000.00 comprising of 6,10,000 equity shares of face value of ₹ 10.00 each to ₹ 1,01,00,000.00 comprising of 10,10,000 equity shares of face value of ₹ 10.00 each.”
May 24, 2018	Amendment to Clause V to reflect increase of the authorised share capital, as follows:  “The authorized share capital was increased from ₹ 1,01,00,000.00 comprising of 10,10,000 equity shares of face value of ₹ 10.00 each to ₹ 1,51,00,000.00 comprising of 15,10,000 equity shares of face value of ₹ 10.00 each.”
February 24, 2020	Amendment to Clause V to reflect increase of the authorised share capital, as follows:  ‘The authorized share capital was increased from ₹ 1,51,00,000.00 comprising of 15,10,000 equity shares of face value of ₹ 10.00 each to ₹ 3,00,00,000.00 comprising of 30,00,000 equity shares of face value of ₹ 10.00 each.’
November 23, 2020	Amendment to Clause V to reflect increase of the authorised share capital, as follows:  ‘The authorized share capital was increased from ₹ 3,00,00,000.00 comprising of 30,00,000 equity shares of face value of ₹ 10.00 each to ₹ 4,00,00,000.00 comprising of 40,00,000 equity shares of face value of ₹ 10.00 each.’
January 05, 2021	Alteration of MoA due to conversion to limited company from ‘Vardaan Biotech Private Limited’ to ‘Vardaan Biotech Limited’
January 05, 2021	Our Company has adopted a new set of Articles of Association of the Company subsequent to the conversion to limited Company
February 03, 2021	Amendment to Clause V to reflect increase of the authorised share capital, as follows:  ‘The authorized share capital was increased from ₹ 4,00,00,000.00 comprising of 40,00,000 equity shares of face value of ₹ 10.00 each to ₹ 5,00,00,000.00 comprising of 50,00,000 equity shares of face value of ₹ 10.00 each.’
April 25, 2022	Amendment to Clause V to reflect increase of the authorised share capital, as follows: ‘The authorized share capital was increased from ₹ 5,00,00,000.00 comprising of 50,00,000 equity shares of face value of ₹ 10.00 each to ₹ 15,00,00,000.00 comprising of 1,50,00,000 equity shares of face value of ₹ 10.00 each.’
February 29, 2024	Amendment to Clause V to reflect increase of the authorised share capital, as follows:  ‘The authorized share capital was increased from ₹ 15,00,00,000.00 comprising of 1,50,00,000 equity shares of face value of ₹ 10.00 each to ₹ 21,00,00,000.00 comprising of 2,10,00,000 equity shares of face value of ₹ 10.00 each.’
February 29, 2024	Our Company has adopted a new set of Articles of Association.

## KEY EVENTS AND MILESTONES

The table below sets forth the key events in the history of our Company:

Calendar Year	Particulars
2007	Incorporation of the company in the name of ‘Vardaan Biotech Private Limited’

2021	Conversion of our Company from private to public i.e. from 'Vardaan Biotech Private Limited' to 'Vardaan Biotech Limited'
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## AWARDS AND ACCREDITATIONS

The table below sets forth some of the key awards received by our Company in its history since its incorporation.

Calendar Year	Award
2017	Recognized for 'Fastest Growing Indian Company Excellence Award' by Indian Economic Development and Research Association on the occasion of National Seminar on 'National Economic Development and Social Responsibilities' on December 02, 2017 at New Delhi;
2018	Recognized for 'Woman Entrepreneur Excellence Award' on the occasion of 10th International Achievers Summit on Global Corporate Achievements and Social Responsibilities on April 20, 2018 at Bangkok, Thailand.
2018	Recognized for 'Outstanding Achievement Award for Business Excellence' on the occasion of 10 <sup>th</sup> International Achievers Summit on Global Corporate Achievements and Social Responsibilities on April 20, 2018 at Bangkok, Thailand.

Calendar Year	Accreditations
2019-2020	ISO Certificate under Quality Management System (Processing and Marketing Seeds)

## DETAILS OF BUSINESS OF OUR COMPANY

For details on the description of Our Company's activity, business model, marketing strategy, strength, completion of business, please see "Business Overview", "Management Discussion Analysis of Financial Conditions and Results of Operations" and "Basis for Issue Price" on page numbers 121, 205 and 95 respectively.

## HOLDING COMPANY OF OUR COMPANY

Our Company does not have any Holding Companies as on the date of filing of this Draft Red Herring Prospectus.

## SUBSIDIARY COMPANY OF OUR COMPANY

Our Company has no Subsidiary Company as on the date of filing of this Draft Red Herring Prospectus.

## CAPACITY / FACILITY CREATION, LOCATION OF PLANTS

For information on our Company's business profile, Capacity and location of Plant, see chapters titled, "Our Business" on page 126 of this Draft Red Herring Prospectus.

## OTHER DECLARATIONS AND DISCLOSURES

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, Our Company has not made any Public Issue or Rights Issue (as defined in the SEBI ICDR Regulations) in the past. No action has been taken against Our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

## FUND RAISING THROUGH EQUITY OR DEBT

For details in relation to our fund-raising activities through equity and debt, please refer to the chapter/ Section titled 'Capital Structure' and "Financial Information" of the Company beginning on page numbers 73 and 183, respectively, of this Draft Red Herring Prospectus

## REVALUATION OF ASSETS

Our Company has not re-valued its assets since its incorporation.

## **CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING A MATERIAL EFFECT**

Other than as stated in this Draft Red Herring Prospectus, there has been no change in the activities being carried out by our Company during the preceding five years from the date of this Draft Red Herring Prospectus which may have a material effect on the profits / loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

## **CHANGES IN THE MANAGEMENT**

For details of change in Management, please see chapter titled “Our Management” on page number 159 of this Draft Red Herring Prospectus.

## **INJUNCTIONS OR RESTRAINING ORDERS**

Our Company is not operating under any injunction or restraining order.

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS**

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks.

## **STRIKES AND LOCK-OUTS**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock- outs. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.

## **TIME AND COST OVERRUNS IN SETTING UP PROJECTS**

As on the date of this Draft Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

## **SHAREHOLDERS’ AGREEMENT**

Our Company does not have any subsisting shareholders’ agreement as on the date of this Draft Red Herring Prospectus.

## **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTERS OR ANY OTHER EMPLOYEE OF THE COMPANY**

There are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

## **GUARANTEES GIVEN BY PROMOTERS OFFERING ITS SHARES IN THE OFFER FOR SALE**

As on the date of this Draft Red Herring Prospectus, no guarantee has been issued by Promoter except as disclosed in the “Statement of Financial Indebtedness” on page 229 of this Draft Red Herring Prospectus

## **OTHER AGREEMENTS**

As on the date of this Draft Red Herring Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered into more than two years before the date of this Draft Red Herring Prospectus.

## **STRATEGIC PARTNERS**

Our Company does not have any strategic partner(s) as on the date of this Draft Red Herring Prospectus.

## **FINANCIAL PARTNERS**

As on the date of this Draft Red Herring Prospectus, our Company does not have any financial partners.

#### **ACQUISITION OF BUSINESSES/UNDERTAKINGS, MERGERS, AMALGAMATION OR REVALUATION OF ASSETS**

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last five years.

#### **DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY IN THE LAST TEN YEARS**

There has been no divestment by the Company of any business or undertaking since inception.

#### **NUMBER OF SHAREHOLDER OF OUR COMPANY**

Our Company has 43 shareholders as on date of the Draft Red Herring Prospectus. For further details on the Shareholding Pattern of our Company, please refer to the Chapter titled “Capital Structure” beginning on page number 73 of this Draft Red Herring Prospectus.

#### **DETAILS OF PAST PERFORMANCE**

For details of Change of management, please see chapter titled “Business Overview” and “Our History and certain other corporate matters” on page numbers 121 and 154 respectively of this Draft Red Herring Prospectus.

#### **DETAILS OF FINANCIAL PERFORMANCE**

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to section titled “Financial Statements” beginning on page number 183 of this Draft Red Herring Prospectus.

#### **COLLABORATION AGREEMENT**

As on the date of this Draft Red Herring Prospectus, our Company is not party to any collaboration agreement.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on its Board, subject to provisions of Section 149 of Companies Act, 2013.

As on date of this Draft Red Herring Prospectus, our Board consist of 5 (Five) Directors out of which 2 (Two) are Executive Directors and 3 (Three) are Non-Executive Independent Directors as per the details below:

Sr. No.	Name	DIN	Category	Designation
1	Mr. Lokendra Singh Rajput	01801160	Executive	Chairman and Managing Director
2	Ms. Rashmi Rajput	01806022	Executive	Director
3	Mr. Aman Nayak	06925999	Non-Executive	Independent Director
4	Mr. Manish Joshi	07762530	Non-Executive	Independent Director
5	Ms. Devyani Chhajer	10276186	Non-Executive	Independent Director

The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Red Herring Prospectus:

<b>1</b>	<b>Name</b>	<b>Mr. Lokendra Singh Rajput</b>
	Father's Name	Mr. Hari Singh Rajput
	Address	A-9/14, Basant Vihar, Indore Road, Ujjain- 456 010, Madhya Pradesh, India.
	Date of Birth	October 01, 1977
	Age	46 years
	Designation	Chairman and Managing Director
	Status	Executive
	DIN	01801160
	Occupation	Business
	Nationality	Indian
	Qualification	B.SC. (Agriculture), Master of Business Administration and Diploma in Export Management.
	No. of Years of Experience	17 Years
	Current Term	From January 25, 2021 to January 24, 2026
	Period of Directorship	5 Years
	Directorship in other Companies	<b>India Private Companies:</b> • LSR Agro Industries Private Limited  <b>India Public Companies:</b> Nil  <b>Section 8 Companies:</b> Nil  <b>Indian LLPs:</b> Nil  <b>Partnership Firm:</b> Vardaan Agro Industries  <b>HUF:</b> Lokendra Singh Rajput HUF
<b>2</b>	<b>Name</b>	<b>Ms. Rashmi Rajput</b>



	Father's Name	Late Mr. Gajendra Singh
	Address	A-9/14, Basant Vihar Colony, Ujjain- 456 010, Madhya Pradesh, India.
	Date of Birth	March 31, 1976
	Age	48 years
	Designation	Director
	Status	Executive
	DIN	01806022
	Occupation	Business
	Nationality	Indian
	Qualification	Bachelor of Science., Bachelor of Library and Information Science and Master of Library & Information Science
	No. of Years of Experience	17 Years
	Current Term	She was appointed as the first Director since the date of Incorporation of the Company.
	Period of Directorship	-
	Directorship in other Companies	<b>India Private Companies:</b> • LSR Agro Industries Private Limited  <b>India Public Companies:</b> Nil  <b>Section 8 Companies:</b> Nil  <b>Indian LLPs:</b> Nil  <b>Partnership Firm:</b> Vardaan Agro Industries  <b>HUF:</b> Lokendra Singh Rajput HUF
3	<b>Name</b>	<b>Mr. Aman Nayak</b>
	Father's Name	Mr. Girish Nayak
	Address	114, Manbhavan Nagar, Kanadia, Indore, Madhya Pradesh - 452016, India
	Date of Birth	January 12, 1994
	Age	30 years
	Designation	Independent Director
	Status	Non-Executive
	DIN	06925999
	Occupation	Business
	Nationality	Indian
	Qualification	Member of the Institute of Chartered Accountants of India and Bachelor's in Commerce
	No. of Years of Experience	4 years
	Current Term	September 23, 2023 to September 22, 2028
	Period of Directorship	5 years
	Directorship in other Companies	<b>India Private Companies:</b> • Tapobhoomi Mines & Minerals Private Limited • Earthson Minerals Private Limited  <b>India Public Companies:</b> Nil

		<b>Section 8 Companies:</b> Nil  <b>Indian LLPs:</b> Nil  <b>Partnership Firm:</b> Nil
4	<b>Name</b>	<b>Mr. Manish Joshi</b>
	Father's Name	Mr. Suresh Joshi
	Address	8 Station Road, Behind Mandar School, Sai Kripa Colon Rau, Indore-453331, Madhya Pradesh, India.
	Date of Birth	August 30, 1989
	Age	34 years
	Designation	Independent Director
	Status	Non-Executive
	DIN	07762530
	Occupation	Business
	Nationality	Indian
	Qualification	Member of the Institute of Company Secretaries of India, master's in commerce, Masters in Business Administration and Bachelor of Legislative Law.
	No. of Years of Experience	11 Years
	Current Term	September 23, 2023 to September 22, 2028
	Period of Directorship	5 Years
	Directorship in other Companies-Any Foreign Company to be mentioned	<b>India Private Companies:</b> <ul style="list-style-type: none"> <li>• Parmarth Foods And Healthcare Private Limited</li> <li>• Sanatan Palm Plantation Private Limited</li> </ul> <b>India Public Companies:</b> <ul style="list-style-type: none"> <li>• Evershine Oleochem Limited</li> <li>• Dollex Agrotech Limited</li> </ul> <b>Section 8 Companies:</b> <ul style="list-style-type: none"> <li>• Sambhavna Social Foundation.</li> </ul> <b>Indian LLPs:</b> Nil  <b>Partnership Firm:</b> Nil
5	<b>Name</b>	<b>Ms. Devyani Chhajed</b>
	Father's Name	Raj Kumar Agrawal
	Address	1083 Gyan Nagar Sector-04, Manva Khera Girwa, Udaipur, Rajasthan -313002.
	Date of Birth	March 17, 1991
	Age	33
	Designation	Independent Director
	Status	Non-Executive
	DIN	10276186
	Occupation	Professional
	Nationality	Indian
	Qualification	Member of the Institute of Chartered Accountants of India
	No. of Years of Experience	2 years
	Current Term	Until the Annual General Meeting to be held in the Calendar year 2024.

	Period of Directorship	Till AGM to be held in the Calendar Year 2024.
	Directorship in other Companies-Any Foreign Company to be mentioned	<b>India Private Companies:</b> Nil  <b>Indian Public Companies:</b> <ul style="list-style-type: none"> <li>• KCL Infra Projects Limited.</li> <li>• Italian Edibles Limited.</li> </ul> <b>Section 8 Companies:</b> Nil  <b>Indian LLPs:</b> Nil  <b>Partnership Firm:</b> Nil

#### BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY

**Mr. Lokendra Singh Rajput** aged 46 years is the Chairman and Managing Director of the Company. He has completed his Bachelor of Science in Agriculture from Jawaharlal Nehru Krishi Vishwa Vidyalaya, Jabalpur in the year 2001. Further he has pursued Diploma in Export Management from National Institute of Export Management, Chennai in the year 2002 completed his Master of Business in Administration from Devi Ahilya Vishwavidyalaya, Indore in the year 2004. Under his dynamic leadership, he has taken the Company to its optimized Zone by achieving the awards of “Fastest Growing Indian Company Excellence Award” by Indian Economic Development & Research Association, “Outstanding Achievement Award for Business Excellence” on the occasion of 10th International Achievers Summit on Global Corporate Achievements and Social Responsibilities for his entrepreneurship. He has been associated with the Company since its inception as a promoter and non-executive director. Thereafter his designation was changed to Managing Director of the company w.e.f. January 25, 2021 and Chairman of the company w.e.f. April 21, 2022. He is responsible for the overall working of the Company and is instrumental in making strategic decisions for the Company.

**Ms. Rashmi Rajput**, aged 48 years, is an Executive Director of the Company. She has completed her Bachelors in Science in the year 1997 from Jiwaji University, Gwalior and Bachelors as well as Masters in Library and Information Science in the year 1998 and 1999 respectively from Government Maharani Laxmibai Arts and Commerce an Autonomous College, Gwalior, Madhya Pradesh. She is a Versatile Woman Entrepreneur and has taken the company to its height by achieving “Women Entrepreneur Excellence Award” on the Occasion of 10th International Achiever Summit held at Bangkok, Thailand. She is associated with the Company since its inception as promoter and non-executive director. Thereafter her designation was changed to Executive director w.e.f November 01, 2021.

**Mr. Aman Nayak**, aged about 30 years, is an Independent Director of the company. He is a qualified member of Institute of Chartered Accountant of India (ICAI) since 2020. He has completed his Bachelor’s in commerce from Devi Ahilya Vishwavidyalaya, Indore. He is a Practising Chartered Accountants since April 16, 2020 therefore, he has an expertise in the area of Direct Taxes, Indirect Taxes (GST), Tax Audit, Corporate Audits, Other Audits, Accounts, Finance, Management etc. makes him perfect candidate for the post of Independent Directorship in the company. The decision-making ability in the complex situation and the wide knowledge in taxation and related matters is utmost requirement for the company.

**Mr. Manish Joshi**, aged about 34 years, is the Independent Director of the company. He is a qualified member of the Institute of Company Secretaries of India (ICSI) since 2016. He has completed his Bachelors and Masters in Commerce in the year 2010 and 2013 respectively from Devi Ahilya Vishwavidyalaya, Indore. He also has rich knowledge in law as he holds Degree in law (LLB). He has wide variety of Knowledge and expertise in the various fields of Taxation, Corporate Law, Securities Law, Accounts, Finance, Management etc.

**Ms. Devyani Chhajed**, aged about 33 years, is the Additional Independent Director of the company. She is a qualified member of the Institute of Chartered Accountants of India (ICAI) since 2021 and the Institute of Company Secretaries of India (ICSI) since . She has completed her Master’s in Business Administration from Pacific University, Udaipur Rajasthan and Bachelors in Commerce from Mohan Lal Sukhdiya University, Udaipur. She is currently working as a Practicing Chartered Accountant. Her Diverse knowledge and expertise in different areas of

academics and professional courses with strong analytical and problem-solving skills leads to development of strong leadership skills and decision-making quality, resulting in significant contribution in the company's growth.

**Note:**

1. *None of the above-mentioned Directors are on the RBI List of wilful defaulters as on the date of this Draft Red Herring Prospectus.*
2. *None of our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.*
3. *None of Directors or persons in control of our Company, have been or are 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.*
4. *None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filling of this Draft Red Herring Prospectus.*
5. *None of the Directors of our Company are a fugitive economic offender.*
6. *None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/SEBI/ other regulatory authority in the last five years.*
7. *In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.*

#### **FAMILY RELATIONSHIP BETWEEN DIRECTORS**

The following Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013.

<b>Name of the Director</b>	<b>Name of the Related Director</b>	<b>Relationship</b>
Mr. Lokendra Singh Rajput	Ms. Rashmi Rajput	Spouse

#### **DETAILS OF ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS, PURSUANT TO WHICH OF THE DIRECTORS WERE SELECTED AS A DIRECTOR OR MEMBER OF SENIOR MANAGEMENT**

There are no arrangements or understandings with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a director or member of the senior management.

#### **DETAILS OF SERVICE CONTRACTS**

None of our directors have entered into any service contracts with our company except for acting in their individual capacity as director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company. Executive Directors of our Company are appointed for specific terms and conditions for which no formal agreements are executed, however their terms and conditions of appointment and remuneration are specified and approved by the Board of Directors and Shareholders of the Company, wherever required.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of or retirement from employment.

#### **BORROWING POWER OF THE BOARD**

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on February 03, 2021 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of 100 Crores.

#### **APPOINTMENT TERMS, COMPENSATION AND BENEFITS TO THE EXECUTIVE DIRECTORS ARE**

**AS FOLLOWS: -**

Name	Mr. Lokendra Singh Rajput
Designation	Chairman and Managing Director
Period	Appointed for 5 years w.e.f. January 25, 2021
Date of approval of shareholder	February 03, 2021.
Remuneration	₹ 2,00,000.00 per month
Perquisite	<ul style="list-style-type: none"> <li>• Dearness Allowance, Bonus and Gratuity as per accounting policy and determination of the Board;</li> <li>• Provident Fund;</li> <li>• Benefits, perquisites, and allowances;</li> <li>• Provision of Car along with driver for official purpose and such driver's remuneration/expenses as fixed/ approved by the Board shall be reimbursed to him, if not provided with Company's driver;</li> <li>• Free usage of company's mobile phone and telephone at his residence;</li> <li>• Reimbursement of medical expenses incurred for himself and family subject to ceiling of one month's salary in a year or three month's salary over a period of 3 years;</li> <li>• Actual leave travel expenses in accordance with the rules laid down by the Company, excluding hotel and food charges in a year to any place in India, including self and family.</li> </ul>

Name	Ms. Rashmi Rajput
Designation	Executive Director
Period	-
Date of approval of shareholder	June 30, 2023.
Remuneration	₹ 2,00,000.00 per month
Perquisite	<ul style="list-style-type: none"> <li>• Dearness Allowance, Bonus and Gratuity as per accounting policy and decided by board.</li> <li>• Provident Fund: Company's contribution to provident fund to the extent the same is not taxable under the Income Tax Act, 1961;</li> <li>• Benefits, Perquisites and Allowances:</li> <li>• Provision of a Car with driver for official purposes and such driver's remuneration/expenses as fixed/approved by the Board shall be reimbursed to her, if he is not provided with Company's driver.</li> <li>• Free use of Company's mobile phone and telephone at her residence.</li> <li>• Reimbursement of medical expenses incurred for herself and family subject to ceiling of one month's salary in a year or three month's salary over a period of 3 years.</li> <li>• Actual leave travel expenses in accordance with the rules laid down by the Company, excluding hotel and food charges in a year to any place in India, including self and family.</li> </ul>

**SITTING FEES**

Our Independent Directors are entitled to be paid sitting fees of such sum as may be decided by the Board of Directors which shall not exceed ₹ 1,00,000/- (Rupees One Lakh Only) per meeting of the Board or Committee thereof, attended by such Director.

**BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS**

There is no bonus or profit-sharing plan for the Directors of our Company.

#### CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS

No Director has received or is entitled to any contingent or deferred compensation.

**Note: No portion of the compensation as mentioned above was paid pursuant to a bonus or profit-sharing plan.**

#### SHAREHOLDING OF DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a director is not required to hold any shares in our Company to qualify him for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares Held	% of pre-issue paid-up Equity Share capital in our Company
1	Mr. Lokendra Singh Rajput	78,33,177	55.28
2	Mr. Rashmi Rajput	47,81,193	33.74

#### INTEREST OF DIRECTORS

Our directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them as per the applicable laws.

Our directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares. One of our seed processing unit and warehouse is owned by our Promoter Directors, Mr. Lokendra Singh Rajput and Ms. Rashmi Rajput, and are taken on long term lease/ rent as per the details below:

Name of the Promoter	Address of the Property Rented	Purpose	Period
Mr. Lokendra Singh Rajput	Survey No. 262 Gram Jaithal Near Bharat Petrol Pump, Agar Road Ujjain, Madhya Pradesh, India	Processing Unit	18 years Lease, expiring on May 31, 2038
Ms. Rashmi Rajput	Survey No. 261, Near Bharat Petrol Pump, Jaithal, Ujjain, Madhya Pradesh, India	Warehouse	Rented August 01, 2023 to June 30, 2024.

For further details, please refer to the chapter titled “Business Overview” at page the Draft Red Herring Prospectus.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees. Except as disclosed in “Financial Information” and “Our Promoters and Promoter Group” on page numbers 183 and 174 respectively of this Draft Red Herring Prospectus, our directors are not interested in any other company, entity or firm. Save and except as stated otherwise in “Related Party Transaction” in the chapter titled “Financial Information” beginning on page number 183 of this Draft Red Herring Prospectus, our directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus.

Our directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

Our directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members,

partners and promoters, pursuant to this Issue. Our directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Directors himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

### Interest in the property of Our Company

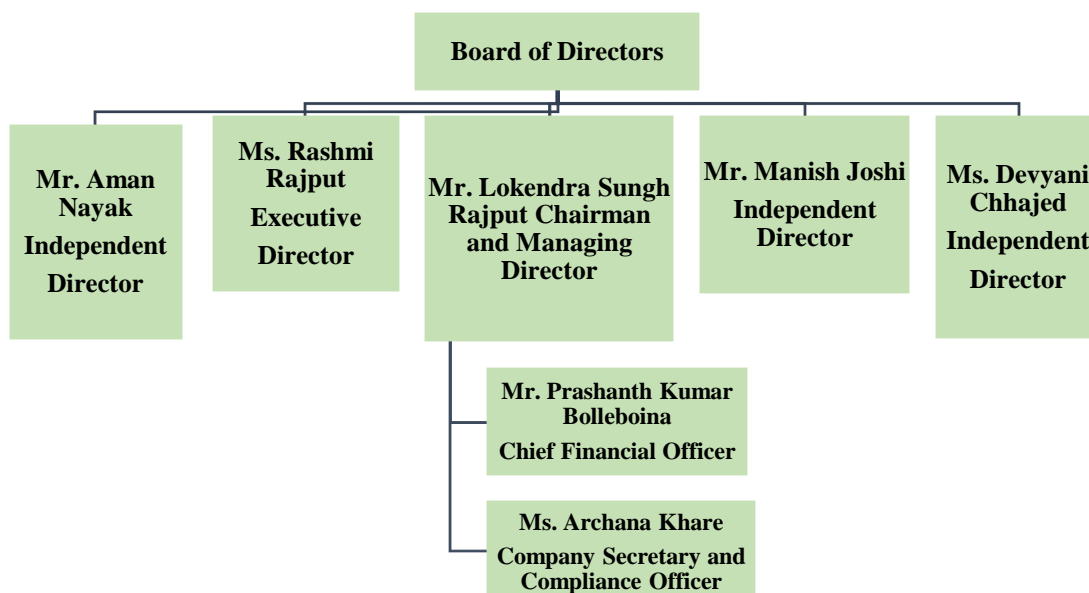
Except as disclosed in this Draft Red Herring Prospectus, our directors do not have any interest in any property acquired or proposed to be acquired by our Company or of our Company.

### CHANGES IN THE BOARD FOR THE LAST THREE YEARS

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

Name of the Director	Date of Event	Nature of Event	Reason for Change
Mr. Lokendra Singh Rajput.	February 03, 2021	Change in designation	Appointed as Managing Director
Mr. Mithun Bhatt	February 03, 2021	Appointment	Appointed as an Independent Director
Mr. Avinash Khare	February 03, 2021	Appointment	Appointed as an Independent Director
Mr. Mithun Bhatt	April 07, 2023	Cessation	Resignation
Mr. Avinash Khare	April 07, 2023	Cessation	Resignation
Mr Aman Nayak	September 23, 2023	Appointment	Appointed as an Independent Director
Mr Manish Joshi	September 23, 2023	Appointment	Appointed as an Independent Director
Ms. Pushpa Rajput	March 28, 2024	Cessation	Resignation
Ms. Devyani Chhajed	April 15, 2024	Appointment	Appointment as Additional Independent Director

### MANAGEMENT ORGANIZATION CHART



### CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges.



As on date of this Draft Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, the requirements specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 are not applicable to our Company, although we are required to comply with requirement of the Companies Act, 2013 wherever applicable.

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee

#### **AUDIT COMMITTEE**

The Audit Committee was re-constituted vide Board resolution dated April 15, 2024, pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Audit Committee comprises of:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Aman Nayak	Chairman	Independent Director
Ms. Manish Joshi	Member	Independent Director
Mr. Lokendra Singh Rajput	Member	Chairman and Managing Director

The Company Secretary and Compliance Officer of our Company shall act as a secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements.

The scope and function of the Audit Committee and its terms of reference shall include the following:

#### **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.

#### **Quorum and meetings of the Audit Committee**

The Audit Committee shall meet at least four (4) times in a year and not more than one hundred twenty (120) days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the Audit Committee, whichever is higher but there shall be presence of minimum two Independent Directors at each meeting.

#### **Role and Powers**

The role of Audit Committee together with its powers as Part C of Schedule II of SEBI (LODR) Regulations and Companies Act, 2013 shall be as under:

- a) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- b) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c) Examination and reviewing of the financial statement and the auditors' report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-Section (3) of Section 134 of the Act;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management
  - iv. Significant adjustments made in the financial statements arising out of audit findings
  - v. Compliance with listing and other legal requirements relating to financial statements



- vi. Disclosure of any related party transactions
  - vii. Qualifications in the draft audit report
- d) Examination and reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - e) Approval or any subsequent modification of transactions of the Company with related parties
  - f) Scrutiny of inter-corporate loans and investments
  - g) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - h) Evaluation of internal financial controls and risk management systems;
  - i) Monitoring the end use of funds raised through public offers and related matters;
  - j) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - k) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - l) 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;
  - m) Discussion with internal auditors of any significant findings and follow up thereon;
  - n) 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;
  - o) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - p) Look 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;
  - q) Approval of appointment of Chief Financial Officer (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. Of the candidate;
  - r) Reviewing the Management discussion and analysis of financial condition and results of operations;
  - s) Reviewing the Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - t) Reviewing the Internal audit reports relating to internal control weaknesses;
  - u) Reviewing the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
  - v) Reviewing the functioning of the Whistle Blower mechanism;
  - w) Reviewing/ redressal of complaint/s under the Sexual Harassment of Women at Workplace (Prohibition, Prevention & Redressal) Act, 2013;
  - x) Establishment of a vigil mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy in such manner as may be prescribed, which shall also provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases;
  - y) Such other functions/ activities as may be assigned/ delegated from time to time by the Board of Directors of the Company and/ or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and SEBI (LODR) Regulations.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee was re-constituted at a meeting of the Board of Directors held on April 15, 2024. As on the date of this Draft Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Manish Joshi	Chairperson	Independent Director
Mr. Aman Nayak	Member	Independent Director
Ms. Devyani Chhajed	Member	Additional Independent Director

The Company Secretary and Compliance Officer 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:

## **Tenure**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

## **Quorum and meetings of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee shall meet as and when the need arises 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. The Chairperson of the Nomination and Remuneration Committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

### **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 remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- 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 of Directors their appointment and removal and shall carry out evaluation of every director's performance;
- Determining, reviewing and recommending to the Board, the remuneration of the Company's Managing/ Joint Managing/ Deputy Managing/ Whole time/ Executive Director(s), including all elements of remuneration package;
- To ensure that the relationship of remuneration to perform is clear and meets appropriate performance benchmarks.
- Formulating, implementing, supervising and administering the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines;
- Carrying out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities.

## **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee has been re-constituted by the Board of Directors at the meeting held on November 20, 2023. As on the date of this Draft Red Herring Prospectus the Stakeholders' Relationship Committee comprises of:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Aman Nayak	Chairperson	Independent Director
Mr. Manish Joshi	Member	Independent Director
Ms. Rashmi Rajput	Member	Executive Director

The Company Secretary and Compliance Officer of our Company shall act as a Secretary to the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

## **Tenure**

The Stakeholders 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 Stakeholders Relationship Committee as approved by the Board.

## **Quorum and meetings of the Stakeholders Relationship Committee**

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. The Stakeholder Relationship Committee shall meet at least at least one time in a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received

from the shareholders of the Company. Since the formation of the Stakeholders Relationship Committee, no Stakeholders Relationship Committee meetings have taken place.

### Terms of Reference

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Stakeholders Relationship Committee include the following:

- (a) Considering and resolving the grievance of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- (b) Such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Act read with SEBI (LODR) Regulations.

### Compliance with SME Listing Regulations

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on Emerge Platform of NSE.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has been re-constituted by the Board of Directors at the meeting held on April 15, 2024. As on the date of this Draft Red Herring Prospectus the Stakeholders' Relationship Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Lokendra Singh Rajput	Chairman	Chairman and Managing Director
Ms. Rashmi Rajput	Member	Executive Director
Mr. Manish Joshi	Member	Non-Executive and Independent Director

### Functions of CSR Committee-

CSR Committee was constituted by the Board of Directors on April 15, 2024, with following functions assigned:

- a) To formulate and recommend a CSR Policy indicating the activities to be undertaken by the company in areas or subject specified in Schedule VII to the Act;
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c) To formulate and recommend an annual action plan in pursuance of CSR Policy covering the following aspects:
  - i. The list of approved CSR projects or programs to be undertaken in areas or subjects specified in Schedule VII to the Act;
  - ii. The manner of execution of such projects or programs as specified in rule 4(1) of CSR Rules;
  - iii. The modalities of utilization of funds and implementation schedules for the projects or programs;
  - iv. Monitoring and reporting mechanism for the projects or programs; and
  - v. Details of need and impact assessment, if any, for the projects undertaken by the company;
  - vi. Recommend changes to the Board, if any, needed in the annual action plan with reasonable justification to that effect.
- vii. To monitor the CSR Policy as approved by the Board from time to time.

The CSR Committee should recommend the approach and direction of CSR activities to be undertaken by the company and also provide Guiding principles for:

- i. Selection of CSR projects / programs / activities
- ii. Implementation of CSR projects/ programs / activities
- iii. Monitoring of CSR projects / programs / activities
- iv. Formulation of the annual action plan.

## KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Mr. Lokendra Singh Rajput, Chairman and Managing Director; Mr. Prashanth Kumar Bolleboina, Chief Financial Officer and Ms. Archana Khare, Company Secretary & Compliance Officer are the Key Managerial Personnel and senior management of our Company as defined in Section 2(51) of the Companies Act, 2013.

All the Key Management Personnel and senior management are permanent employees of our Company.

## BRIEF PROFILE OF OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The Key Managerial Personnel and Senior Management of our Company other than our executive directors are as follows: -

Name, Designation and Date of Joining	Qualification	Previous Employment	Overall Experience	Remuneration paid in previous year (2022-23) (INR)
<b>Mr. Lokendra Singh Rajput</b> Chairman and Managing Director	B.SC.(Agriculture), Master of Business Administration and Diploma in Export Management.	-	17 Years Experience	24,00,000.00
<b>Ms. Archana Khare</b> Company Secretary and Compliance Officer Appointed on April 21, 2022.	Company Secretary	Archana Maheshwari & Co.	13 years' experience in Corporate Law and other compliance activities	2,54,000.00
<b>Mr. Prashanth Kumar Bolleboina</b> Chief Financial Officer Appointed on November 20, 2023	Masters of Business Administration in Finance	Kanyaka Parmeswari Oils Private Limited	8 years' experience in Business Administration	-

### Notes:

- All of our Key Managerial Personnel and senior management mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel was selected as a director or member of senior management.
- None of our Key Managerial Personnel and senior management has been granted any benefits in kind from our Company, other than their remuneration.
- None of our Key Managerial Personnel and senior management has entered into any service contracts with our company. Further, no benefits are granted upon their termination from employment other than statutory benefits provided by our company.

## FAMILY RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

None of the KMP and senior management of the Company are related to each other or to any other Director.

## BONUS AND/ OR PROFIT-SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Our Company does not have any bonus and / or profit-sharing plan for the key managerial personnel and senior management.

## CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

None of our Key Managerial Personnel and senior management has received or is entitled to any contingent or deferred compensation.

#### SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Except as stated below, none of our Key Managerial Personnel and senior management is holding any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Director	No. of Equity Shares Held	% of pre-issue paid-up Equity Share capital in our Company
1	Mr. Lokendra Singh Rajput	78,33,177	55.28
2	Ms. Archana Khare	-	-
3	Mr. Prashant Kumar Bolleboina	-	-

#### INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

None of our key managerial personnel and senior management have any interest in our Company other than to the extent of the shares held in the company, remuneration or benefits to which they are entitled to as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business.

#### CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT DURING THE LAST THREE YEARS

Following have been the changes in the Key Managerial Personnel during the last three years:

Sr. No.	Name of the Key Managerial Personnel	Date of Event	Nature of Event	Reason
1	Ms. Srishti Jain	January 25, 2021	Appointment	Appointed as Company Secretary.
2	Mr. Lakhan Jaiswal	January 25, 2021	Appointment	Appointed as Chief Financial Officer.
3	Ms. Srishti Jain	October 25, 2021	Resignation.	-
4	Ms. Komal Peshwani	October 25, 2021	Appointment	Appointed as Company Secretary.
5	Ms. Komal Peshwani	February 11, 2022	Resignation	-
6	Ms. Archana Khare	April 21, 2022	Appointment	Appointed as Company Secretary and Compliance Officer of the Company.
7	Mr. Lakhan Jaiswal	July 06, 2022	Resignation	-
8	Mr. Roopesh Neema	July 06, 2022	Appointment	Appointed as Chief Financial Officer.
9	Mr. Roopesh Neema	May 12, 2023	Resignation	-
10	Mr. Prashanth Kumar Bolleboina	November 20, 2023	Appointment	Appointed as Chief Financial Officer.

Note: Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

#### SCHEME OF EMPLOYEE STOCK OPTIONS OR EMPLOYEE STOCK PURCHASE

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

#### LOANS TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Except as provided in restated financial statement in the chapter “*Financial Information*” beginning on page number 183 of the Draft Red Herring Prospectus, there are no loans outstanding against the key managerial personnel as on the date of this Prospectus.

#### PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled “*Financial Information*” and the chapter titled “*Business Overview*” beginning on page numbers 183 and 121 of this Draft Red Herring Prospectus, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Red Herring Prospectus.

#### **RETIREMENT BENEFITS**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.


## OUR PROMOTERS

The Promoters of our Company are:


Sr. No.	Name	Category	Shareholding (pre-Issue)
1	Mr. Lokendra Singh Rajput	Individual Promoter	78,33,177
2	Ms. Rashmi Rajput	Individual Promoter	47,81,193

For details of the Capital build-up of our Promoters in our Company, see chapter titled “Capital Structure” beginning on page number 73 of this Draft Red Herring Prospectus.

The details of our Promoters are as follows:

Mr. Lokendra Singh Rajput	
	<p>Mr. Lokendra Singh Rajput aged 46 years is the Managing Director of the Company. He has completed his Bachelor of Science in Agriculture from Jawaharlal Nehru Krishi Vishwa Vidyalaya, Jabalpur in the year 2001. Further he has pursued Diploma in Export Management from National Institute of Export Management, Chennai in the year 2002 completed his Master of Business in Administration from Devi Ahilya Vishwavidyalaya, Indore in the year 2004. Under his dynamic leadership, he has taken the Company to its optimized Zone by achieving the awards of “Fastest Growing Indian Company Excellence Award” by Indian Economic Development &amp; Research Association, “Outstanding Achievement Award for Business Excellence” on the occasion of 10th International Achievers Summit on Global Corporate Achievements and Social Responsibilities for his entrepreneurship. He has been associated with the Company since its inception as a promoter and non-executive director. Thereafter his designation was changed to Managing Director of the company w.e.f. January 25, 2021. He is responsible for the overall working of the Company and is instrumental in making strategic decisions for the Company.</p> <p>For the complete profile of Mr. Lokendra Singh Rajput, along with details of his educational qualifications, professional experience, directorships held, see “Our Management” on page number 159</p>
<b>Date of Birth</b>	October 01, 1977
<b>Nationality</b>	Indian
<b>PAN</b>	AGWPR3681A
<b>Qualification</b>	B.SC. (Agriculture), Master of Business Administration and Diploma in Export Management.
<b>Directorships Held</b>	LSR Agro Industries Private Limited
<b>No. of Equity Shares &amp; % of Shareholding (Pre-Offer)</b>	78,33,177 Equity Shares of ₹ 10.00 each; 55.28% of Pre- Issue Paid up capital
<b>Other ventures</b>	<b>Partnership Firm:</b> Vardaan Agro Industries <b>HUF:</b> Lokendra Singh Rajput HUF.
<b>Position/posts held in the past</b>	He was appointed as the first director of the Company on December 20, 2007. He tendered his resignation from the Company on February 15, 2019, and was subsequently reinstated as a Director of the Company on May 25, 2019. Currently he is acting as the Managing Director of the Company w.e.f. January 25, 2021.
<b>Residential Address</b>	A-9/14, Basant Vihar, Indore Road, Ujjain, Ujjain, Madhya Pradesh - 456 010, India



Ms. Rashmi Rajput	
	<p>Ms. Rashmi Rajput, aged 48 years, is an Executive Director of the Company. She has completed her Bachelors in Science in the year 1997 from Jiwaji University, Gwalior and Bachelors as well as Masters in Library and Information Science in the year 1998 and 1999 respectively from Government Maharani Laxmibai Arts and Commerce an Autonomous College, Gwalior, Madhya Pradesh. She is a Versatile Woman Entrepreneur and has taken the company to its height by achieving “Women Entrepreneur Excellence Award” on the Occasion of 10th International Achiever Summit held at Bangkok, Thailand. She is associated with the Company since its inception as promoter and non-executive director. Thereafter her designation was changed to Executive director w.e.f. November 01, 2021.</p> <p>For complete profile of Rashmi Rajput, along with details of his educational qualifications, professional experience, directorships held, see “Our Management” on page number 159</p>
<b>Date of Birth</b>	March 31, 1976
<b>Nationality</b>	Indian
<b>PAN</b>	AIVPR5412N
<b>Qualification</b>	Bachelor of Science, Bachelor of Library and Information Science and Master of Library & Information Science
<b>Directorships Held</b>	LSR Agro Industries Private Limited
<b>No. of Equity Shares &amp; % of Shareholding (Pre-Offer)</b>	47,81,193 Equity Shares of ₹ 10.00 each; 33.74% of Pre- Issue Paid up capital
<b>Other ventures</b>	<p><b>Partnership Firm:</b> Vardaan Agro Industries</p> <p><b>HUF:</b> Lokendra Singh Rajput HUF</p>
<b>Position/posts held in the past</b>	She was appointed as the first director of the Company on December 20, 2007. Presently she is acting as the Executive Director of the Company w.e.f. November 01, 2021.
<b>Residential Address</b>	A-9/14, Basant Vihar, Indore Road, Ujjain, Ujjain, Madhya Pradesh - 456 010, India

## DECLARATION

We declare and confirm that the details of the Permanent Account Numbers, Bank Account Numbers, Passport Numbers, Aadhaar Card Number and Driving License Number of our Promoters are being submitted to the NSE, on which the specified securities are proposed to be listed along with filing of this Draft Red Herring Prospectus with the Stock Exchange.

## CHANGE IN THE CONTROL OF THE ISSUER IN LAST FIVE YEARS

Except as mentioned in the chapter titled “*Capital Structure - Details of shareholding of our Promoter and members of the Promoter Group in our Company*”, beginning on page number 73 of this Draft Red Herring Prospectus, there has not been any change in the control in the last five years.

## INTEREST OF PROMOTERS

Except as stated in “*Annexure –IX – Statement of Related Parties and details of Related Party Transactions*” beginning from page number 183 of this Draft Red Herring Prospectus and to the extent of compensation, remuneration/ sitting fees to be paid, Perquisites to be given, reimbursement of expenses to be made in accordance with their respective terms of appointment and to the extent of their shareholding and benefits, if any, arise on the shareholding, our Promoters do not have any other interest in our business.

Further, our Promoters may be deemed to be interested to the extent of the payments made by our Company, if any, to the Group entities and payment to be made by our Company to the Group Entities. For the payments that are made



by our Company to certain Group entities, please refer “*Annexure –IX – Statement of Related Parties and details of Related Party Transactions*” beginning from page number 183 of this Draft Red Herring Prospectus. We have entered into lease/ rent agreements with our Promoters Mr. Lokendra Singh Rajput and Ms. Rashmi Rajput as per the details below:

Name of the Promoter	Address of the Property Rented	Purpose
Mr. Lokendra Singh Rajput	Survey No. 262, Gram Jaithal Near Bharat Petrol Pump, Agar Road Ujjain, Madhya Pradesh.	Processing Unit
Ms. Rashmi Rajput	Survey No. 261, Gram Jaithal Near Bharat Petrol Pump, Agar Road Ujjain, Madhya Pradesh.	Warehouse

For further details, please refer to the chapter titled “Business Overview” on page number 121 of the Draft Red Herring Prospectus.

Our Company has not acquired any property in the preceding three years before filing of this Draft Red Herring Prospectus.

Further, Our Promoters, Directors or Group Companies do not have any interest in any property to be acquired by our Company till the date of this Draft Red Herring Prospectus.

Except as otherwise stated in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding three years from the date of this Draft Red Herring Prospectus in which Promoters is directly or indirectly interested.

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

#### **PAYMENT OF BENEFITS TO OUR PROMOTERS AND PROMOTER GROUP DURING THE LAST TWO YEARS**

Save and except as disclosed under “*Statement of Related Parties and details of Related Party Transactions*”, as Restated appearing as Annexure IX on page number 183 of the section titled “*Financial Information*” beginning on page number 183 of the Draft Red Herring Prospectus, there has been no Payment or benefit to promoters during the two (2) years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus.

#### **EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled “*Our Management*” beginning on page number 159 of this Draft Red Herring Prospectus.

#### **CONFIRMATIONS**

Our Company and Promoters confirmed that they have not been declared as wilful defaulters or Fraudulent Borrowers by the RBI or by any other government authority and there are no violations of securities laws committed by them in the past or are currently pending against them or restraining period are continued.

Further, our Promoters and / or Promoters group have not been directly or indirectly, debarred from accessing the capital market or have not been restrained by any regulatory authority, directly or indirectly from acquiring the securities.

Additionally, our Promoters and / or Promoters group do not have direct or indirect relation with the companies, its Promoters and whole-time director, which are compulsorily delisted by any recognized stock exchange or the companies which is debarred from accessing the capital market by the Board. Also, our Promoters are not a fugitive economic offender.

We and Our Promoters, Group Entities, and Companies promoted by the Promoters confirm that:

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against us.
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during the past three years.

- c. The details of outstanding litigation including its nature and status are disclosed in the section title “*Outstanding Litigation and Material Developments*” appearing on page number 221 of this Draft Red Herring Prospectus.

#### **DISASSOCIATION OF PROMOTERS IN THE LAST THREE YEAR**

None of our Promoters have disassociated themselves from any Company or Firm during the preceding three years.

#### **RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS**

Our Promoters are the part of our Board of Directors as Managing Directors, Executive Director, and/or Directors. Following Promoter(s) are related to our Company’s Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

<b>Name of the Promoter</b>	<b>Name of the Relative</b>	<b>Relationship with the Director</b>
Mr. Lokendra Singh Rajput	Ms. Rashmi Rajput	Spouse
Ms. Rashmi Rajput	Mr. Lokendra Singh Rajput	Spouse

## OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 is as under:

### A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations, 2018 forms part of our Promoter Group:

Name of our Promoters	Name of the Relatives	Relationship with the Relative
Mr. Lokendra Singh Rajput	Father	Mr. Hari Singh Rajput
	Mother	Ms. Pushpa Rajput
	Spouse	Ms. Rashmi Rajput
	Brother(s)	Late Mr. Gajendra Singh Rajput Mr. Bhupendra Singh Rajput
	Sister	Nil
	Son	Mr. Samar Pratap Singh Rajput
	Daughter	Ms. Tanushka Singh Rajput
	Spouse's Father	Mr. Gajendra Yadav
	Spouse's Mother	Ms. Maya Devi Yadav
	Spouse's Brother	Mr. Aakash Singh
	Spouse's Sister(s)	Ms. Kirti Rajput
		Ms. Pratibha Rajput
		Ms. Manisha Rajput
Ms. Rashmi Rajput	Father	Late Mr. Gajendra Yadav
	Mother	Ms. Maya Devi Yadav
	Spouse	Mr. Lokendra Rajput
	Brother	Mr. Aakash Singh
	Sister(s)	Ms. Kirti Rajput
		Ms. Pratibha Rajput
		Ms. Manisha Rajput
	Son	Mr. Samar Pratap Rajput
	Daughter	Ms. Tanushka Singh Rajput
	Spouse's Father	Mr. Hari Singh Rajput
	Spouse's Mother	Ms. Pushpa Rajput
	Spouse's Brother(s)	Late Mr. Gajendra Singh Rajput Mr. Bhupendra Singh Rajput
		Nil

### B. Companies related to our Promoter Company: Not Applicable

Nature of Relationship	Name of Entities
Subsidiary or holding company of Promoter Company.	Not Applicable
Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	Not Applicable

### C. Companies, partnership, HUF and proprietorship firms forming part of our Promoter Group are as follows:

Particulars	Name of Entity
Any Body corporate in which 20% or more of the share capital is held by the promoters or an	LSR Agro Industries Private Limited

immediate relative of the promoters or a firm or Hindu Undivided Family (HUF) in which the promoters or any one or more of his immediate relative is a member.	
Any company in which a company (mentioned above) holds 20% of the total holding	None
Any HUF or firm in which the aggregate share of the promoters and his immediate relatives is equal to or more than 20% of the total holding	Vardaan Agro Industries (Partnership Firm) Lokendra Singh Rajput HUF

**All persons whose shareholding is aggregated pursuant to Regulation 2(1)(pp)(v) of the SEBI (ICDR) Regulations, 2018 for the purpose of disclosing in the Draft Red Herring Prospectus under the heading “shareholding of the promoter group”**

Sr. No.	Names of Individuals
1	Ms. Pushpa Rajput
2	Mr. Hari Singh Rajput
3	Mr. Samar Pratap Singh Rajput
4	Ms. Tanushka Singh
5	Mr. Bhoopendra Singh Rajput

#### **GUARANTEES**

Except as stated in the section titled "*Financial Statements*" beginning on page number 183 of this Draft Red Herring Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

For further details on our Group Companies refer Chapter titled "*Our Group Companies/Entities*" beginning on page number 180 of this Draft Red Herring Prospectus.

## OUR GROUP ENTITIES

In terms of the SEBI (ICDR) Regulations, the term “group companies”, includes:

- i. such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and
- ii. any other companies considered material by the Board of Directors of the relevant issuer company.

Accordingly, for (ii) above, all such companies (other than our Subsidiaries) with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI (ICDR) Regulations. For the purpose of avoidance of doubt and pursuant to regulation 2(1)(t) of SEBI (ICDR) Regulations, 2018 it is clarified that our Subsidiaries will not be considered as Group Companies.

In terms of the SEBI (ICDR) Regulations and in terms of the policy of materiality defined by the Board of Directors pursuant to its resolution dated February 20, 2024, our Group Companies includes:

Those companies disclosed as having related party transactions in accordance with Accounting Standard (“**AS 18**”) issued by the Institute of Chartered Accountants of India, in the Restated Financial Statements of the Company for the last three financial years.

Accordingly, in accordance with the SEBI ICDR Regulations and the terms of the Materiality Policy for identification of the group companies, our Company does not have any group company as on the date of this Draft Red Herring Prospectus.

## **RELATED PARTY TRANSACTION**

For details on related party transactions of our Company, please refer to Annexure 24 of Restated Financial Statements on page number 183 the section titled “Financial Statement” beginning on page number 183 of this Draft Red Herring Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. However, Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

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.

Our Company has not declared and/or paid any dividend on Equity Shares since its incorporation.

**SECTION VI – FINANCIAL STATEMENTS**  
**RESTATED FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR’S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION**

To  
The Board of Directors  
Vardaan Biotech Limited

Dear Sirs,

1. We have examined the attached Restated Financial Information of [Vardaan Biotech Limited] (Formerly known as [Vardaan Biotech Private Limited]) (the “Company” [or the “Issuer”]), comprising the Restated Statement of Assets and Liabilities as at [December 31, 2023, March 31, 2021, 2022 and 2023], the Restated Statements of Profit and Loss, the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the [nine month period ended December 31, 2023 and for the years ended March 31, 2021, 2022 and 2023], the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on March 22, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”)] prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”) to be filed with Securities and Exchange Board of India (“SEBI”), National Stock Exchange of India Limited (“NSE”) and Registrar of Companies (Madhya Pradesh) in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV (A) to the Restated Financial Information. The Board of Directors of the Companies responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Financial Information taking into consideration,
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated March 19, 2024 in connection with the proposed IPO of equity shares of the Issuer/[Company];
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.



4. These Restated Financial Information have been compiled by the management from, audited financial statements of the Company as at December 31, 2023 and for the years ended March 31, 2021, 2022 and 2023 prepared in accordance with the Accounting Standards (Indian GAAP) which have been approved by the Board of Directors at their meeting held on March 22, 2024. The financial statements of the Company for the year ended March 31, 2021, 2022 and 2023 have been audited by M/s. S.K. Khandelwal & Associates., Chartered Accountants, and the financial statements of the Company for the period ended December 31, 2023 have been audited by us.
5. For the purpose of our examination, we have relied on:
  - a) Auditors' reports issued by us dated March 18, 2024 on the financial statements as at and for the nine-month period ended December 31, 2023 and
  - b) Auditors' Report issued by the previous auditor dated August 11, 2021, September 02, 2022 and September 24, 2023 financial statements as at and for the years ended March 31, 2021, 2022, and 2023 respectively. The audits for the financial years ended March 31, 2021, 2022 and 2023 were conducted by the Company's previous auditors, M/s S.K. Khandelwal & Associates, (the "Previous Auditors"), and accordingly reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and (collectively, the "2021, 2022 and 2023 Restated Financial Information") examined by them for the said years. The examination report included for the said years is based solely on the report submitted by the Previous Auditors. They have also confirmed that the 2021, 2022 and 2023 Restated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended March 31, 2023 to reflect same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine-month period December 31, 2023.
6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:
  - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, 2022 and 2023 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine-month period ended December 31, 2023.
  - b) Have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
7. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements.
8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited ("NSE") and Registrar of Companies (Madhya Pradesh), in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

11. In our opinion, the financial information contained in Annexure I to Annexure III of this report read with the respective Significant Accounting Policies and Notes to Accounts and Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

**For M. Borar & Co.**  
**Chartered Accountants**  
**FRN- 314255E**

**Sd/**  
**CA. Swarnim Gupta**  
**Partner**  
**M. No. 430914**  
**UDIN: 24430914BKHMYR4096**

**Date: March 22, 2024**  
**Place: Indore**

(in Lakhs)

ANNEXURE 1 - RESTATED STATEMENT OF ASSETS AND LIABILITIES				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	900.00	900.00	300.00	300.00
(b) Reserves and surplus	2512.81	1160.62	623.64	198.12
<b>2. Non-current liabilities</b>				
(a) Long-term borrowings	1247.58	333.14	242.84	224.14
(b) Other Long Term Liabilities	44.88	55.81	56.63	427.91
(c) Deferred tax liabilities (Net)	22.00	22.00	17.03	10.69
(d) Long Term Provisions	6.50	6.50	6.50	3.01
<b>3. Current liabilities</b>				
(a) Short-term borrowings	1739.71	1837.94	1977.59	1060.73
(b) Trade payables	414.23	644.99	356.04	353.67
(c) Short-term provisions	946.27	492.79	138.98	0.47
(d) Other current liabilities	741.61	1026.51	1262.02	1069.65
<b>TOTAL</b>	<b>8575.58</b>	<b>6480.32</b>	<b>4981.26</b>	<b>3648.38</b>
<b>II. ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and Equipment				
Tangible assets	358.72	352.49	364.37	337.93
Intangible assets	0.13	0.16	0.21	0.31
Capital Work In Progress	122.59	104.75	73.82	46.95
(b) Other non-current assets	23.62	37.15	49.75	3.71
<b>2. Current assets</b>				
(a) Inventories	3366.59	4211.89	3923.97	2363.13
(b) Trade receivables	3383.55	1594.28	401.66	726.86
(c) Cash and cash equivalents	19.04	6.14	23.76	51.54
(d) Short-term loans and advances	1263.51	124.44	72.09	54.49
(e) Other current assets	37.84	49.05	71.63	63.46
<b>TOTAL</b>	<b>8575.58</b>	<b>6480.32</b>	<b>4981.26</b>	<b>3648.38</b>

(in Lakhs)

ANNEXURE 2 - RESTATED STATEMENT OF PROFIT AND LOSS				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
I. Revenue from operations	11026.86	13005.06	10308.95	8457.84
II. Other income	42.21	11.80	29.34	7.30
<b>III. Total Revenue (I + II)</b>	<b>11069.07</b>	<b>13016.86</b>	<b>10338.29</b>	<b>8465.14</b>
<b>IV. Expenses</b>				
Cost of Material Consumed	7557.77	10365.16	9119.65	8043.30
Changes in inventories of finished goods	845.30	-287.92	-1560.84	-1295.63
Employee benefits expense	228.71	301.46	304.24	184.71
Finance costs	156.42	290.53	250.12	102.23
Depreciation and amortization expense	18.73	19.35	20.96	14.24
Other expenses	459.22	786.03	1625.36	1261.37
<b>Total expenses</b>	<b>9266.16</b>	<b>11474.61</b>	<b>9759.49</b>	<b>8310.22</b>
<b>V. Profit before exceptional, extraordinary items and tax (III-IV)</b>	1802.91	1542.25	578.80	154.93
VI. Exceptional items	0.00	0.00	0.00	0.00
<b>VII. Profit before extraordinary items</b>	1802.91	1542.25	578.80	154.93
VIII. Extraordinary Items	0.00	0.00	0.00	0.00
<b>IX. Profit before tax (VII-VIII)</b>	1802.91	1542.25	578.80	154.93
X. Tax expense:				
1. Current tax	450.73	400.30	146.94	39.30
2. Deferred tax	0.00	4.97	6.34	5.26
3. Interest on Income Tax	0.00	0.00	0.00	0.00
<b>XI. Profit/(loss) for the period from continuing operations (VII-VIII)</b>	1352.18	1136.98	425.52	110.37
XII. Profit/(loss) from discontinuing operations	0.00	0.00	0.00	0.00
XIII. Tax expense of discontinuing operations	0.00	0.00	0.00	0.00
<b>XIV. Profit/(loss) from discontinuing operations (XII-XIII)</b>				
<b>XV. Profit/(loss) for the period (XI-XIV)</b>	<b>1352.18</b>	<b>1136.98</b>	<b>425.52</b>	<b>110.37</b>
XVI Earnings per equity share:				
1. Basic	15.02	12.63	14.18	3.71
2. Basic Adjusted	15.02	12.63	4.73	1.23
3. Diluted	15.02	12.63	4.73	1.23

(in Lakhs)

ANNEXURE 3 - RESTATED CASH FLOW STATEMENT				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Cash flow from operating activities</b>				
Restated Net Profit before tax and extra ordinary items	1802.91	1542.25	578.80	154.93
<b>Adjustment for:</b>				
Depreciation	18.73	19.35	20.96	14.24
Finance Cost	156.42	290.53	250.12	102.23
<b>Operating Profit before working capital changes</b>	<b>1978.06</b>	<b>1852.13</b>	<b>849.88</b>	<b>271.39</b>
<b>Adjustment for:</b>				
(Increase)/Decrease in inventories	845.30	-287.92	-1560.84	-1295.62
(Increase)/Decrease in trade receivables	-1789.27	-1192.62	325.20	-583.23
(Increase)/Decrease in short term Loans and Advances	-1139.07	-52.35	-17.60	1059.64
Decrease/(Increase) in Other Current Assets	11.21	22.58	-8.17	-28.27
Decrease/(Increase) in Non Current Assets	13.53	12.60	-46.05	-3.66
(Decrease)/Increase in Deferred Tax Liabilities(Net)	0.00	4.97	6.34	5.11
(Decrease)/Increase in Long Term Liabilities	-10.93	-0.82	-371.28	415.06
(Decrease)/Increase in Long Term Provisions	0.00	0.00	3.48	3.01
(Decrease)/Increase in Trade Payables	-230.76	288.95	2.37	274.86
(Decrease)/Increase in Short-term Provisions	453.47	353.82	138.50	-11.18
(Decrease)/Increase in Other current liabilities	-284.90	-235.51	192.37	-297.08
<b>Cash generated from operations</b>	<b>-153.37</b>	<b>765.83</b>	<b>-485.78</b>	<b>-189.96</b>
Taxes paid	-450.73	-405.27	-153.28	-44.56
Prior Period Adjustment				
<b>Net Cash From /(Used In ) Operating Activities Activities (A)</b>	<b>-604.10</b>	<b>360.56</b>	<b>-639.06</b>	<b>-234.52</b>
<b>(B) Cash flow from investing activities</b>				
(Purchase)/Sale Of Property, Plant & Equipments	-24.94	-7.42	-47.31	-135.66
Decrease/(Increase) in Capital Work in Progress	-17.84	-30.93	-26.87	-46.95
<b>Net cash flow from investing activities (B)</b>	<b>-42.78</b>	<b>-38.35</b>	<b>-74.18</b>	<b>-182.61</b>
<b>Cash flow from financing activities</b>				
Proceeds from Issue of Shares	0.00	0.00	0.00	167.00

(Decrease)/Increase in Long- term borrowings	-98.23	-139.65	916.86	247.26
(Decrease)/Increase in Short- term borrowings	914.44	90.30	18.70	147.14
Interest and Finance Charges	-156.42	-290.53	-250.12	-102.23
<b>Net cash flow from financing activities (C )</b>	<b>659.78</b>	<b>-339.88</b>	<b>685.45</b>	<b>459.17</b>
<b>Net increase/(decrease) in cash (A)+(B)+(C)</b>	<b>12.90</b>	<b>-17.62</b>	<b>-27.78</b>	<b>42.04</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>6.14</b>	<b>23.76</b>	<b>51.54</b>	<b>9.50</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>19.04</b>	<b>6.14</b>	<b>23.76</b>	<b>51.54</b>

(in Lakhs)

<b>ANNEXURE – IV (A) STATEMENT OF ADJUSTMENT IN THE RESTATED FINANCIAL STATEMENTS</b>				
<b>Particulars</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Net Profit / (loss) after tax as per audited statement of profit & Loss	1352.18	1206.27	451.59	114.77
<b>Adjustments for</b>				
Prior Period Expenses	0.00	0.00	0.00	-0.92
Provision for Gratuity	0.00	-0.61	-1.36	-2.94
Provision for CSR Expenses	0.00	-5.38	0.00	0.00
Provision for Leave Encashment	0.00	0.51	-3.10	-0.54
Income Tax	0.00	0.00	-2.24	0.00
Interest on Income Tax	0.00	-63.81	-19.36	0.00
<b>Net profit /(loss) after tax as restated</b>	<b>1352.18</b>	<b>1136.98</b>	<b>425.52</b>	<b>110.37</b>

**Prior Period Expenses:** The Company has inadvertently recorded sundry balances written back to Reserves & Surplus which has now been reclassified to Other Expenses.

**Income Tax:** The Company has recognised short provision of earlier years which has been eliminated and new income tax liability recognized in the respective years as per the Income Tax Returns filed by the Company.

**Interest on Income Tax:** The Company has inadvertently recorded the interest on late payment of income tax under the provision account. The amount has been correctly recorded in the Finance Cost in the respective years.

**Provision for Gratuity:** The Company has inadvertently not made provision for Gratuity. The Same is now recognized in the restated financials.

**Provision for CSR Expenses:** The Company has not made provision for CSR Expenditure. The Same is now recognized in the restated financials.

**Provision for Leave encashment:** The Company has inadvertently not made provision for encashment. The Same is now recognized in the restated financials.

(in Lakhs)\_

ANNEXURE – IV (B) STATEMENT OF RECONCILIATION OF NETWORTH				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Net worth as audited (a)	3873.88	2159.46	953.19	501.60
Adjustments for				
Opening Balance of Adjustment	-98.83	-29.54	-3.48	0.00
Prior Period Expenses	0.00	0.00	0.00	0.92
Change in Profit	0.00	-69.29	-26.07	-4.40
Closing Balance of Adjustment (b)	-98.83	-98.83	-29.54	-3.48
Net worth Restated (a+b)	3775.05	2060.63	923.65	498.12

**Provision for Gratuity:** Provisions for Gratuity not made by the Company in earlier. The same has now been made.  
**Prior Period Expenses:** The Company has inadvertently recorded sundry balances written back to Reserves & Surplus which has now which has now been reclassified to Other Expenses.

(in Lakhs)

ANNEXURE – 1 RESTATED SUMMARY STATEMENT OF SHARE CAPITAL (AUTHORISED AND PAID-UP)				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>				
Equity Shares of Rs 10/- each	1500.00	1500.00	500.00	500.00
<b>Total</b>	<b>1500.00</b>	<b>1500.00</b>	<b>500.00</b>	<b>500.00</b>
Issued, Subscribed and Fully paid-Up Capital	900.00	900.00	300.00	300.00
<b>Total</b>	<b>900.00</b>	<b>900.00</b>	<b>300.00</b>	<b>300.00</b>

#### Notes 1.1

- (i) The company has only one class of equity share having a par value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees.
- (ii) All Equity Shareholders are eligible to receive dividends in proportion to their shareholdings.
- (iii) The dividends proposed by the Board of Directors are subject to the approval of the Shareholders in the ensuing Annual General Meeting.
- (iv) In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.
- (v) Authorised Share Capital increased from Rs. 5 Crores to Rs. 15 Crores in Financial Year 2022-23.

#### Notes 1.2 Reconciliation of Shares at the beginning and at the end of the year

Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
No of Equity Shares outstanding at the beginning of the year	9000000.00	3000000.00	3000000.00	1330000.00
Add: Right Shares issued	0.00	0.00	0.00	194186.00
Add: Bonus Shares issued	0.00	6000000.00	0.00	1475814.00
Add: Equity Shares Issued	0.00	0.00	0.00	0.00

No of Equity Shares outstanding at the end of the year	9000000.00	9000000.00	3000000.00	3000000.00
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**Notes 1.3 Details of Shareholding more than 5% share in the Company**

Particulars	As at December 31, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Lokendra singh Rajput	53,12,118	59.02%	53,12,118	59.02%	11,34,414	37.81%	5,05,000	37.97%
Smt Pushpa Rajput	300	0.00%	300	0.00%	6,36,392	21.21%	5,45,000	40.98%
Smt Rashmi Rajput	31,87,462	35.42%	31,87,462	35.42%	12,29,154	40.97%	2,80,000	21.05%
Shri Anshul Laxkar	5,00,000	5.56%	5,00,000	5.56%	NIL	NIL	NIL	NIL

**Notes 1.3**

(a) Bonus Shares in the Ratio of 2:1 issued in the Financial Year 2022-23.

(b) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

ANNEXURE –2- RESTATED SUMMARY STATEMENT OF RESERVES AND SURPLUS				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Reserves and Surplus</b>				
Opening balance	1160.62	623.64	198.12	87.75
Add: Net Profit after tax transferred from Statement of Profit and Loss	1352.18	1136.98	425.52	110.37
Add: Securities Premium received on Right Issue	0.00	0.00	0.00	147.58
Less: Capitalization of Reserves on Bonus Issue	0.00	600.00	0.00	-147.58
<b>Total</b>	<b>2512.81</b>	<b>1160.62</b>	<b>623.64</b>	<b>198.12</b>

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

ANNEXURE –3- RESTATED SUMMARY STATEMENT OF LONG-TERM BORROWINGS				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>A. Secured Loans</b>				
Term Loans from Banks	92.35	138.32	174.51	133.64
<b>Total(A)</b>	<b>92.35</b>	<b>138.32</b>	<b>174.51</b>	<b>133.64</b>



<b>B. Unsecured Loans</b>				
From Directors	155.22	194.82	49.36	51.02
From Corporates	1000.00	0.00	0.00	0.00
From Bank	0.00	0.00	18.97	39.48
<b>Total(B)</b>	<b>1155.22</b>	<b>194.82</b>	<b>68.33</b>	<b>90.50</b>
<b>Total (A+B)</b>	<b>1247.58</b>	<b>333.14</b>	<b>242.84</b>	<b>224.14</b>

Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A) along with annexure 3.1.

<b>Annexure 3.1 NATURE OF SECURITY AND TERMS OF REPAYMENT FOR BORROWINGS INCLUDING CURRENT MATURITIES</b>							
<b>Name of Lender</b>	<b>Nature of Borrowings</b>	<b>Sanctioned Amount (In Lakhs)</b>	<b>Rate Of interest</b>	<b>Primary Security</b>	<b>Collateral Security</b>	<b>Repayment Schedule</b>	<b>Balance as on December 31,2023</b>
Punjab National Bank	Term Loan	85.00	9.65%	Exclusive Charge by way of Mortgage on diverted Land and Building	Note-1	EMI	56.18
Punjab National Bank	Term Loan	61.00	9.65%	Exclusive Charge by way of Mortgage on diverted Land and Building	Note-1	EMI	40.18
Punjab National Bank	ECLGS	90.00	9.25%	Extension of Charge on entire present and future current assets of the firm/ company shall be done	Note-1		47.88
Punjab National Bank	Cash Credit	1600.00	9.65%	Hypothecation of Current assets including stock and book debt	Note-1	On Demand	1613.07
Samunnati Financial and Intermediation Services Limited	Cash Credit	150.00	18.00%	Hypothecation of Current assets including stock and book debt	Note-1	On Demand	126.63
HDFC Bank Limited	Vehicle Loan	13.00	7.65	Hypothecation of Motor Vehicle	Note-2	EMI	7.07
Lokendra Singh Rajput	Unsecured Loan from Director	N. A	N.A.	N.A.	N.A.	On Demand	30.84
Rashmi Rajput	Unsecured Loan from Director	N. A	N.A.	N.A.	N.A.	On Demand	99.15

Pushpa Rajput	Unsecured Loan from Director	N. A	N.A.	N.A.	N.A.	On Demand	25.23
Worthy Distributors Private Limited	Unsecured Loan from Corporates	N. A	N.A.	N.A.	N.A.	On Demand	220.00
Faithful Vincom Private Limited.	Unsecured Loan from Corporates	N. A	N.A.	N.A.	N.A.	On Demand	780.00

#### Note

#### 1. Collateral Security against credit facility from Punjab National Bank are as under:

- Land situated at survey no 386/1 village ghatiya P.H. No 26 tehsil Ghatiya District Ujjain (M.P.) owned by Mrs. Rashmi Rajput wife of Mr. Lokendra Singh Rajput.
- Residential house situated at A-9/14 MIG vasant vihar yojana Ujjain District Ujjain owned by Mrs. Rashmi Rajput wife of Mr. Lokendra Singh Rajput.
- Residential house situated at 887 HIG-II housing board colony Morena (MP) owned by Mrs. Pushpa Rajput wife of Mr. Hari Singh Rajput.
- Residential house situated at A-21/7 LIG vasant vihar yojana Ujjain District Ujjain owned by Mr. Lokendra Singh Rajput.
- Residential house situated at C-2/1 MIG Mahananda Nagar yojana Ujjain owned by Mrs. Pushpa Rajput wife of Mr. Hari Singh Rajput.
- Warehouse situated at Survey no 261 Village Jethal P.H. No 21/42 Tehsil Ghatiya District Ujjain owned by Mrs. Rashmi Rajput wife of Mr. Lokendra Singh Rajput.
- Warehouse Building and plant & Machinery enitre fixed assets appearing in the balance sheet of the company as on 31.12.2023 excluding Building.

#### 2. Charge against the Car (Honda city) for the auto loan taken from HDFC Bank.

(in Lakhs)

ANNEXURE –4- RESTATED SUMMARY STATEMENT OF OTHER LONG-TERM LIABILITIES				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Dealership Deposit	44.88	55.81	56.63	427.91
<b>Total</b>	<b>44.88</b>	<b>55.81</b>	<b>56.63</b>	<b>427.91</b>

#### Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

ANNEXURE –5 - RESTATED SUMMARY STATEMENT OF DEFERRED TAX LIABILITIES				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Related to Property, Plant & Equipments	22.00	22.00	17.03	10.69
<b>Total</b>	<b>22.00</b>	<b>22.00</b>	<b>17.03</b>	<b>10.69</b>

#### Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

ANNEXURE –6- RESTATED SUMMARY STATEMENT OF LONG-TERM PROVISIONS				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	4.20	4.20	3.89	2.61
Provision for Leave Encashment	2.30	2.30	2.60	0.40
<b>Total</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	<b>3.01</b>

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

ANNEXURE –7- RESTATED SUMMARY STATEMENT OF SHORT-TERM BORROWINGS				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>A. Repayable On Demand</b>				
From Bank (Cash Credit Account)	1613.07	1598.61	1577.40	653.03
<b>B. Other Short Term Borrowings</b>				
From Bank Against pledge of warehouse Receipt	0.00	0.00	43.87	407.69
Loan from NBFC	126.63	239.33	356.31	0.00
<b>Total (A+B)</b>	<b>1739.71</b>	<b>1837.94</b>	<b>1977.59</b>	<b>1060.73</b>

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A) along with Annexure 3.1

(in Lakhs)

ANNEXURE –8 - RESTATED SUMMARY STATEMENT OF TRADE PAYABLES				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Trade Payables Due to				
Micro and Small enterprise	245.78	264.32	0.00	97.18
Others	168.44	380.67	356.04	256.49
<b>Total</b>	<b>414.23</b>	<b>644.99</b>	<b>356.04</b>	<b>353.67</b>

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

ANNEXURE –9 - RESTATED SUMMARY STATEMENT OF SHORT-TERM PROVISIONS				
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Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax	939.35	485.87	137.52	0.00
Provision for Gratuity	0.72	0.72	0.42	0.34
Provision for CSR	5.38	5.38	0.00	0.00
Provision for Leave Encashment	0.82	0.82	1.04	0.13
<b>Total</b>	<b>946.27</b>	<b>492.79</b>	<b>138.98</b>	<b>0.47</b>

#### Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

ANNEXURE –10 - RESTATED SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Current Maturity of Long-term Debt	58.96	51.44	87.16	61.82
GST Payable	0.09	0.09	0.11	0.00
Salary Payable	0.00	25.04	30.05	12.06
Employee Contribution of ESCI and PF	2.59	2.59	2.11	1.52
Employers Contribution of ESCI and PF	2.03	0.00	0.00	0.00
Employee Contribution of Professional Tax	0.16	0.60	0.00	0.00
Creditors for Expenses	0.00	9.20	27.84	21.04
TDS Payable	15.57	13.59	6.22	3.40
TCS on Sales	0.00	2.12	0.14	0.18
Employee Contribution of Professional Tax	0.00	0.00	0.19	0.09
Advance against sales from Dealers	662.20	921.85	1108.18	969.53
<b>Total</b>	<b>741.61</b>	<b>1026.51</b>	<b>1262.02</b>	<b>1069.65</b>

#### Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

ANNEXURE –11 RESTATED SUMMARY STATEMENT OF PROPERTY, PLANT & EQUIPMENTS				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Tangible Assets</b>				
<b>Building</b>				
Gross Block at the Beginning of the Year	43.16	43.16	43.16	43.16
Addition During the Year	16.92	0.00	0.00	0.00
Deletion During the Year	0.00	0.00	0.00	0.00
Gross Block at the end of the Year	60.08	43.16	43.16	43.16
Less: Accumulated Depreciation	9.31	8.61	8.05	7.36

<b>Net Block</b>	<b>50.77</b>	<b>34.55</b>	<b>35.11</b>	<b>35.80</b>
<b>Warehouse</b>				
Gross Block at the Beginning of the Year	137.60	137.60	137.60	89.68
Addition During the Year	0.00	0.00	0.00	47.93
Deletion During the Year	0.00	0.00	0.00	0.00
Gross Block at the end of the Year	137.60	137.60	137.60	137.60
Less: Accumulated Depreciation	16.14	12.16	8.06	3.69
<b>Net Block</b>	<b>121.46</b>	<b>125.44</b>	<b>129.55</b>	<b>133.91</b>
<b>Plant And Machinery</b>				
Gross Block at the Beginning of the Year	201.97	198.45	177.39	95.49
Addition During the Year	1.39	3.52	21.07	81.90
Deletion During the Year	0.00	0.00	0.00	0.00
Gross Block at the end of the Year	203.36	201.97	198.46	177.39
Less: Accumulated Depreciation	50.95	40.63	29.85	17.01
<b>Net Block</b>	<b>152.41</b>	<b>161.34</b>	<b>168.61</b>	<b>160.38</b>
<b>Office Equipments</b>				
Gross Block at the Beginning of the Year	5.90	4.57	3.02	1.82
Addition During the Year	6.52	1.33	1.55	1.20
Deletion During the Year	0.00	0.00	0.00	0.00
<b>Gross Block at the end of the Year</b>	<b>12.42</b>	<b>5.90</b>	<b>4.57</b>	<b>3.02</b>
Less: Accumulated Depreciation	3.08	2.29	1.50	0.83
<b>Net Block</b>	<b>9.34</b>	<b>3.61</b>	<b>3.07</b>	<b>2.19</b>
<b>Computer Equipments</b>				
Gross Block at the Beginning of the Year	6.72	5.17	1.38	1.21
Addition During the Year	0.00	1.55	3.79	0.17
Deletion During the Year	0.00	0.00	0.00	0.00
<b>Gross Block at the end of the Year</b>	<b>6.72</b>	<b>6.72</b>	<b>5.17</b>	<b>1.38</b>
Less: Accumulated Depreciation	2.87	2.15	1.45	1.10
<b>Net Block</b>	<b>3.85</b>	<b>4.58</b>	<b>3.72</b>	<b>0.28</b>
<b>Furniture And Fixtures</b>				
Gross Block at the Beginning of the Year	13.87	12.84	6.90	3.25
Addition During the Year	0.11	1.03	5.94	3.65
Deletion During the Year	0.00	0.00	0.00	0.00
<b>Gross Block at the end of the Year</b>	<b>13.98</b>	<b>13.87</b>	<b>12.84</b>	<b>6.90</b>
Less: Accumulated Depreciation	5.13	4.20	3.21	2.31
<b>Net Block</b>	<b>8.85</b>	<b>9.67</b>	<b>9.63</b>	<b>4.59</b>
<b>Vehicles</b>				
Gross Block at the Beginning of the Year	15.74	15.74	0.82	0.00
Addition During the Year	0.00	0.00	14.92	0.82
Deletion During the Year	0.00	0.00	0.00	0.00
<b>Gross Block at the end of the Year</b>	<b>15.74</b>	<b>15.74</b>	<b>15.74</b>	<b>0.82</b>
Less: Accumulated Depreciation	3.71	2.45	1.05	0.03
<b>Net Block</b>	<b>12.03</b>	<b>13.29</b>	<b>14.69</b>	<b>0.79</b>

<b>Total Tangible Assets</b>	<b>358.72</b>	<b>352.49</b>	<b>364.37</b>	<b>337.93</b>
<b>Intangible Assets</b>				
<b>Intangible Assets</b>				
<b>Software</b>				
Gross Block at the Beginning of the Year	0.52	0.52	0.52	0.52
Addition During the Year	0.00	0.00	0.00	0.00
Deletion During the Year	0.00	0.00	0.00	0.00
Gross Block at the end of the Year	0.52	0.52	0.52	0.52
Less: Accumulated Depreciation	0.38	0.35	0.31	0.21
<b>Total Intangible Assets</b>	<b>0.13</b>	<b>0.16</b>	<b>0.21</b>	<b>0.31</b>

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

*(in Lakhs)*

<b>ANNEXURE –12 - RESTATED SUMMARY OF INVENTORIES</b>				
<b>Particulars</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Finished Goods	3129.09	3948.15	3633.94	2224.21
Packing Material	237.50	263.74	290.02	138.93
<b>Total</b>	<b>3366.59</b>	<b>4211.89</b>	<b>3923.97</b>	<b>2363.13</b>

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

*(in Lakhs)*

<b>ANNEXURE –13 - RESTATED SUMMARY OF TRADE RECEIVABLES</b>				
<b>Particulars</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Unsecured &amp; Considered Good</b>				
Over Six Months	226.35	254.93	229.30	429.72
Less than Six Months	3157.20	1339.35	172.36	297.14
<b>Total</b>	<b>3383.55</b>	<b>1594.28</b>	<b>401.66</b>	<b>726.86</b>

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

*(in Lakhs)*

<b>ANNEXURE –14 - RESTATED SUMMARY OF CASH AND CASH EQUIVALENTS</b>				
<b>Particulars</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>

Balances with banks (In Current A/c)	0.00	0.00	2.50	0.94
Balances with banks (In Fixed Deposit)	0.00	0.00	5.02	47.81
Cash on hand	19.04	6.14	16.25	2.79
<b>Total</b>	<b>19.04</b>	<b>6.14</b>	<b>23.76</b>	<b>51.54</b>

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

<b>ANNEXURE –15 - RESTATED SUMMARY OF SHORT-TERM LOANS &amp; ADVANCES</b>				
<b>Particulars</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>(Unsecured Considered Good)</b>				
Advance to Suppliers	1235.91	105.55	67.16	53.25
Advance to Marketing and research		0.00	4.93	1.24
Disputed Income Tax Paid	18.89	18.89	0.00	0.00
Others	8.71	0.00	0.00	0.00
<b>Total</b>	<b>1263.51</b>	<b>124.44</b>	<b>72.09</b>	<b>54.49</b>

**Note**

- Advances Given to Suppliers have been taken as certified by the management of the company.
- No Securities have been taken by the company against the advances given to the suppliers.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

<b>ANNEXURE –16 - RESTATED SUMMARY OF OTHER CURRENT ASSETS</b>				
<b>Particulars</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Prepaid Expenses	0.13	0.13	4.23	3.62
Staff Advances (Net)	0.00	5.60	11.34	13.00
TDS Receivable	4.80	2.05	0.08	0.20
Insurance Claim Recievable	21.56	21.56	25.94	21.56
GST Ledger	0.00	0.00	0.04	0.04
Accrued Interest	0.00	0.00	0.00	0.00
Miscellaneous	11.35	19.72	29.98	25.05
<b>TOTAL</b>	<b>37.84</b>	<b>49.05</b>	<b>71.63</b>	<b>63.46</b>

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

<b>ANNEXURE –17 - RESTATED SUMMARY OF REVENUE FROM OPERATIONS</b>				
<b>Particulars</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Sale of products				

Sale of products	11026.86	13005.06	10308.95	8457.84
<b>Revenue from operations</b>	<b>11026.86</b>	<b>13005.06</b>	<b>10308.95</b>	<b>8457.84</b>

Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

ANNEXURE –18 - RESTATED SUMMARY OF OTHER INCOME				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Other non-operating income</b>				
Interest Income	0.01	1.92	0.28	2.82
Discount Received	0.05	2.46	4.67	0.63
Damaged Stock Compensation / Misc Income	6.80	6.90	2.70	3.84
Commission Income	35.35	0.00	0.00	0.00
Insurance Claims	0.00	0.00	21.69	0.00
Provision Written Back	0.00	0.52	0.00	0.00
<b>Total</b>	<b>42.21</b>	<b>11.80</b>	<b>29.34</b>	<b>7.30</b>

Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

ANNEXURE –19 - RESTATED SUMMARY OF CHANGES IN INVENTORIES				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Finished Goods</b>				
Opening stock	4211.89	3923.97	2363.13	1067.51
Closing Stock	-3366.59	-4211.89	-3923.97	-2363.13
<b>Changes in inventory</b>	<b>845.30</b>	<b>-287.92</b>	<b>-1560.84</b>	<b>-1295.63</b>

Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

ANNEXURE –20 - RESTATED SUMMARY OF EMPLOYEE BENEFIT EXPENSES				
Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Salary & Wages	210.22	277.05	276.18	149.56
Incentive to Employee	1.72	7.22	0.00	7.07
ESIC & EPF Contribution	8.92	12.23	11.34	24.59
Staff Welfare	7.85	4.35	12.25	0.00
Provision for Gratuity	0.00	0.61	1.36	2.95
Provision for Leave Encashment	0.00	0.00	3.10	0.54
<b>Total</b>	<b>228.71</b>	<b>301.46</b>	<b>304.24</b>	<b>184.71</b>



**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

<b>ANNEXURE –21 - RESTATED SUMMARY OF FINANCE COSTS</b>				
<b>Particulars</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Bank Charges	7.19	5.26	42.47	12.68
Interest Expenses	149.23	221.46	188.29	89.55
Interest on Income Tax Payment	0.00	63.81	19.36	0.00
<b>Total</b>	<b>156.42</b>	<b>290.53</b>	<b>250.12</b>	<b>102.23</b>

**Note**

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

<b>ANNEXURE –22 - RESTATED SUMMARY OF OTHER EXPENSES</b>				
<b>Particulars</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Processing Expenses</b>				
Rates And Taxes	0.00	0.00	0.00	0.04
Certification Charges	0.00	3.69	34.69	63.42
Labour Expenses	9.80	38.39	53.56	60.75
Packing Material	0.00	146.16	254.67	334.70
Freight	75.10	100.37	152.66	205.51
Reimbursement Expenses	0.00	12.21	0.30	90.32
Rent Exp.	65.01	61.36	63.39	49.78
Rate Difference	0.00	63.79	391.42	17.12
Research And Development	21.70	2.27	11.38	2.26
Seed Proceessing Expenses	45.68	46.60	84.36	23.69
<b>Administrative and Selling Expenses</b>				
Advertisement Exp	7.83	13.94	28.36	23.02
Auditor's Remuneration	0.54	7.00	2.00	3.40
Sales Promotion Expenses	23.04	25.04	312.38	280.26
Comission Expenses	0.27	1.28	16.58	10.82
Power and Fuel	4.34	7.88	9.59	12.05
Insurance Exp.	27.92	11.68	9.66	5.45
Interest On Income Tax	0.00	0.00	0.00	0.24
Interest on Late Payment	1.19	0.42	0.28	0.00
Legal & Professional Charges	36.80	37.16	16.27	16.06
Computer Repairing and Maintenance	4.13	3.71	4.47	0.00
Office Expenses	28.29	20.18	14.88	11.94
Other Expense	3.00	0.00	0.00	1.65

Professional Tax	0.00	0.00	0.03	0.03
Lodging and Boarding Expenses	0.00	12.65	16.09	0.00
Rates and Taxes	0.93	0.00	1.50	0.00
Postage and Telephone Expense	0.16	0.00	0.00	4.17
Repairs & Maintenance	2.88	7.45	7.80	8.53
ROC Expenses	0.00	0.00	0.00	0.00
License Fees	0.03	0.00	0.01	0.91
Directors Sitting Fees	0.60	0.00	0.00	0.00
Telephone Mobile and Recharge	1.40	6.31	7.72	0.00
Compensation Expenses	25.05	51.82	41.11	0.00
Caution and Safety Expenses	0.66	2.36	4.31	0.00
Stationary & Printing	7.04	1.39	4.32	3.17
Conveyance Expenses	42.22	48.83	60.15	0.00
Travelling Expenses	19.58	21.31	5.20	28.08
Penalty and Late Fees	0.01	0.07	0.00	0.00
Vehicle Maintenance Expenses	1.00	9.84	8.42	3.08
Security Expenses	0.00	2.66	3.41	0.00
Sampling Expenses	0.25	0.62	0.60	0.00
Field Expenses	1.70	4.02	0.92	0.00
Bad Debts	0.00	5.64	0.00	0.00
Gemination Test Charges	0.88	0.00	0.39	0.00
Donation	0.21	2.55	2.51	0.00
Prior Period Expenses	0.00	0.00	0.00	0.92
CSR Expenses	0.00	5.38	0.00	0.00
<b>Total</b>	<b>459.22</b>	<b>786.03</b>	<b>1625.36</b>	<b>1261.37</b>

#### Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

<b>ANNEXURE –23-RESTATED SUMMARY OF CONTINGENT LIABILITIES &amp; COMMITMENTS</b>				
<b>Particulars</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Bills Discounted from Banks	NIL	NIL	NIL	NIL
Bank Guarantee issued by bank	NIL	NIL	NIL	NIL
Corporate Guarantee given by company	NIL	NIL	NIL	NIL
Duty saved against Advanced Authorization/EPCG	NIL	NIL	NIL	NIL
Claim against company not acknowledge as debt.	NIL	NIL	NIL	NIL
In respect of Income tax	94.43	94.43	NIL	NIL
In respect of Sales tax	NIL	NIL	NIL	NIL
In respect of Service tax/excise duty	NIL	NIL	NIL	NIL
In respect of Capital account transaction	NIL	NIL	NIL	NIL

(in Lakhs)

<b>ANNEXURE –24 - RESTATED SUMMARY OF RELATED PARTIES TRANSACTIONS</b>				
<b>Particulars</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Transactions during the year with related parties and KMP</b>				
<b>Salary</b>				
Lokendra singh Rajput (Director)	40.00	24.00	24.00	21.07
Smt Pushpa Rajput (Director)	6.60	2.40	2.40	2.40
Smt Rashmi Rajput (Director)	12.60	2.40	2.40	2.40
	<b>59.20</b>	<b>28.80</b>	<b>28.80</b>	<b>25.87</b>
<b>Rent</b>				
Smt Pushpa Rajput (Director)	13.00	12.00	12.00	12.00
Smt Rashmi Rajput (Director)	14.85	20.52	20.52	19.80
Lokendra singh Rajput (Director)	8.85	10.02	10.02	1.20
	<b>36.70</b>	<b>42.54</b>	<b>42.54</b>	<b>33.00</b>
<b>Purchases</b>				
Lokendra singh Rajput (Director)	0.00	0.00	0.00	73.26
Smt Rashmi Rajput (Director)	0.00	0.00	0.00	9.63
Smt Pushpa Rajput (Director)	0.00	0.00	0.00	43.14
	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>126.03</b>
<b>Net Unsecured Loan taken /(Repaid)</b>				
Lokendra singh Rajput (Director)	-13.60	13.57	-2.15	-6.98
Smt Rashmi Rajput (Director)	-26.00	123.65	1.50	-19.00
Smt Pushpa Rajput (Director)	0.00	8.24	-1.00	0.00
	<b>-39.60</b>	<b>145.46</b>	<b>-1.65</b>	<b>-25.98</b>
<b>23.3 Balances as at the year end</b>				
<b>Unsecured Loans</b>				
Mr.Lokendra Singh Rajput	30.84	44.44	30.87	33.02
Mrs.Rashmi Rajput	99.15	125.15	1.50	0.00
Mrs Pushpa Rajput	25.23	25.23	17.00	18.00
	<b>155.22</b>	<b>194.82</b>	<b>49.37</b>	<b>51.02</b>

#### Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

<b>ANNEXURE –25- RESTATED SUMMARY OF ACCOUNTING RATIOS</b>				
<b>Ratio</b>	<b>As at December 31, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Restated PAT as per statement of profit and loss (A)	1352.18	1136.98	425.52	110.37
No. of Equity Shares at the beginning of the year / period (B)	90.00	90.00	30.00	13.30
Weighted average number of equity shares at the end of the year before bonus issue	30.00	30.00	30.00	14.97
Equivalent Weighted average Number of Equity Shares at the end of the year	90.00	90.00	30.00	29.72
No of equity shares at the end of the year (C)	90.00	90.00	30.00	30.00
Net Worth, as Restated (D)	3412.81	2060.62	923.64	498.12
Current Assets	8070.52	5985.80	4493.11	3259.48
Current Liabilities	3841.81	4002.23	3734.63	2484.51
<b>Earnings Per Share</b>				
Pre-Bonus	45.07	37.90	14.18	7.37
Post-Bonus	15.02	12.63	14.18	3.71
Return on net worth (%) (A/D)	39.62	55.18	46.07	22.16
Net Asset value per Equity Share–After Bonus & Right Issue(A/C)	37.92	22.90	30.79	16.60
Current Ratio	2.10	1.50	1.20	1.31
EBITDA	1978.06	1852.13	849.88	271.39
Nominal value per equity share (Rs.)	10.00	10.00	10.00	10.00

#### Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

<b>ANNEXURE –26- RESTATED SUMMARY OF CAPITALIZATION STATEMENT</b>		
<b>Particulars</b>	<b>PRE-ISSUE as on December 31,2023</b>	<b>POST ISSUE</b>
<b>Borrowings:</b>		
Short term Debt (A)	1739.71	0.00
Long-term Debt (B)	1247.58	0.00
<b>Total debts (C)</b>	<b>2987.28</b>	<b>0.00</b>
<b>Shareholders' funds</b>		
Share capital	900.00	0.00
Reserve and surplus	2512.81	0.00
<b>Total shareholders' funds (D)</b>	<b>3412.81</b>	<b>0.00</b>
<b>Long term debt / shareholders' funds (B/D)</b>	<b>0.37</b>	<b>0.00</b>
<b>Total debt / shareholders' funds (C/D)</b>	<b>0.88</b>	<b>0.00</b>

Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

(in Lakhs)

ANNEXURE –27- RESTATED SUMMARY OF STATEMENT OF TAX SHELTERS				
Ratio	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Profit before tax, as restated (A)</b>	1802.91	1542.25	578.80	154.93
Normal Corporate Tax Rate (%)	25.00%	25.00%	25.00%	25.00%
Minimum Alternative Tax Rate (%)	15.00%	15.00%	15.00%	15.00%
<b>Adjustments:</b>				
<b>Permanent differences</b>				
Expenses disallowed under Income Tax Act, 1961	0.00	69.30	26.20	6.36
<b>Total permanent differences (B)</b>	<b>0.00</b>	<b>69.30</b>	<b>26.20</b>	<b>6.36</b>
<b>Income considered separately (C)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Timing differences</b>				
Depreciation as per Books	18.73	19.35	20.96	14.24
Depreciation as per IT Act	-35.94	-40.37	-44.89	-34.28
<b>Total timing differences (D)</b>	<b>-17.21</b>	<b>-21.02</b>	<b>-23.93</b>	<b>-20.04</b>
<b>Net adjustments E = (B+C+D)</b>	<b>-17.21</b>	<b>48.28</b>	<b>2.27</b>	<b>-13.68</b>
<b>Tax expense / (saving) thereon</b>	0.00	0.00	0.00	0.00
<b>Tax expense/(saving) thereon</b>				
<b>Income from other sources (F)</b>	0.00	0.00	0.00	0.00
<b>Exempt Income (G)</b>	0.00	0.00	0.00	0.00
<b>Taxable income/(loss) (A+E+F-G)</b>	<b>1785.70</b>	<b>1590.53</b>	<b>581.07</b>	<b>141.25</b>
<b>Tax as per Normal Provision</b>	<b>39.30</b>	<b>413.54</b>	<b>146.95</b>	<b>39.30</b>
<b>Taxable income/(loss) as per MAT</b>	<b>1802.91</b>	<b>1542.25</b>	<b>578.80</b>	<b>154.93</b>
<b>Income tax as per MAT</b>	<b>270.44</b>	<b>231.34</b>	<b>111.36</b>	<b>23.24</b>
Tax paid as per "MAT" or "Normal Provisions"	Normal	Normal	Normal	Normal

Note

The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III, IV & IV(A)

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements as at year ended March 31, 2023, 2022, 2021 and for the nine months period ended December 31, 2023, included in the Prospectus. You should also read the section entitled "Risk Factors" beginning on page number 26 which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year. We have, in this Draft Red Herring Prospectus, included various operational performance indicators, some of which may not be derived from our Restated Consolidated Financial Statements and may not have been subjected to an audit or review by our Statutory Auditors. The manner in which such operational performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other in same business as of our Company in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Restated Consolidated Financial Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.*

### Business Overview

Our Company was originally incorporated as "Vardaan Biotech Private Limited" under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 20, 2007, issued by the Registrar of Companies, Gwalior. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting held on January 05, 2021 and the name of our Company was changed to "Vardaan Biotech Limited". A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company was issued by the Registrar of Companies, Gwalior on January 15, 2021. The Corporate Identification Number of our Company is U15495MP2007PLC020132.

Our Company is in the business of production, processing and marketing of hybrid, research, and improved varied agricultural seeds for different crops such as maize, paddy, soya, bajra, SSG ruby, SSG moti, mustard, peas, wheat, tomato, chilly, coriander, okra, watermelon, ridge-gourd, cucumber, and onion and have recently forayed into certified, hybrid and research products.

Lokendra Rajput, a graduate in agricultural science, is the founder Promoter of our Company. He started the business of seed production by promoting and incorporating our Company on December 20, 2007. Our Company has gained over fourteen years of experience in the business and production of quality seeds.

We are producing high Quality Seed with the following objectives:

- Supply of quality seeds at the affordable price;
- Technical and economic strengthening of seed growers; and
- Making the required seeds available at the right place, at the right time and at the right price;

We are one of the established seed production and processing company in Madhya Pradesh. Our Company's processing unit are at following locations.

Sr. No	Location of the Property	Parties to the Agreement	Status of Property	Agreement Period		Key Terms
				From	To	
1.	New Godown No.2, Gali No.10 Situated at Modern Food Industries Kalidas Marg, Maksi Road Factory Area	Landlord: Modern Food Industries (India) Ltd  Tenant: Vardaan Biotech Private Limited	Leasehold Building	April 01, 2020	March 31, 2021	Building is leased and the Plant & Machinery is installed and owned by us.

2.	Survey No.262, Village Jaithal, Patwari Halka No.42 Teh. and Dist. Ujjain	Landlord: Lokendra Rajput  Tenant: Vardaan Biotech Private Limited	Leasehold Land	18 years Lease expiring on May 31,2038	Land is leased. Our Company constructed its own Building on that land and installed Plant & Machinery.
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Our Company has entered into an agreement with M/s V.I.B Agritech (Hereinafter referred to as “Processor”) for processing of seeds for our company at its seed processing unit is located at SY.No.605/P, H.No. 7-157, Poodur (V), Medchal (M&D) Hyderabad, India. The Processor is responsible for unloading of raw materials, storage, processing, packing of seeds, etc.

We started our operation in Madhya Pradesh and now have spread our customer base in the following States:









- Maharashtra;
- Bihar;
- Chhattisgarh;
- Jharkhand;
- Rajasthan;
- Uttar Pradesh;
- Telangana;
- Haryana;
- Gujarat;
- Karnataka

We have also established marketing network with wholesalers and retailers spread over in Madhya Pradesh and other states such as Bihar, Jharkhand, Uttar Pradesh, Rajasthan, Chhattisgarh, Telangana, and Maharashtra. Our customer reach has also expanded from Madhya Pradesh to Bihar, Jharkhand, Uttar Pradesh, Rajasthan, Chhattisgarh, and Maharashtra. All the seed varieties produced and developed by our Company are marketed under the brand of ‘Vardaan Seeds’.







## TYPE OF PRODUCT

Name of the Product	Qualities and Features
Hybrid Maize (In different variants) 	<ul style="list-style-type: none"> <li>• Single Cross;</li> <li>• Strong stalks suitable for high density;</li> <li>• Duration 105 days to 140 days in Rabi Season;</li> </ul>
Hybrid Paddy (In different variants) 	<ul style="list-style-type: none"> <li>• Semi-dwarf Plant;</li> <li>• Medium slender grains;</li> <li>• Wider adaptability with 69% shelling;</li> <li>• Tolerant to blast, BPH and Grain Moulds;</li> <li>• Duration 100 days to 105 days (Kharif), 110 to 115 days (Rabi);</li> </ul>
Improved Paddy (In different variants) 	<ul style="list-style-type: none"> <li>• Medium Slender Grain;</li> <li>• Lengthy panicle with more number of grains;</li> <li>• 10 to 14 tillers per plant;</li> <li>• High Tolerance to disease;</li> <li>• Duration 120 to 140 days</li> </ul>



Hybrid Bajra 	<ul style="list-style-type: none"> <li>• Late Maturing tall hybrid</li> <li>• Good adaptability across the locations</li> <li>• Globular Grey colored grain</li> <li>• Duration 80 to 85 Days</li> </ul>
Hybrid SSG Ruby 	<ul style="list-style-type: none"> <li>• Stem is non-pigmented, medium thick with sweet juice;</li> <li>• Leaves are long and medium board, smooth and soft with dull white mid rib;</li> <li>• Inflorescence is long with very long peduncle, semi-loose with erect primary branches;</li> <li>• Glumes are red to purple in colour;</li> <li>• Seed is partial red tinged; round to elliptical shaped and dimpled;</li> </ul>
Hybrid SSG Moti 	<ul style="list-style-type: none"> <li>• Stem is non-pigmented, medium thick with sweet juice;</li> <li>• Multicutting;</li> <li>• Long internodes, and foliage is high;</li> <li>• Leaves are long and narrow, smooth and thin with pale white mid rib;</li> <li>• Glumes mahogany to purple in colour;</li> <li>• Seed is white, non-lustrous, round shaped, dimpled and medium sized;</li> </ul>
Improved Mustard 	<ul style="list-style-type: none"> <li>• Duration 11 to 120 Days;</li> <li>• Medium height Plant;</li> <li>• Cruciferous flower with yellow petals;</li> <li>• Blackish brown: round; bold petals;</li> <li>• Better oil percentage.</li> </ul>
Improved Pears 	<ul style="list-style-type: none"> <li>• Plant height 70-85 cms;</li> <li>• Number of seeds 10-11 per pod;</li> <li>• Duration 80 to 85 Days;</li> <li>• Green normal leaf;</li> <li>• Flower light blue petal colour;</li> <li>• Seed Cylindrical shape with smooth surface.</li> </ul>
Improved Wheat 	<ul style="list-style-type: none"> <li>• Semi erect plant;</li> <li>• Plant height 85-90 cms;</li> <li>• Duration 100 days to 157 days;</li> <li>• Grain colour amber</li> </ul>
Hybrid Tomato 	<ul style="list-style-type: none"> <li>• Fruit weight 90 to 100 gsm;</li> <li>• Good Firmness and Shelf life;</li> <li>• First Harvest 65 to 70 days;</li> <li>• Tolerant to ToLCV and early blight;</li> </ul>
Hybrid Chilly 	<ul style="list-style-type: none"> <li>• Attractive shining light green;</li> <li>• Good shelf life;</li> <li>• Cayenne type with wrinkles;</li> <li>• Number of seeds 6-7 per pod;</li> <li>• Height Pungency 13 to 15 cms;</li> <li>• Fruit Length with thickness of 1.2 to 1.4 cms;</li> </ul>



<p>Imported Coriander</p> 	<ul style="list-style-type: none"> <li>• Good Plant Vigour;</li> <li>• Attractive dark green leaves;</li> <li>• Stem does not break on bending;</li> <li>• Suitable for multiple harvests;</li> <li>• First Harvest 25-30 days after sowing</li> </ul>
<p>Hybrid Okra</p> 	<ul style="list-style-type: none"> <li>• High Yelder;</li> <li>• Attractive tender Dark Green;</li> <li>• Fruits Tolerant to YVMV;</li> <li>• Fruit Length 9 to 11 cm;</li> </ul>
 <p>Research Okra</p>	<ul style="list-style-type: none"> <li>• High Yelder;</li> <li>• Attractive tender Dark Green;</li> <li>• Fruits Tolerant to YVMV;</li> <li>• Fruit Length 9 to 11Cm;</li> </ul>
<p>Hybrid Watermelon</p> 	<ul style="list-style-type: none"> <li>• Early Hybrid and High Yelder;</li> <li>• Good Transport Quality;</li> <li>• Black Green fruits and fruit size 2.5 to 4 Kg;</li> <li>a. Crimson color flesh and good texture;</li> </ul>
<p>Hybrid Ridge Gourd</p> 	<ul style="list-style-type: none"> <li>• Strong and Vigorous plant long with deep ridges fruit;</li> <li>• Attractive Green color fruit with length 25 to 35 cm;</li> <li>a. Fruit weight 150 to 200 gms;</li> </ul>
<p>Hybrid Cucumber</p> 	<ul style="list-style-type: none"> <li>• Strong plant with dense foliage;</li> <li>• Maturity 40 to 45 days;</li> <li>• Fruit length 18 to 21 cm. and weight 175 to 225 gms;</li> <li>1. Diameter 3.5 to 5 cm. and smooth skin</li> </ul>
<p>Onion Nasik Red</p>	<ul style="list-style-type: none"> <li>• Grown in mainly Kharif Season;</li> <li>• Bulb colour dark red globular shape;</li> <li>• Maturity after transplanting 90-110 days;</li> <li>• Yield 250-300 qnths/ha;</li> </ul>
<p>Beans</p>	<ul style="list-style-type: none"> <li>• Plant bushy and strong type;</li> <li>• Fruit colour bright dark green and white seed;</li> <li>• Pod stingless round shape with 15-18cm long flesh;</li> <li>• First picking after sowing 40-45 days;</li> </ul>

#### Factors affecting our Future results of operations:

- Government Regulations & Policies;

- Competition from exiting players;
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial conditions;
- Occurrence of Environmental problems & uninsured losses;
- Conflicts of interest with affiliated companies, the Promoters group, and other related parties;
- Our ability to expand our geographical areas of operations;
- Concentration of ownership among our Promoters;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Our ability to retain our key management persons and other employee.

#### **Our Significant Accounting Policies**

For Significant accounting policies please refer Significant Accounting Policies beginning under the Section titled “*Financial Information*” beginning on page number 183 of this Draft Red Herring Prospectus.

Results of our operation based on Restated Financial information:

(₹ In Lakhs)

Particulars	As at December 31,2023	% of Total Income	For the year ended March 31					
			2023	% of Total Income	2022	% of Total Income	2021	% of Total Income
<b>INCOME</b>								
Revenue From Operations	11026.86	99.62	13005.06	99.91	10308.95	99.72	8457.84	99.91
Other Income	42.21	0.38	11.80	0.09	29.34	0.28	7.30	0.09
<b>Total Income(A)</b>	<b>11069.67</b>	<b>100.00</b>	<b>13016.86</b>	<b>100.00</b>	<b>10338.29</b>	<b>100.00</b>	<b>8465.14</b>	<b>100.00</b>
<b>EXPENDITURE</b>								
Cost of Material Consumed	7557.77	68.28	10365.16	79.63	9119.65	88.21	8043.30	95.02
Change in inventories of Finished goods	845.30	7.64	(287.92)	(2.21)	(1560.84)	(15.10)	(1295.63)	(15.31)
Employees Benefit expenses	228.71	2.07	301.46	2.32	304.24	2.94	184.71	2.18
Finance Cost	156.42	1.41	290.53	2.23	250.12	2.42	102.23	1.21
Depreciation & Amortization Expenses	18.73	0.17	19.35	0.15	20.96	0.20	14.24	0.17
Other Expenses	459.22	4.15	786.03	6.04	1625.36	15.72	1261.37	14.90
<b>Total Expenses(B)</b>	<b>9266.16</b>	<b>83.71</b>	<b>11474.61</b>	<b>88.15</b>	<b>9759.49</b>	<b>94.40</b>	<b>8310.22</b>	<b>98.17</b>
<b>Profit Before Extra-ordinary items and tax C=A-B</b>	<b>1802.91</b>	<b>16.29</b>	<b>1542.25</b>	<b>11.85</b>	<b>578.80</b>	<b>5.60</b>	<b>154.93</b>	<b>1.83</b>
Exceptional Item(D)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Profit Before TAX E=C-D</b>	<b>1802.91</b>	<b>16.29</b>	<b>1542.25</b>	<b>11.85</b>	<b>578.80</b>	<b>5.60</b>	<b>154.93</b>	<b>1.83</b>
Tax Expenses-								
i)Current Tax	450.73	4.07	400.30	3.08	146.94	1.42	39.30	0.46
ii)Deferred Tax Expenses/Income	0.00	0.00	4.97	0.04	6.34	0.06	5.26	0.06
<b>Total Tax Expenses</b>	<b>450.73</b>	<b>4.07</b>	<b>405.27</b>	<b>3.11</b>	<b>153.28</b>	<b>1.48</b>	<b>44.56</b>	<b>0.53</b>
<b>Profit for the Year</b>	<b>1352.18</b>	<b>12.22</b>	<b>1136.98</b>	<b>8.73</b>	<b>425.52</b>	<b>4.12</b>	<b>110.37</b>	<b>1.30</b>

## **Main component of our Profit and Loss accounts**

### **Income**

Our total income comprises of revenue from operations and Other Income.

#### **Revenue from operations:**

Our revenue from operations as percentages of our total income was 99.62% for December 31, 2023, and 99.91%, 99.72% and 99.91 % for the financial year ended March 31, 2023, March 31, 2022, March 31, 2021, respectively.

#### **Other Income:**

It is the income earned from sources like Interest Income, Discount received, Damaged Stock Compensation, Commission Income, Insurance Claims, and Provision Written Back. Our other income as percentages of our total income 0.38% for December 31, 2023, and 0.09%, 0.28% and 0.09% for the financial year ended March 31, 2023, March 31, 2022, March 31, 2021, respectively.

### **Expenditure:**

Our total expenditure primarily consists of cost of material consumed, change in inventories, employee benefit expenses, finance cost, depreciation, and other expenses. Our expenditure as percentages of our total income was 83.71% for the December 31, 2023, and 88.15 %, 94.40 % and 98.17 % for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2021, respectively.

#### **Employee benefits expense**

Our employee benefits expense primarily comprise of salaries and wages, Director's remuneration, other retirement benefits and staff welfare expenses. Our employee benefit expenses as percentages of our total income were 2.07% for the December 31, 2023, and 2.32 %, 2.94% and 2.18 % for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2021, respectively.

#### **Finance Cost**

It includes interest on car loan. Our finance cost as percentages of our total income was 1.41% for the December 31, 2023, and 2.23 %, 2.42 %, and 1.21 %, for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2021, respectively.

#### **Depreciation & Amortization**

Depreciation and amortization include depreciation on tangible assets. Our depreciation and amortization as percentages of our total income was 0.17% for the December 31, 2023, and 0.15 %, 0.20 % and 0.17 % for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2021, respectively.

#### **Other Expenses**

Other expenses include audit fees, freight charges, advertising expenses, electricity expenses, insurance expenses, legal & professional expenses, travelling expenses, repairs & maintenance, rent paid etc. Our other expenses as percentages of our total income were 4.15% for the December 31, 2023, and 6.04 %, 15.72 % and 14.90 % for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2021 respectively.

#### **Provision for Tax**

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## **Details for the period ended December 31, 2023**

## **Total Income**

Our Company is majorly engaged in the business of production, processing and marketing of hybrid, research, and improved varied agricultural seeds for different crops such as maize, paddy, soya, bajra, SSG ruby, SSG moti, mustard, peas, wheat, tomato, chilly, coriander, okra, watermelon, ride-gourd, cucumber, and onion and have recently forayed into certified, hybrid and research products. The total revenue from operations for the period from April 01, 2023, to December 31, 2023, was ₹ 11,026 Lakh.

## **Expenses**

### **Cost of Material Consumed**

The Cost of Material Consumed was ₹ 7,557.77 Lakh from April 01, 2023 to December 31, 2023 which is 68.38% of the Total Income.

### **Change in the Inventories**

The Change in the Inventories was ₹ 845.30 Lakh from April 01, 2023 to December 31, 2023 which is 7.64% of the Total Income.

### **Employee Benefit Expense**

Employee Benefit expenses was ₹ 228.71 Lakhs from April 01, 2023 to December 31, 2023. The Employee Benefit expense was 2.07% of Total Income.

### **Finance Cost**

Finance Costs from April 01, 2023 to December 31, 2023 was ₹ 156.42 Lakh which is 1.41% of Total Income.

### **Depreciation and amortization expense**

Depreciation and amortization expense from April 01, 2023 to December 31, 2023 was ₹ 18.73 Lakhs which is 0.17% of Total Income.

### **Other Expenses**

Other Expenses were ₹ 459.22 Lakh from April 01, 2023 to December 31, 2023. The Other expense was 4.15% of Total Income.

### **Profit before Tax (PBT)**

The Profit before Tax was ₹ 1,802.91 Lakh from April 01, 2023 to December 31, 2023. During this period, our Company recorded Profit before Tax margin of 16.29% of Total Income.

### **Profit after Tax (PAT)**

Profit after Tax was ₹ 1,352.18 Lakh from April 01, 2023 to December 31, 2023. During this period, our Company recorded Profit after Tax margin of 12.22% of Total Income.

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2023, WITH FINANCIAL YEAR ENDED MARCH 31, 2022**

### **Revenue from Operations**

The revenue from operations for the FY 2022-23 was ₹ 13,005.56 Lakh as compared to ₹ 10,308.95 Lakh during the FY 2021-22 showing an increase of 26.15%. The increase in revenue is due to Company had expansion by way of launching new products, expansion to new geographical areas and improvement in product quality through research and development.

## **Other income**

The other income for the FY 2022-23 was ₹ 11.80 Lakh on account of interest income, discount received, damaged stock compensation, and provision written back.

## **Expenses**

### **Cost of Material Consumed**

Cost of Material Consumed for the FY 2022-23 was ₹ 10,365.16 Lakh as compared to ₹ 9,119.65 Lakh during the FY 2021-22. The cost of material consumed has decreased to 79.63% for the FY 2022 – 23 against 88.21% for the FY 2021 – 22. The company is engaged in production, processing and sales of certified seeds and hybrid seeds. The gross margin in hybrid seeds is much higher than certified seeds. The percentage of contribution of hybrid seeds in revenue from operations have increased by 8% (appx.), due to which the cost of materials consumed has decreased during FY 2022 – 23.

### **Employee Benefit Expense**

Employee Benefit expenses for the FY 2022-23 ₹ 301.46 Lakh as compared to ₹ 304.24 Lakh for FY 2021-22 showing a decrease of 0.91%. The employee cost in absolute terms have not changed as the company has maintained the employees at same level.

### **Finance Cost**

Finance cost for the FY 2022-23 ₹ 290.53 Lakh as compared to ₹ 250.12 Lakh in FY 2021-22 showing increase of 16.16%. Finance cost majorly constitutes from interest on working capital loan and term loans.

### **Depreciation & Amortization**

The Depreciation and amortization expense for FY 2022-23 was ₹ 19.35 Lakh as compared to ₹ 20.96 Lakh for FY 2021-22 showing an decrease of 7.68%. The decrease was due to reduced WDV of fixed assets.

### **Other Expense**

Other Expenses for the FY 2022-23 was ₹ 786.03 Lakh as compared to ₹ 1,625.36 Lakh for FY 2021-22 showing a decrease of 51.64%. The decrease in expenses is due to substantial reduction in rate difference, sales promotion and packing material cost.

### **Profit before Tax**

The Profit before Tax was ₹ 1,542.25 Lakh in FY 2022-23 as compared to ₹ 578.80 Lakh in FY 2021-22 by showing an increase of 166.46%. The profit before tax has increased due to increased contribution of hybrid seeds in revenue from operation and decrease in other expenses.

### **Profit after Tax (PAT)**

Profit After Tax was ₹ 1,136.98 Lakh in the FY 2022-23 as compared to ₹ 425.52 Lakh in FY 2021-22 showing increase of 167.20%. The profit after tax has increased due to increased contribution of hybrid seeds in revenue from operation and decrease in other expenses and simultaneously decrease in operational expenses.

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022, WITH FINANCIAL YEAR ENDED MARCH 31, 2021**

### **Revenue from operations**

The revenue from operations for the FY 2021-22 was ₹ 10,308.95 Lakh as compared to ₹ 8,457.84 Lakh during the FY 2020-21 showing an increase of 21.89%. The increase was due to expansion of geographic area of sale of company's products.

## **Expenses**

### **Cost of Material Consumed**

Cost of Material Consumed for the FY 2021-22 was ₹ 9,119.65 Lakh as compared to ₹ 8,043.30 Lakh during the FY 2020-21 showing an increase of 13.38%. The increase was due to Increase in sales which has resulted into the requirement of more product and hence increase in consumption of the material purchased.

### **Employee Benefit Expense**

Employee Benefit expenses for the FY 2021-22 was ₹ 304.24 Lakhs as compared to ₹ 184.71 Lakh for FY 2020-21 showing an increase of 64.71%. The increase was due to increase in revenue from operations.

### **Finance Cost**

Finance cost for the from FY 2021-22 is ₹ 250.12 Lakh. The Company has availed CC facility, Working Capital loan, and Term Loan in the FY 2021-22. Finance cost is related to interest on the said loans and facilities.

### **Depreciation & Amortization**

The Depreciation and amortization expense for FY 2021-22 was ₹ 20.96 Lakh as compared to ₹ 14.24 Lakh for FY 2020-21 showing increase of 47.23%. The increase was due to addition of Plant & Machinery in FY 2020-21.

### **Other Expense**

Other Expenses for FY 2021-22 was ₹ 1,625.36 Lakh as compared to ₹ 1,261.37 Lakh for FY 2020-21 showing an increase of 28.86%. The increase was due to increase in rate differ

nce and sales promotion expenses, which resulted into increase in overall expenses of the company.

### **Profit before Tax (PBT)**

The Profit before Tax was ₹ 578.80 Lakh in FY 2021-22 as compared to ₹ 154.93 Lakh in FY 2020-21 by showing an increase of 273.60%. The increase was due to increase in sales, increased contribution of hybrid seeds in revenue from operation and decrease in other expenses.

### **Profit after Tax (PAT)**

Profit After Tax was ₹ 425.52 Lakh in the FY 2021-22 as compared to ₹ 110.37 Lakh in FY 2020-21 by showing increase of 285.55%. The increase was due to increase in sales, increased contribution of hybrid seeds in revenue from operation and decrease in other expenses.

## **CASH FLOW**

(₹ In Lakhs)

Particular	For the period ended December 31, 2023	For the year ended March 31		
		2023	2022	2021
Net cash generated/ (used in) operating activities (A)	(604.10)	360.56	(639.06)	(234.52)
Net cash generated from/ (used in) investing activities (B)	(42.78)	(38.35)	(74.18)	(182.61)
Net cash generated from/ (used in) financing activities (C)	659.78	(339.88)	685.45	459.17
Net change in cash and cash equivalent (A+B+C)	12.90	(17.62)	(27.78)	42.04
Cash and cash equivalent at the beginning of the year	6.14	23.76	51.54	9.50
Cash and cash equivalents at the end of the year	19.04	6.14	23.76	51.54

### **Disclosures of the period December 31, 2023**

### **Cash Flows from Operating Activities**

Net cash used in operating activities was (₹ 604.10 Lakhs) from April 01, 2023, to December 31, 2023.

### **Cash Flows from Investment Activities**

Cash flow used in Investment activities was (₹ 42.78 Lakhs) from April 01, 2023, to December 31, 2023.

### **Cash Flows from Financing Activities**

Cash flow from Financing activities was ₹ 659.78 Lakh from April 01, to December 31, 2023.

### **Net Cash Flow from Operating Activities**

#### **Financial year 2022-2023**

In the F.Y 2022-23 net cash flow used in operating activities was ₹ 360.56 Lakhs. Net Profit before tax and extraordinary items stood at ₹ 1542.25 Lakhs. Primary adjustments were on account of Depreciation and Interest paid of ₹ 19.35 Lakhs and ₹ 290.53 Lakhs respectively.

The operating cash flows before working capital changes was ₹ 1,852.13 Lakhs.

The changes in working capital were due to:

- a) Increase in Inventories (₹ 287.92 Lakhs)
- b) Increase in Trade receivables (₹ 1,119.62 Lakhs)
- c) Increase in short term loans & Advances (₹ 52.35 Lakhs)
- d) Decrease in Other Current Assets ₹ 22.58 Lakhs
- e) Decrease in Non-Current Assets ₹ 12.60 Lakhs
- f) Increase in Deferred Tax Liabilities (Net) ₹ 4.97 Lakhs
- g) Decrease in Long Term Liabilities (₹ 0.82 Lakhs)
- h) Increase in Trade Payables ₹ 288.95 Lakhs
- i) Increase in Short-term Provisions ₹ 353.82 Lakhs
- j) Decrease in Other current liabilities (₹ 235.51 Lakhs)

#### **Financial year 2021-2022**

In the F.Y 2021-22 net cash flow generation in operating activities was (₹ 639.06 Lakh). Net Profit before tax and extraordinary items stood at ₹ 578.80 Lakhs. Primary adjustments were on account of Depreciation and Interest paid of ₹ 20.96 Lakhs and ₹ 250.12 Lakhs respectively.

The operating cash flows before working capital changes was ₹ 849.88 Lakhs.

The changes in working capital were due to:

- a) Increase in Inventories (₹ 1,560.84 Lakhs)
- b) Decrease in Trade receivables ₹ 325.20 Lakhs
- c) Increase in short term loans & Advances (₹ 17.60 Lakhs)
- d) Increase in Other Current Assets (₹ 8.17 Lakhs)
- e) Increase in Non-Current Assets (₹ 46.05 Lakhs)
- f) Increase in Deferred Tax Liabilities (Net) ₹ 6.34 Lakhs
- g) Decrease in Long Term Liabilities (₹ 371.28 Lakhs)
- h) Increase in Trade Payables ₹ 2.37 Lakhs
- i) Increase in Short-term Provisions ₹ 138.50 Lakhs
- j) Increase in Other current liabilities ₹ 192.37 Lakhs

#### **Financial year 2020-2021**

In the F.Y 2020-21 net cash flow used in operating activities was (₹ 234.52 Lakhs). Net Profit before tax and extraordinary items stood at ₹ 154.93 Lakhs. Primary adjustments were on account of depreciation of ₹ 14.24 Lakhs and Finance Cost of ₹ 102.23 Lakhs.

The operating cash flows before working capital changes was ₹ 271.39 Lakhs.



The changes in working capital were due to:

- a) Increase in Inventories (₹ 1,295.62 Lakhs)
- b) Increase in Trade receivables ₹ 583.23 Lakhs
- c) Decrease in short term loans & Advances ₹ 1, 059.64 Lakhs
- d) Increase in Other Current Assets (₹ 28.27 Lakhs)
- e) Increase in Non-Current Assets (₹ 3.66 Lakhs)
- f) Increase in Deferred Tax Liabilities (Net) ₹ 5.11 Lakhs
- g) Increase in Long Term Liabilities ₹ 415.06 Lakhs
- h) Increase in Trade Payables ₹ 274.86 Lakhs
- i) Decrease in Short-term Provisions (₹ 11.18 Lakhs)
- j) Decrease in Other current liabilities (₹ 297.08 Lakhs)

### **Cash Flows from Investing Activities**

#### **Financial year 2022-2023**

Net cash used in investing activities was (₹ 38.35 Lakhs) in the F.Y 2022-23, primarily on account of purchases of tangible assets of (₹ 7.42 Lakhs) and increase in capital work in progress of (₹ 30.93 Lakhs).

#### **Financial year 2021-2022**

Net cash used in investing activities was (₹ 74.18 Lakhs) in the F.Y 2021-22, primarily on account of purchases of tangible assets of (₹ 47.31 Lakhs) and increase in capital work in progress of (₹ 26.87 Lakhs).

#### **Financial year 2020-2021**

Net cash used in investing activities was (₹ 182.61 Lakhs) in the F.Y 2020-21, primarily on account of purchases of tangible assets of (₹ 135.66 Lakhs) and increase in capital work in progress of (₹ 46.95 Lakhs).

### **Cash Flows from Financing Activities**

#### **Financial year 2022-2023**

Net cash generated from financing activities was (₹ 339.88 Lakhs) in the F.Y 2022-23, primarily on decrease in borrowings of ₹ (49.35 Lakhs) and Interest paid of (₹ 290.53 Lakhs).

#### **Financial year 2021-2022**

Net cash generated from financing activities was ₹ 685.45 Lakhs in the F.Y 2021-22, primarily on account of proceeds from borrowings of ₹ 935.56 Lakhs and Interest paid of (₹ 250.12 Lakhs).

#### **Financial year 2020-2021**

Net cash generated from financing activities was of ₹ 459.17 Lakhs in the F.Y 2020-2021, on account of proceeds from issue of shares ₹ 167 Lakhs, proceeds from borrowings of ₹ 394.39 Lakhs and Interest paid of (₹ 102.23 Lakhs).

### **Related Party Transactions**

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to remuneration payable, rent paid, purchase of goods, loans taken and paid. For further details of such related parties, refer Section titled “Financial Information” on page 192 of this Draft Red Herring Prospectus.

### **Contingent Liabilities**

For further details of such related parties, refer chapter titled “Financial Information” on page 192 of this Draft Red Herring Prospectus.

### ***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 Risk**

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.

### **Liquidity Risk**

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, to the extent possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### **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.

### **Material Frauds**

There are no material frauds committed against our Company during Financial Year March 31, 2023, 2022, 2021 and in nine-month year ended as on December 31, 2023.

### **Reservation, Qualification, Adverse Remarks and Emphasis of Matter**

There are no reservation, qualifications, and adverse remarks by our Statutory Auditors in Audited Financial statements for the financial year ended March 31, 2023, 2022, 2021 and in nine-month year ended as on December 31, 2023.

## **REGULATIONS, 2018**

### **1. Unusual or infrequent events or transactions.**

There have been no unusual or infrequent events or transactions that have taken place during the last three years to the best of our knowledge.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “Factors Affecting our Results of Operations” and the uncertainties described in the section entitled “*Risk Factors*” beginning on page number 26 of this Prospectus. There are no known factors which we expect to bring about significant economic changes to the best of our knowledge.

### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue, or income from continuing operations.**

Apart from the risks as disclosed under Section titled “*Risk Factors*” beginning on page number 26 in this Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

### **4. 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.**

To the best of our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However, increase in the cost of the products in which the Company deals, will affect the profitability of the Company. Further, the Company may not be able to pass on the increase in prices of the products to the customers in full and this can be offset through cost reduction.

**5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business.

**6. Total turnover of each major industry segment in which the issuer company operated.**

Our Company is in the business of production, processing and marketing of hybrid, research, and improved varied agricultural seeds and has established a separate identity and recognition for itself in the industry. Relevant Industry data has been included in the Chapter titled “Industry Overview” beginning on page Number 102 of this Draft Red Herring Prospectus.

**7. Status of any publicly announced new products or business segment.**

Our Company has not announced any new projects or business segments, other than disclosed in this Prospectus.

**8. The extent to which business is seasonal.**

Our Company’s Business is not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers.**

We are not under threat of dependence from any single supplier or customer.

The market is highly competitive and fragmented, and we face competition from various local / domestic companies. Some of our competitors have greater financial, marketing, sales and other resources than we do. Moreover, as we seek to diversify into new geographical areas, we face competition from competitors that have a pan-India presence and also from competitors that have a strong presence in regional markets. Competition in certain markets may have a material adverse effect on our operations in that market. We believe that we compete favourably with our principal competitors in each of these areas. We also believe that our impeccable track record provides us with a competitive advantage that enables us to compete effectively.

**10. Competition Conditions**

The industry in we are operating faces competition from organized as well as unorganized players in the domestic market. We have a number of competitors who market the products, which are similar to us. Even with a diversified product portfolio, quality approach and modern technology we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery, and reliability.

## FINANCIAL INDEBTEDNESS

Following is a summary of our Company's outstanding borrowings as on December 31,2023:

Sr No.	Nature of Borrowing	Amount (Rs. In lakhs)
1	Secured Borrowing	1891.02
2	Unsecured Borrowing	1155.22
	<b>Total</b>	<b>3046.25</b>

The details of loans are as under:

There are following is break up of secured borrowings:

Particulars	Nature of Borrowings	Sanctioned Amount (in Lakhs)	Rate of Interest	Security	Repayment	Outstanding Amount as on December 31, 2023 (in Lakhs)
Punjab National Bank	Term Loan	85.00	9.65%	Note-2	EMI	56.18
Punjab National Bank	Term Loan	61.00	9.65%	Note-2	EMI	40.18
Punjab National Bank	ECLGS	90.00	9.25%	Note-2	EMI	47.88
Punjab National Bank	Cash Credit	1600.00	9.65%	Note-2	On Demand	1613.07
Samunnati Financial and Intermediation Services Private Limited	Cash Credit	150.00	18.00%	Note-1	Bill discounting facility having tenure of 90 days	126.63
HDFC Bank Limited	Car Loan	13.00	7.65%	Note-3	EMI	7.07
<b>Total</b>		<b>1999.00</b>				<b>1891.02</b>

1. Collateral Security against credit facility from Punjab National Bank are as under:

- a) Land situated at survey no 386/1 village ghatiya P.H. No 26 tehsil Ghatiya District Ujjain (M.P.) owned by Mrs. Rashmi Rajput wife of Mr. Lokendra Singh Rajput.
- b) Residential house situated at A-9/14 MIG Vasant Vihar yojana Ujjain District Ujjain owned by Mrs. Rashmi Rajput wife of Mr. Lokendra Singh Rajput.
- c) Residential house situated at 887 HIG-II housing board colony Morena (MP) owned by Mrs. Pushpa Rajput wife of Mr. Hari Singh Rajput.
- d) Residential house situated at A-21/7 LIG Vasant Vihar yojana Ujjain District Ujjain owned by Mr. Lokendra Singh Rajput.
- e) Residential house situated at C-2/1 MIG Mahananda Nagar yojana Ujjain owned by Mrs. Pushpa Rajput wife of Mr. Hari Singh Rajput.
- f) Warehouse situated at Survey no 261 Village Jethal P.H. No 21/42 Tehsil Ghatiya District Ujjain owned by Mrs. Rashmi Rajput wife of Mr. Lokendra Singh Rajput.
- g) Warehouse Building and plant & Machinery entire fixed assets appearing in the balance sheet of the company as on 31.12.2023 excluding Building.

2. Charge against the Car (Honda city) for the auto loan taken from HDFC Bank.

There are following is break up of Unsecured borrowings (Promoters/Directors/Relatives/Others):

Particulars	Rate of Interest	Repayment	Outstanding Amount as on December 31, 2023 (in Lakhs)
<b>Loan from Promoters / Directors</b>			
Lokendra Singh Rajput	Nil	On Demand	30.84
Rashmi Rajput	Nil	On Demand	99.15
<b>Others</b>			
Pushpa Rajput	Nil	On Demand	25.23
Faithful Vincom Private Limited			780.00
Worthy Distributors Private Limited			220.00
<b>Total</b>			<b>1,155.22</b>

## LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or alleging criminal or economic offences or tax liabilities 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 (i) of Part I of Schedule XIII of the Companies Act ) against our Company, Promoter, Group Companies and Directors as of the date of this Draft Red Herring Prospectus that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory liabilities, institutional/ bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.

Further, Our Company has a policy for identification of Material Litigation in terms of the SEBI (ICDR) Regulations, 2018 as amended for disclosure of all pending litigation involving the Issuer, its directors & promoters, other than criminal proceedings, statutory or regulatory actions and taxation matters where the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 1% of the net profit after tax or 1% of net worth of our Company as per the last audited financial statement and such pending cases are material from the perspective of the Issuer's business, operations, prospects or reputation. Further, with respect to the group companies our Company has a policy for identification of Material Litigation in terms of the SEBI (ICDR) Regulations, 2018 as amended, matters which are pending litigation involving the group company which has a material impact from the perspective of the Issuer's business, operations, prospects, or reputation.

Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulter or a fraudulent borrower by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened. Unless otherwise stated, all proceedings are pending as of the date of this Prospectus.

For identification of material creditors, As per the Materiality Policy such creditors of the Company, shall be considered to be material for the purpose of disclosure in the Offer Documents, if amount dues to any one of them exceeds 10% of the outstanding trade payables as per the latest restated standalone financial statements of the Company.

### **OUTSTANDING TAXATION MATTERS INVOLVING AGAINST OUR COMPANY, DIRECTORS, PROMOTERS AND GROUP COMPANIES**

Nature of Case	Number of Case	Outstanding Amount (in Lakhs)
<b><i>Company</i></b>		
Direct Tax	1	94.43
Indirect Tax	Nil	Nil
<b><i>Directors (other than Promoters)</i></b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b><i>Promoters</i></b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b><i>Subsidiaries</i></b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b><i>Group Companies</i></b>		
Direct Tax*	Nil	Nil
Indirect Tax	Nil	Nil

### **OTHER MATERIAL LITIGATIONS INVOLVING OUR COMPANY**

#### **A. LITIGATIONS AGAINST OUR COMPANY:**

## 1. CRIMINAL MATTERS:

- a) *State of Maharashtra Versus M/s Vardan Biotech Pvt Ltd, Bhimrao Shivaji Nagorgoji, Dilip Bansilala Gandhi*

Complaint No.: RCC 945/2020

The Seed Inspector and District Quality Control Inspector has filed a complaint under sections 6(a), 6(b) and 7(b) of the Seeds Act, 1966 and Seed Rules 1968. Seed Inspector has initiated prosecution against the above parties in Hon'ble Court of Chief Judicial Magistrate, Amravati. The case is awaiting Summons and next date of hearing is May 30, 2024.

- b) *State of Maharashtra Versus M/s Vardan Biotech Pvt Ltd, Bhimrao Shivaji Nagorgoji, Gajanan Marotrao Wadi*

Complaint No. SCC 2603/2020

The Seed Inspector and District Quality Control Inspector has filed a complaint under section 19 of the Seeds Act, 1966 and Seed Rules 1968. Seed Inspector has initiated prosecution against the above parties in Hon'ble Court of Chief Judicial Magistrate, Amravati. The case is awaiting Summons and next date of hearing is June 13, 2024.

## 2. CIVIL MATTERS: (CONSUMER CASES)

Our Company has a total of twenty-five cases pending in various Consumer Courts.

The detailed particulars of these cases are specified in the table below:

Sr. No.	Name of the Court and Complaint No.	Name of the Parties	Particulars of the Case
1	District Consumer Redressal Commission, Amravati; CC no. 162/2020	Haridas Rajgire v. Vardaan Biotech Pvt Ltd	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
2	District Consumer Redressal Commission, Amravati; CC no. 209/2020	Rajendra v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
3	District Consumer Redressal Commission, Dharashiv; CC no. 223/2020	Sambhaji v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
4	District Consumer Redressal Commission, Dhule; CC no. 13/2021	Mukesh Gawali v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
5	District Consumer Redressal Commission, Nanded; CC no. 1530/2021	Vimalbai Kadam v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
6	District Consumer Redressal Commission, Nanded; CC no. 1531/2021	Rajesh Kadam v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
7	District Consumer Redressal	Avinash Kadam	Reply to the Complaint has been filed.

	Commission, Nanded; CC no. 1532/2021	v. Vardaan Biotech Pvt Ltd.	Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
8	District Consumer Redressal Commission, Nanded; CC no. 1533/2021	Parthsarathi Kadam v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
9	District Consumer Redressal Commission, Nanded; CC no. 1534/2021	Ashok Kadam v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
10	District Consumer Redressal Commission, Nanded; CC no. 1535/2021	Gangadhar Kadam v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
11	District Consumer Redressal Commission, Nanded; CC no. 1536/2021	Kamaji Dhumal v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
12	District Consumer Redressal Commission, Nanded; CC no. 1539/2021	Gangadhar Kadam v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
13	District Consumer Redressal Commission, Nanded; CC no. 1540/2021	Chandoji Dhuval v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
14	District Consumer Redressal Commission, Nanded; CC no. 1541/2021	Ashok Dhakore v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
15	District Consumer Redressal Commission, Nanded; CC no. 1542/2021	Shishupal Kadam v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
16	District Consumer Redressal Commission, Latur; CC no. 206/2021	Gangadhar Dhage v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
17	District Consumer Redressal Commission, Latur; CC no. 206/2021	Laxman Padole v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
18	District Consumer Redressal Commission, Akola; CC no. 245/2020	Pramila Pote v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
19	District Consumer Redressal Commission, Latur; CC no.	Nitin Devkar v. Vardaan Biotech	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a



	37/2023	Pvt Ltd.	good case and possibility of complaint to be dismissed.
20	District Consumer Redressal Commission, Wardha; CC no. 7/2021	Atul Raut v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
21	District Consumer Redressal Commission, Solapur; CC no. 206/2022	Nitin Devkar v. Vardaan Biotech Pvt Ltd.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility of complaint to be dismissed.
22	District Consumer Redressal Commission, Ujjain; CC no. 20/2018	Vardaan Biotech Pvt Ltd. United India Insurance	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility that Hon'ble Commission will consider out prayer.
23	MP State Consumer Dispute Redressal Commission, Bhopal; A/15/1169	Dharmendra v. Umesh & Anr.	The Complaint was dismissed by the Consumer Forum, Satna. Appeal is at final hearing stage. We have good case.
24	District Consumer Redressal Commission, Seoni; CC no. 224/2019	Rajesh Kirar v. M/s Tiwari & Anr.	Matter is at evidence stage. We have a good case and possibility of complaint to be dismissed.
25	District Consumer Redressal Commission, Sehore; CC no. 106/2021	Mukhesh Tyagi v. Sankalp Retail Store & Anr.	Reply to the Complaint has been filed. Matter is listed for final hearing. We have a good case and possibility that Hon'ble Commission will consider out prayer.

### 3. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES:

NIL

### 4. CLAIMS RELATING TO DIRECT AND INDIRECT TAX MATTERS:

- a) The Income Tax Department in assessment order for AY 2021-2022 has made an addition of Rs. 2,72,11,318/- resulting into additional demand of Rs. 94,42,680/-.

The Company has contested by filing an Appeal before the Hon'ble CIT(A), who stayed the additional demand on deposit of Rs.18,88,540/- on 20.01.2023 vide challan no.01143 being 20% of the disputed demand of Rs. 94,42,680/-.

The matter is pending before the Hon'ble CIT(A), and an amount equivalent to the demand and interest thereon has been provided in the financial statements under the head "Contingent Liabilities" and the Company is hopeful for a favourable outcome in the above.

- b) The Income Tax Department in the intimation under section 143(1) for AY 2022-2023 has raised an additional demand of Rs. 2,76,820 on account of final interest. The Company has made the payment of the same and is in process to rectify the demand shown on the Portal.

### 5. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

NIL

## B. LITIGATIONS FILED BY OUR COMPANY:

### 1. CRIMINAL MATTERS:

Cases under Section 138 of the Negotiable Instruments Act:

Our Company has filed a total of 22 (twenty-two) suits against various parties under Section 138 of the Negotiable Instruments Act for dishonour of cheques issued in favour of our Company.

The detailed particulars of these cases are specified in the table below:

Sr. No.	Name of the Court and Complaint No.	Name of the Parties	Amount in Rs. of the Dishonoured Cheques	Particulars
1	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 753/2022	Petitioner: M/s Vardan Biotech  Respondent: Sai Baba Krushi Seva Kendra	1,28,000/-	The matter is pending, and the next date of hearing is 17.05.2024.
2	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 820/2022	Petitioner: M/s Vardan Biotech Ltd.  Respondent: C.G. Sales	6,88,656/-	The matter is pending, and the next date of hearing is 18.07.2024
3	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 999/2022	Petitioner: M/s Vardan Biotech Ltd.  Respondent: Banke Bihari Trending Company	1,33,278/-	The matter is pending, and the next date of hearing is 26.07.2024.
4	Civil Judge Class-I, Ujjain  Complaint No. SC NIA 1003/2022	Petitioner: M/s Vardan Biotech Ltd. Through Authorized Signatory Deepak Saxena  Respondent: M/S Prasad Seeds Proprietor Manish Kumar	2,59,794/-	The matter is pending, and the next date of hearing is 14.08.2024
5	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 957/2022	Petitioner: M/s Vardan Biotech Ltd.  Respondent: M/S Mandal Trending	88,850/-	The matter is pending, and the next date of hearing is 24.07.2024
6	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 1521/2022	Petitioner: M/s Vardan Biotech Ltd.  Respondent: Yadav Krashi Sewa Kendra	2,78,489/-	The matter is pending, and the next date of hearing is 21.08.2024.
7	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 1522/2022	Petitioner: M/s Vardan Biotech Ltd.  Respondent: Prem Beej Bhandar	2,58,923/-	The matter is pending, and the next date of hearing is 21.08.2024.
8	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 315/2023	Petitioner: M/s Vardan Biotech Ltd.  Respondent: Mohan Agree Junction	4,52,043/-	The matter is pending, and the next date of hearing is 06.06.2024.
9	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 319/2023	Petitioner: M/s Vardan Biotech Ltd.  Respondent: Kashi Beej Company	5,06,118/-	The matter is pending, and the next date of hearing is 24.05.2024.
10	Civil Judge Class-II, Ujjain	Petitioner: M/s Vardan Biotech Ltd.	2,41,833/-	The matter is pending, and the next date

	Complaint No. SC NIA 436/2023	Respondent: Rahul Krashi Sewa Kendra		of hearing is 25.07.2024.
11	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 755/2023	M/s Vardan Biotech Private Ltd  Respondent: Virendra Fertilizer	1,55,640/-	The matter is pending, and the next date of hearing is 11.07.2024.
12	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 1074/2023	Petitioner: M/s Vardan Biotech Ltd.  Respondent: Sai Traders	3,92,900/-	The matter is pending, and the next date of hearing is 27.05.2024.
13	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 754/2023	Petitioner: M/s Vardan Biotech Private Ltd  Respondent: Rishabh Khad Bhandar	1,49,773/-	The matter is pending, and the next date of hearing is 11.07.2024.
14	Civil Judge Class-I, Ujjain  Complaint No. SC NIA 1078/2023	Petitioner: M/s Vardan Biotech Ltd.  Respondent: Vijay Krishi Kendra	14,51,353/-	The matter is pending, and the next date of hearing is 21.10.2024.
15	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 741/2023	Petitioner: M/s Vardan Biotech Private Ltd  Respondent: Goyal Krishi Seva Kendra	3,10,360/-	The matter is pending, and the next date of hearing is 24.07.2024.
16	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 150/2024	Petitioner: M/s Vardan Biotech Ltd.  Respondent: Chaudhary Krishi Sewa Kendra	4,70,242/-	This is a fresh matter. The date of first hearing is 18.07.2024.
17	Civil Judge Class-II, Ujjain  Complaint No. UN CR 59/2024	Petitioner: M/s Vardan Biotech Ltd.  Respondent: Pandey Traders	50,000/-	The matter is pending, and the next date of hearing is 29.05.2024.
18	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 179/2024	Petitioner: M/s Vardan Biotech Ltd.  Respondent: Maa Sharda Traders	74,027/-	The matter is pending, and the next date of hearing is 16.05.2024.
19	Civil Judge Class-II, Ujjain  Complaint No. UN CR 47/2024	Petitioner: M/s Vardan Biotech Ltd.  Respondent: Tanya Agro Seeds & Anr.	89,473/-	This is a fresh matter.
20	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 203/2024	Petitioner: M/s Vardan Biotech Ltd.  Respondent: Sachidanand Khad Bhandar	51,900/-	The matter is pending, and the next date of hearing is 20.05.2024.
21	Civil Judge Class-II, Ujjain  Complaint No. SC NIA 202/2024	Petitioner: M/s Vardan Biotech Ltd.  Respondent: Ramnarayan Damodar Prasad	51,900/-	The matter is pending, and the next date of hearing is 20.05.2024.
22	Civil Judge Class -II Ujjain	Petitioner: M/s Vardan Biotech Ltd.	6,36,983/-	The fresh matter has been filed.

	Complaint No. UN CR 159/2024	Respondent: Raithmitra Seva kendra		The matter yet to come up for hearing. N.D.O.H- NOT MENTIONED
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## 2. CIVIL MATTERS:

NIL

## 3. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

NIL

### LITIGATION INVOLVING DIRECTORS OF OUR COMPANY

#### A. LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY:

##### 1. CRIMINAL MATTERS:

###### a) *State of Madhya Pradesh Versus M/s Lokendra Singh Rajput & Others*

SC EOW No. 1/2022  
Crime No. 5/2011

The EOW has registered the FIR against one of our Director Mr. Lokendra Singh Rajput under sections 409, 420, 467, 468, 471, 474, 120B, of Indian Penal Code and sections 13(1)d, 13(2) of Prevention of Corruption Act 1988. The matter is at arguments stage and the next date of hearing is August 4, 2024. The Hon'ble High Court of Madhya Pradesh, bench of Indore has already granted bail to Mr. Lokendra Singh Rajput on June 28, 2022 in M.Cr.C. no. 27781/2022.

###### b) *Bhimrao Nagargoje v. State of Maharashtra*

Case No. 231/2023.

The FIR was registered on the direction of order passed by Hon'ble Bombay High Court Bench at Aurangabad and accordingly FIR was registered by police officials u/s 420 of I.P.C, 1860 and section 3 and 19 of Seeds Act, 1966. That the FIR was registered against the employee of our company and accordingly we filed the petition u/s 482 of Cr.P.C, 1973 for quashment of FIR.

###### c) *Bhimrao Nagargoje v. State of Maharashtra*

The FIR was registered on the direction of order passed by Hon'ble Bombay High Court Bench at Aurangabad and accordingly FIR was registered by police officials u/s 420 of I.P.C, 1860 and section 3 and 19 of Seeds Act, 1966. That the FIR was registered against the employee of our company and accordingly we filed the petition u/s 482 of Cr.P.C, 1973 for quashment of FIR. The case number is not allotted by the registry of the High Court.

###### d) *Hitesh Gantawar v. State of Maharashtra*

Case No. 951/2023.

The FIR was registered on the direction of order passed by Hon'ble Bombay High Court Bench at Aurangabad and accordingly FIR was registered u/s 420 of I.P.C, 1860 and section 3 and 19 of Seeds Act, 1966. That the FIR was registered against the employee of our company and accordingly we filed the petition u/s 482 of Cr.P.C, 1973 for quashment of FIR before the Hon'ble Bombay High Court, Bench at Nagpur.

###### e) *Lokendra Singh Rajput v. State of Maharashtra*

Case No. 82/2023.

The FIR was registered on the direction of order passed by Hon'ble Bombay High Court Bench at Aurangabad and accordingly FIR was registered u/s 420 of I.P.C, 1860 and section 3 and 19 of Seeds Act, 1966. That the FIR was registered against the director of our company and accordingly we filed

the petition u/s 482 of Cr.P.C, 1973 for quashment of FIR.

**2. WILFUL DEFAULTERS:**

None of our Directors appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on wilful defaulters

**3. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES:**

NIL

**4. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

NIL

**B. LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY:**

**1. CRIMINAL MATTERS:**

NIL

**2. CIVIL MATTERS**

a) *Vardan Seeds Agritech through Lokendra Singh Rajput v. Hindustan Uni Liver Ltd.*

Vardan Seeds Agritech through Lokendra Singh Rajput has filed the second appeal before the Hon'ble High Court of Madhya Pradesh, bench at Indore on December 14, 2022, against the Order of Ld. District Judge-3, Ujjain dated September 23, 2022. Hon'ble High Court vide its order dated December 15, 2023, has admitted the appeal, and was pleased to grant the stay in favour of Appellant. The Appellant is depositing the rent before the Court.

The matter is pending before the Hon'ble Court and the Directors (Appellant) are hopeful of getting the favourable order from Hon'ble Court.

The above appeal has emanated from the suit of eviction filed by Hindustan Uni Liver Ltd. (formerly Modern Food Industries (India) Limited) against the Appellant (Vardaan Seeds and Agritech) U/s 12 (1)(a) (c) (g) and (o) of MP Accommodation Control Act 1961 which was decided against the Appellant vide Order dated September 15, 2016 by Hon'ble I Addl. Civil Judge, Class- I on July 27, 2019, and passed the decree for eviction of premises situated at building no. 1, Gali number - 10, Maksi Road Ujjain. Then Our Company filed the first appeal before the III District Judge, Ujjain challenging the order dated July 27, 2019, thereafter, vide judgment dated September 23, 2022, III District Judge, Ujjain dismissed the appeal and upheld the decree and judgment dated July 27, 2019.

The above Land / Premises is used by the Company under the license / arrangement with the Promoter for running its processing unit.

**3. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

NIL

**LITIGATION INVOLVING OUR PROMOTERS**

**A. LITIGATIONS AGAINST OUR PROMOTER/S:**

**1. CRIMINAL MATTERS:**

Refer Clause A sub-clause 1 of litigation involving directors of our company.

**2. CIVIL MATTERS:**

Refer Clause B sub-clause 2 of litigation involving directors of our company.

**3. DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST OUR PROMOTERS IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION:**

NIL

**4. WILFUL DEFAULTERS:**

None of our Promoters appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters'.

**5. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES:**

NIL

**6. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

NIL

**B. LITIGATIONS FILED BY OUR PROMOTER/S:**

**1. CRIMINAL MATTERS:**

NIL

**2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

NIL

**LITIGATION INVOLVING OUR GROUP COMPANY**

**A. LITIGATIONS AGAINST OUR GROUP COMPANY:**

**1. CRIMINAL MATTERS:**

NIL

**2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

NIL

**3. WILFUL DEFAULTERS:**

None of our Group Companies appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters.

**B. LITIGATIONS FILED BY OUR GROUP COMPANY:**

**1. CRIMINAL MATTERS:**

NIL

**2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

NIL

**MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter — “*Management Analysis of Financial Conditions and Results of Operations*” on page number 205 of this Draft Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

## OUTSTANDING DUES TO CREDITORS

Details of outstanding dues owed as of December 31, 2023, to MSMEs and other creditors are set out below

Creditors	Number of Cases	Amount due (in Lakhs)
MSMEs	13	245.78
Other Creditors	107	168.44

The details pertaining to amounts due towards the material creditors are available on the website of our Company.

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.vardaanbiotech.com](http://www.vardaanbiotech.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 Draft 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 renewal. In order to operate our business, ethical marketing in domestic as well as international market and distribution of Hybrid Seeds through third party distribution network of products manufactured on contract manufacturing under loan license, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled “*Key Industry Regulations and Policies*” on page number 145 of this Draft Red Herring Prospectus.

The Company has its business located at:

**Registered Office:** C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456010, Madhya Pradesh, India

Further, except as mentioned herein below, our Company has not yet applied for any licenses for the proposed activities as contained in the chapter titled ‘*Objects of the Issue*’ beginning on page number 87 of this Draft Red Herring Prospectus to the extent that such licenses/approvals may be required for the same.

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 March 10, 2024 & March 27, 2024 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 held on March 11, 2024 & March 28, 2024 authorized the Issue.

#### In-principal approval from the Stock Exchange

We have received in-principal approvals from the NSE for the listing of our Equity Shares on NSE EMERGE pursuant to letter dated [●] bearing reference no. [●].

#### Agreements with NSDL and CSDL

1. The Company has entered into an agreement dated January 20, 2021, with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer agent, who in this case is, Purva Shareregistry (India) Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated January 06, 2021, with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer agent, who in this case is Purva Shareregistry (India) Pvt. Ltd. for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) is INE0GC401011.

#### Lenders Consent

We have received consent of Punjab National Bank, Samunnati Financial Intermediation and Services Private Limited and HDFC Bank Limited, Lenders of the Company.

### INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated December 20, 2007, issued by the Registrar of Companies, Madhya Pradesh & Chhattisgarh, in the name of “VARDAAN BIOTECH PRIVATE LIMITED”.



2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on January 15, 2021, by the Registrar of Companies, Gwalior.
3. The Corporate Identification Number (CIN) of the Company is U15495MP2007PLC020132.

#### 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
<b>BUSINESS AND INDUSTRY SPECIFIC APPROVALS</b>					
1	Udyam Registration Certificate	Ministry of Micro, Small and Medium Enterprises, Government of India	UDYAM-MP-49-0004122	May 10, 2021	Valid till cancelled
2.	License to carry on the business of a dealer in seeds in Telangana	Government of Telangana – Department of Agriculture	1553	March 15, 2017	March 13, 2025
3.	License to carry on the business of a dealer in seeds in Chhattisgarh	Government of Chhattisgarh – Directorate of Agriculture	CGSLSPS16048	March 05, 2015	March 04, 2026
4.	License to carry on the business of a dealer in seeds in Bihar	Government of Chhattisgarh – Directorate of Agriculture.	SL2302110207395 5	September 12, 2020	September 11, 2025
5	License to carry on the business of a dealer in seeds in Ujjain	Government of Madhya Pradesh – Office of Deputy Director of Agriculture	1039	October 24, 2008	March 31, 2025
6	License to carry on the business of a dealer in seeds in Maharashtra	Chief Quality Control Officer Commissionerate of Agriculture, Pune, Maharashtra	LCSD2022060605	February 05, 2021	February 04, 2026
7.	License to carry on the business of a dealer in seeds in Uttar Pradesh	Licensing Authority, Uttar Pradesh	346/34570/070	February 03, 2019	February 01, 2027
8.	License to carry on the business of a dealer in seeds in Haryana	Government of Haryana – Department of Agriculture	LIC/100016218	September 28, 2021	September 26, 2026
9.	License to carry on the business of a dealer in seeds in Gujarat	Government of Gujarat - Department of Agriculture	SAB/FSR210000370/ 2021-2022	July 22, 2021	July 21, 2026

10.	License to sell, export, import and store the seeds	Govt. of Madhya Pradesh, Horticulture & Food Processing Department	RS/435/6604/12/2023	April 27, 2023	April 26, 2026
11.	License to carry on the business of a dealer in seeds in Rajasthan	Government of Haryana – Department of Agriculture	F-24(129)	March 31, 2014	March 29, 2026
12.	Licence to work a Factory	Chief Inspector of Factories, Madhya Pradesh – Directorate of Industrial Health & Safety	41/18036/UJN/2m(i)	March 28, 2024	December 31, 2024
<b>TAX RELATED APPROVALS/LICENSES/REGISTRATIONS</b>					
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AACCV7434J	December 20, 2007	Valid till cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India	BPLV01594F	May 28, 2008	Valid till cancelled
3.	Goods and Service Tax Identification Number (GST)	Central Board of Indirect Tax and Customs. Government of India	23AACCV7434J1Z8	September 02, 2021	Valid till cancelled
4.	Professional Tax Registration Certificate (PTRC)	Government of Madhya Pradesh Commercial Taxes Department Profession Tax Registration Certificate	79259017320	October 29, 2020	Valid till cancelled
<b>LABOUR RELATED APPROVALS/REGISTRATIONS</b>					
1.	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952)	Employees Provident Fund Organization, Ministry of Labour, Government of India	MPUJJ1816856000	December 05, 2018	Valid till cancelled
2.	Registration for Employees State Insurance (under Employees State Insurance Act, 1948)	Employees State Insurance Corporation	18000219620000099	April 06, 2015	Valid till cancelled
3.	M.P Shops & Establishments Act, 1958	District Labor Office, Ujjain	C/1272260	February 28, 2020	Valid till cancelled

4.	M.P Shops & Establishments Act, 1958	District Labor Office, Ujjain	UJJA240205SE002006	February 05, 2024	Valid till cancelled
<b>OTHER BUSINESS-RELATED APPROVALS</b>					
1.	ISO Certification	ISO 9001:2015 Authority	ICI/2353987/22	August 29, 2022	August 28, 2025
2.	LEI Registration	LEI Register India Private Limited	984500CF8A9F452E7C40	March 15, 2024	March 15, 2025

## DETAILS OF INTELLECTUAL PROPERTY

### TRADEMARKS

We have applied for modification of the following Trademark with the Trademark Registry, Government of India. The details of the trademark applications are as follows:

Sr. No.	Trademark	Class	Application Number	Date of Application	Validity /Renewal	Status
1.	Device mark	35	3221773	March 29, 2016	March 29, 2026	Registered

As the above registration was received in the name of Vardaan Biotech Private Limited, the Company has submitted the application for change of name of the company on June 23, 2023. The application is pending for approval as on the date of this Draft Red Herring Prospectus.

## DOMAIN NAME

Sr. No.	Domain name and ID	Supporting Registrar and ID	Creation date	Registry Expiry Date
1.	Vardaanbiotech.com	1903747636_DOMAIN_COM-VRSN	18/02/2015 Updated date: 17/02/2021	18/02/2025

## PENDING APPROVALS

Our Company has applied for renewal of Seed License for the State of Jharkhand which is pending for approval.

## MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

Many of the Licenses, registration certificates and approvals are in the name of “Vardaan Biotech Private Limited”, same are required to be updated/changed with various government/semi government authorities and various organizations. Further the application for Seed License for the State of Karnataka and application for registration under the Legal Metrology Act are yet to made.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Board of Directors has, pursuant to a resolution passed at its meeting held on March 10, 2024 and March 27, 2024 authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

The shareholders of the Company have, pursuant to a special resolution passed in Extra Ordinary General Meeting held on March 11, 2024 & March 27, 2024 authorized the Issue under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

The details of authorization by the Selling Shareholders approving their participation in the Offer for Sale are set out below:

Name of Selling shareholder	Number of equity shares offered in OFS	Date of consent
Mr. Lokendra Singh Rajput	Up to 5,00,000	April 15,2024

Each of the Selling Shareholders, specifically confirm that, as required under Regulation 8 of the SEBI ICDR Regulations, they have held their portion of the Offered Shares for a period of at least one year prior to the filing of the Draft Red Herring Prospectus and are eligible for being offered in the Offer for Sale. For more details, please refer to the section titled “Capital Structure” beginning on page 78.

Our Company has received an In-Principal Approval letter dated [●] from NSE for using its name in this Draft Red Herring Prospectus for listing our shares on the SME Platform of NSE. NSE is the Designated Stock Exchange for the purpose of this Issue.

### PROHIBITION BY SECURITIES MARKET REGULATORS

Our Company, our Promoters, our Directors and our Promoters’ Group have not been prohibited from accessing or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulators in any other jurisdiction or any other authority/court.

### CONFIRMATIONS

Our Company, our Promoters, Promoters’ Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI.

There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoters or directors.

### PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Neither our Company, nor our Promoter, nor the relatives (as defined under the Companies Act) of our Promoter nor Group Companies/Entities have been identified as wilful defaulters or Fraudulent Borrowers by the RBI or any other governmental authority.

### ELIGIBILITY FOR THE ISSUE

Our Company is eligible for the Issue in accordance with Regulation 229 (2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations as amended from time to time, as the post issue face value paid up capital is less than ₹1,000.00 Lakhs. Our Company also complies with the eligibility conditions laid by the NSE for listing of our Equity Shares on NSE EMERGE. The point wise Criteria and compliance thereof are given hereunder:

- The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.**  
Our Company is incorporated under the Companies Act, 1956.

**2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25.00 Crores.**

The present paid-up capital of our Company is ₹14,17,00,000 and we are proposing Issue of 53,18,000 Equity Shares of ₹10/- each at ash price of ₹ [●] per Equity Share, aggregating to ₹ [●] Lakhs. Hence, our Post Issue Paid up Capital will be ₹ 18,98,80,000 which is less than ₹2,500 Lakhs.

**3. Track Record**

**a. The Company should have a track record of at least 3 (three) years.**

Our Company was incorporated on December 20, 2007, under the provisions of Companies Act, 1956, therefore we are complying the track record.

**b. The Company should have operating profit (earnings before interest, depreciation, and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.**

Our Company satisfies the criteria of track record which given hereunder based on Restated Financial Statement:

(in Lakhs)				
Particulars	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Operating profit (earnings before depreciation and tax) from operations	1978.06	1852.13	849.88	271.39
Net Worth	3412.81	2060.62	923.64	498.12

**4. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had entered the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent. The Company's shares bear an ISIN: INE0GC401011.

**5. Other Requirements**

- The Company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) or No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer.
- The company has not received any winding up petition admitted by a NCLT / Court.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the Company.
- There is no default of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting company (ies), group companies, companies promoted by the promoters/promoting companies of the Company.
- The Company has website [www.vardaanbiotech.com](http://www.vardaanbiotech.com)

**In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:**

- This Issue is 100% underwritten by the Book Running Lead Manager in compliance of Regulations 260(1) and 260(2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting by Book Running Lead Manager, please refer to Section titled "General Information" beginning on page number 61 of this Draft Red Herring Prospectus.
- In accordance with Regulation 268(1) 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 four (4) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
- In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we shall also ensure that we submit the soft copy of Prospectus through Book Running Lead Manager immediately up on registration of the Prospectus with the Registrar of Companies along with a Due Diligence Certificate including additional confirmations. However, SEBI shall not issue any observation on our Prospectus.

4. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, the Book Running Lead Manager will ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of equity shares offered in this Issue. For further details of market making arrangement, please refer to the section titled “General Information” on page number 61 of this Draft Red Herring Prospectus.
5. We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and Subsequent circulars and guidelines issued by SEBI and the NSE EMERGE.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS / PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, SHARE INDIA CAPITAL SERVICES PVT LTD, 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, SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED SHALL FURNISH TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS / PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS / PROSPECTUS.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, GWALIOR, IN TERMS OF SECTION 26, 30 AND SECTION 32 OF THE COMPANIES ACT, 2013.**

#### **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE**

The copy of the Draft Red Herring Prospectus is submitted to NSE. Post scrutiny of the Draft Red Herring Prospectus, the Disclaimer Clause as intimated by NSE to us is read as under;

**“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: [●] dated [●] 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 promoter, 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.”

#### **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company, its Directors, accepts no responsibility for statements made otherwise than in this Draft 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.vardaanbiotech.com/](http://www.vardaanbiotech.com/) would be doing so at his or her own risk.

The Book Running Lead Manager accepts no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company's website: [www.vardaanbiotech.com/](http://www.vardaanbiotech.com/) would be doing so at their own risk.

#### **CAUTION**

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue management, the Underwriting Agreement, and the Market Making Agreement.

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 their respective associates in the ordinary course of business & have engaged and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

#### **Note:**

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 of our Company. 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 of our company.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub –account registered with SEBI which is a foreign corporate or go reign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform him 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 Ujjain, Madhya Pradesh 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.



Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Draft Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share 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 and legislations in each jurisdiction, including India.

#### **FILING OF DRAFT RED HERRING PROSPECTUS/ RED HERRING PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES**

The Draft Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India. The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Prospectus in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>

A copy of the Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered to the RoC Office situated at 3<sup>rd</sup> Floor, 'A' Block, Sanjay Complex, Jayendra Ganj, Gwalior-474009, Madhya Pradesh

#### **LISTING**

Application will be made to the NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. NSE has given its in-principal approval for using its name in our Offer documents vide its letter no. [●] dated [●]. If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE, the Company shall refund through verifiable means the entire monies received within Four days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four day after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at NSE EMERGE are taken within six Working Days from the Issue Closing Date.

#### **IMPERSONATION**

Attention of the Applicants 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.”

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud. Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

## CONSENTS

The written consents of Promoter, Selling shareholders, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers to the Company, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue Legal Advisor to the Issue, Advisor to the company, the Book Running Lead Manager to the Issue, Underwriter, Registrar to the Issue and Market Maker to act in their respective capacities have been obtained/ will be obtained before filing the final prospectus.

Above consents will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

Further, such consents and reports have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

## EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor & Peer Reviewed Auditor namely, M/s M Borar & Co, Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated December 31, 2023 and the Statement of Special Tax Benefits dated December 31, 2023 issued by them , Chartered Engineer namely, Vastu Shilpagya & Shilpagya Consultant dated April 15, 2023, and from the Legal Advisor namely Whitespan Law Offices LLP dated April 11, 2024 to include their names in this Draft Red Herring Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

## PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE INCORPORATION

Except as stated below, 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, 2018 and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2018.

Our company had previously made an application for listing its securities on EMERGE platform of National Stock Exchange of India Limited. We received In-Principal Approval from exchange vide letter NSE/LIST/969, dated July 26, 2021. However, the Company could not come up with an SME IPO within the due timeline and hence, the same gets rejected.

The Brief details of the previous Application of IPO is as follows:

**Date of Prospectus:** March 12, 2021

**Issue Type:** Fixed Price Issue

**No of Shares:** 10,88,000 Equite Shares

## PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Other than as detailed under chapter titled ‘*Capital Structure*’ beginning on page number 73 of the Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## PREVIOUS CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY LISTED SUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY

Except as disclosed in Chapter titled “*Capital Structure*” on page number 73 of Draft Red Herring Prospectus, our Company has not made any capital issue during the previous three years. We do not have any Listed Group Company or Subsidiary or Associate as on date of this Draft Red Herring Prospectus.

## UNDERWRITING COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

We have not made any previous public Issue. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

## ANNEXURE-A

### Disclosure of Price Information of Past Issues Handled by Share India Capital Services Private Limited

TABLE 1

Sr. No.	Issue Name	Issue Size (Amount in Crore)	Listing Date	Issue Price (₹)	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	Anmol India Limited	10.23	February 12, 2019	33.00	33.60	-3.57% 6.31 %	-10.71% 8.94%	-11.30% 3.98 %
2	Humming Bird Limited	2.15	March 28, 2019	132.00	132.00	6.81% 1.35 %	2.71%	1.42%
3	Maiden Forgings Limited	23.84	April 06, 2023	63.00	63.00	-4.33% -0.17%	30.43% -0.72%	75.08% -0.45%
4	Exhicon Events Media Solutions Limited	21.12	April 17, 2023	64.00	64.00	129.92% -0.60%	241.64% 0.43%	317.86% 10.64%
5	A G Universal Limited	8.72	April 24, 2023	60.00	60.00	-8.33% -0.05%	-22.50% -0.28%	7.15% 10.14%

6	Quicktouch Technologies Limited	9.33	May 2, 2023	61.00	92.00	110.90% -0.49%	129.67% 0.44%	180.43% 4.96%
7	De Neers Tools Limited	22.99	May 11, 2023	101.00	190.00	74.50% -0.49%	142.57% 0.27%	29.20% 6.06%
8	Krishca Strapping Solutions Limited	17.93	May 26, 2023	54.00	118.00	184.91% -0.40%	439.72% -0.75%	105.80% 7.09%
9.	New Swan Multitech Limited	33.11	January 18, 2024	66.00	125.40	-23.84% 2.14%	-40.16 % -2.03%	-
10.	Wise Travel India Limited	94.68	February 19, 2024	147.00	195.00	-9.74% -1.28%	-	-
11.	Pune E Stock Broking Limited	38.23	March 15, 2024	83.00	130.00	-1.92% 0.70%	-	-
12.	AVP Infracon Limited	52.34	March 20, 2024	75.00	79.00	6.71% -2.20%	-	-

Source: Price Information [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

**Note:**

1. The S&P BSE Sensex and NSE Nifty are considered as the Benchmark.
2. "Issue Price" is taken as "Base Price" for calculating % Change in Closing Price of the respective Issues on 30th / 90th/180th Calendar days from listing.
3. "Closing Benchmark" on the listing day of respective scripts is taken as "Base Benchmark" for calculating % Change in Closing Benchmark on 30th / 90th/180th Calendar days from listing. Although it shall be noted that for comparing the scripts with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 4 below.
4. In case 30th/ 90th/180th day is not a trading day, closing price on BSE/NSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day then last trading price has been considered.

**TABLE 2**

**Summary Statement of Disclosure**

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPO trading at discount as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at discount as on 180 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			Over 50 %	Between 25-50%	Less than 25 %	Over 50 %	Between 25-50%	Less than 25 %	Over 50 %	Between 25-50%	Less than 25 %	Over 50 %	Between 25-50%	Less than 25 %
2023-24	10	315.5	-	-	4	4	-	-	-	-	-	4	1	1
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Notes:**

(1) Since the listing date of New Swan Multitech Limited was January 18, 2024, Wise Travel India Limited was on February 19, 2024, Pune E Stock Broking Limited was on 2024, ch 15, 2024 and AVP Infracon Limited was on March 20, 2024, information related to closing price and benchmark index as on the 180th calendar day from the listing date is not applicable.

(2) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.

(3) In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

(4) Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), BSE Sensex and Nifty Fifty as the Benchmark Indices.

**PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF OUR COMPANY**

Our Company has not undertaken any public or rights issue in the five (5) years preceding the date of this Draft Red Herring Prospectus.

**PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF THE LISTED SUBSIDIARIES OF OUR COMPANY**

Our Company does not have any subsidiaries or listed promoters and none of our Group Companies have made any public issues, including rights issues to the public in the 5 years immediately preceding the date of this Draft Red Herring Prospectus.

**OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of the Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

**OPTION TO SUBSCRIBE**

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer 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 Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI Master Circular, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated September 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2021 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days). ‘T’ being issue closing date. In partial modification to circulars dated March 16, 2021, and April 20, 2022, the compensation to investors for delay in unblocking of ASBA application monies (if any) shall be computed from T+3 day. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company may choose to close this Issue within three (03) working days, in accordance with the timeline provided under the aforementioned circular. The timelines prescribed for public issues as mentioned in SEBI circulars dated November 1, 2018, September 28, 2019, November 8, 2019, March 30, 2020, March 16, 2021, September 2, 2021, and April 20, 2022, shall stand modified to the extent stated in this Circular.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, bid application number, number of Equity Shares Bid for, amount paid on Bid application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the Bidder, Bid application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank. Our Company has obtained authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013, and complied with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Our Company has not received any complaints as on the date of this Draft Red Herring Prospectus.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Archana Khare as the Company Secretary and Compliance Officer, and she may be contacted at the following address:

Vardaan Biotech Limited,  
C-2/1, Mahananda Nagar Dewas Road, Ujjain, Madhya Pradesh, India, 456010  
Telephone: +91 9755024700

E-mail: [Investorgrievance@Vardaanbiotech.com](mailto:Investorgrievance@Vardaanbiotech.com)

As on the date of this Draft Red Herring Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

#### **PUBLIC ISSUE EXPENSES**

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

<b>Expenses</b>	<b>Expenses (Rs. in Lakh)</b>	<b>Expenses (% of Total Issue expenses)</b>	<b>Expenses (% of Gross Issue Proceeds)</b>
Book Running Lead Manger Fees including Underwriting Commission	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable Advertising, Marketing Expenses and Printing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Peer Review Auditor	[●]	[●]	[●]
Fees Payable to Market Maker (for Two Years)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
<b>Total Estimated Issue Expenses#</b>	[●]	[●]	[●]

#### **Notes:**

# Other than the listing fees for the Offer all cost, fees and expenses in respect of the issue will be shared amongst our Company and Selling Shareholders, respectively, in proportion to the proceeds received for the Fresh issue and their respective portion of Offered Shares, as may be applicable, upon the successful completion of the Issue

#### **FEES PAYABLE TO BOOK RUNNING BOOK RUNNING LEAD MANAGER TO THE ISSUE**

The total fees payable to the Book Running Lead Manager will be as per the Engagement Letter, a copy of which is available for inspection at the Registered Office of our Company.

#### **FEES PAYABLE TO THE REGISTRAR TO THE ISSUE**

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, communication expenses etc. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post or email.

#### **FEES PAYABLE TO OTHERS**

The total fees payable to the Sponsor Bank, Legal Advisor, Statutory Auditor and Peer Review Auditor, Market maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

#### **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “*Capital Structure*” beginning on page number 73 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **LISTED VENTURES OF PROMOTER**

There are no listed ventures of our Company as on date of filing of this Draft Red Herring Prospectus.

#### **OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS**

There are no outstanding debentures or bonds, or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Red Herring Prospectus.

#### **CAPITALIZATION OF RESERVES OR PROFITS DURING LAST 5 (FIVE) YEARS**

Our Company has capitalized Reserves or Profits during last five years and the details of the same are given on Page number 73 under the Chapter “*Capital Structure*”.

#### **REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS**

Our Company has not revalued its assets during last five years.

## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red- Herring Prospectus, Red Herring Prospectus, Prospectus, Abridged Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN) and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (Except Anchor investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+3 days.*

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized 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.

#### **The Issue**

The Issue consists of a Fresh Issue by our Company and an Offer for Sale by the Selling shareholders. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in “Objects of the Issue” on page number 87 of this Draft Red Herring Prospectus.

The Equity Shares being Offered/Allotted in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association, SEBI ICDR Regulations 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, Voting Power and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company.

#### **Authority for the Issue**

This Issue has been authorized by a resolution of the Board passed at their meeting held on March 10, 2024 & March 27, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of the Company held on March 11, 2024 & March 27, 2028.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 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 dividends in cash and as per provisions of the Companies Act, 2013. Dividends, if any, declared by our Company after the date of Allotment will be payable to the transferee who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, please refer to the chapter titled Dividend Policy beginning on pages 188 of this Draft Red Herring Prospectus.

### **Face Value and Issue Price**

The face value of each Equity Share is ₹ 10/- and the Offer Price at the lower end of the Price Band is ₹ [●]/- per Equity Share and at the higher end of the Price Band is ₹ [●]/- per Equity Share. The Anchor Investor Offer Price is ₹ [●]/- per Equity Share.

The Price Band and the Bid Lot will be decided by our Company, in consultation with the BRLM, and published by our Company in [●] edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Hindi national daily newspaper and [●] edition of [●] being the regional language of Chennai, (where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchange for the purpose of uploading the same on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchange. The Offer Price shall be determined by our Company, in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **Compliance with the disclosure and accounting norms**

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholder**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association” on page 357 of this Draft Red Herring Prospectus.

### **Allotment only in Dematerialized form**

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- Tripartite agreement dated January 20, 2021 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated January 06, 2021 among NSDL, our Company and the Registrar to the Issue.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares 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.

#### **Minimum Application value, Market Lot and Trading Lot**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the EMERGE Platform of NSE from time to time by giving prior notice to investors at large. For further details, see “Issue Procedure” on page 266 of this Draft Red Herring Prospectus.

#### **Minimum Number of Allottees**

Further in accordance with Regulation 268(1) 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 all the monies blocked by SCSBs shall be unblocked within two (2) working days of closure of issue.

#### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

#### **Jurisdiction**

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

The Equity Share 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 off-shore 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.

#### **Nomination Facility to the Investor**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, 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 Corporate 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 shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. 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 (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

#### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "Capital Structure" on page 66 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "Main Provisions of Articles of Association" on page 357 of this Draft 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 BRLM do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the BRLM 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 Draft 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.

#### **Arrangements for Disposal of Odd Lots**

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, in terms of Regulation 261(5) of the SEBI ICDR Regulations, 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 the EMERGE platform of NSE.

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **As per the extent Guidelines of the Government of India, OCBs cannot participate in this Offer**

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, FPIs 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.

#### **Pre-Offer 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) All Editions of English National Newspaper, [●]; (ii) All editions of Hindi National Newspaper, [●] and the registered office of the company is situated in Madhya Pradesh, therefore is the regional language. In the pre-issue advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR Regulations. 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 X of the SEBI Regulations. The above information is given for the benefit of the Bidders. The Bidders 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 and regulations, which may occur after the date of this Red Herring Prospectus. Bidders 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 and regulations.

#### **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, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. 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.

#### **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the 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 (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM through, the Registrar to the Issue, shall notify the SCsBs to unblock the bank accounts of the ASBA applicant within one (1) 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 the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue

after the 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.

#### **Period of Subscription List of the Public Issue**

<b>Event</b>	<b>Indicative Date</b>
Offer Opening Date	[●] <sup>^1</sup>
Offer Closing Date	[●] <sup>^2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account*	On or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

*Note - <sup>(1)</sup> Our Company in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

*<sup>(2)</sup> Our Company in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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 3 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by 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.

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Offer Closing Date, the Bid-Cum- Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidders on Bid/ Issue Closing Date may be extended in consultation with the BRLM, RTA and NSE EMERGE taking into account the total number of applications received up to the closure of timings. Due to the limitation of time available for uploading the Bid-Cum- Application Forms on the Bid/ Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Offer Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Offer Closing Date, as is typically experienced in public Offer, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum-Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise. In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Offer Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs /RTAs / DPs / stock brokers, as the case may be, for the rectified

data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Offer Period. The revision in the Price Band shall not exceed 20% on 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. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of syndicate members.

### **Minimum Subscription**

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Offer, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the issuer fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, it shall refund through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four (4) days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum.

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “General Information” on page 66 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Further, in accordance with Regulation 268 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).

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.

### **Migration to Main Board**

Our company may migrate to the main board of NSE at a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹ 2500 Lakh 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 Promoters 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), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the paid-up Capital of our company is more than ₹ 1000 Lakh but below ₹ 2500 Lakh, our 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 Promoters 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.

Any company voluntarily desiring to migrate to the Main board from the EMERGE Platform, amongst others, has to fulfill following conditions:

Parameter	Migration policy from NSE SME Platform to NSE Main Board
<b>Paid up Capital &amp; Market Capitalization</b>	The paid-up equity capital of the applicant shall not be less than ₹ 10 crores and the capitalization of the applicant's equity shall not be less than ₹ 25 crores** ** Explanation For this purpose capitalization will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares
<b>Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT)</b>	The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
<b>Listing period</b>	The applicant should have been listed on SME platform of the Exchange for at least 3 years
<b>Other Listing conditions</b>	The applicant Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.  The company has not received any winding up petition admitted by a NCLT. The net worth* of the company should be at least ₹ 50 crores  *Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
<b>Public Shareholders</b>	Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1,000.
<b>The applicant desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:</b>	The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner. • Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed. • Redressal mechanism of Investor grievance • PAN and DIN no. of Director(s) of the Company • Change in Control of a Company/Utilization of funds raised from public

### Market Making

The shares issued and transferred through this Offer are proposed to be listed on the Emerge Platform of NSE Limited with compulsory market making through the registered Market Maker of the Emerge Exchange for a minimum period of 3 (three) years or such other time as may be prescribed by the StockExchange, from the date of listing on the Emerge Platform of NSE Limited. For further details of the marketmaking arrangement please refer to chapter titled General Information beginning on page 66 of this Draft Red Herring Prospectus.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than ₹ 10 crores and upto ₹ 25 crores, shall issue equity shares 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 NSE). For further details regarding the salient features and terms of such an issue, please refer chapter titled “Terms of Issue” and “Issue Procedure” on page no. 301 and 311 respectively of this Draft Red Herring Prospectus.

This public issue of up to 53,18,000 equity shares of face value of ₹10/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the “issue price”) aggregating to ₹ [●]/- Lakhs (“the issue”) by our company. The Issue and the Net Issue will constitute [●] % and [●] % respectively of the post issue paid up Equity Share Capital of the Company. This Issue is being made by way of Book Building Process (1):

Particulars of the Issue	Market Maker Reservation Portion	QIBs	Non – Institutional Investors	Retail Individual Investors
Number of Equity Shares available for allocation	Up to 5,32,000 Equity shares	[●] Equity shares	[●] Equity shares	[●] Equity shares
Percentage of Issue Size Available for allocation	10.00% of the issue size	Not more than 50.00% of the Net offer size shall be available for allocation to QIBs. However, up to 5.00% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only. Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only.	Not less than 15.00% of the Offer shall be available for allocation.	Not less than 35.00% shall be available for allocation.
Basis of Allotment	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion: (a) up to [●] Equity Shares, shall be available for allocation on a proportionate basis to Mutual Funds only; and; (b) [●] Equity shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above [●] Equity Shares may be allocated on a discretionary	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject To Availability of Equity Shares in the Retail Portion and the remaining available Equity

		basis to Anchor Investors For further details please refer to the section titled “Issue Procedure” beginning on page 311.		Shares if any, shall be allotted on a proportionate basis. For details see, “Issue Procedure” on Page 311.
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).			
Minimum Bid Size	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed ₹ 2,00,000.
Maximum Application Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed Rs.2,00,000.
Mode of Allotment	Dematerialized Form			
Trading Lot	[●] Equity Shares, however, the Market Maker may accept odd lots if any in the market as permitted under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism that is specified in the ASBA Form at the time of submission of the ASBA Form.			

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Note:

1. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
2. Applicants will be required to confirm and will be deemed to have represented to our Company, the BRLM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
3. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

Lot Size:

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the Circular) standardized the lot size for Initial Public Offer proposing to list on Emerge exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in Rs. )	Lot Size (No. of shares)
Upto 14	10000
More than 14 upto 18	8000
More than 18 upto 25	6000
More than 25 upto 35	4000
More than 35 upto 50	3000
More than 50 upto 70	2000
More than 70 upto 90	1600
More than 90 upto 120	1200
More than 120 upto 150	1000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with BRLM, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading

#### **WITHDRAWAL OF THE ISSUE**

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right to not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper, where the Registered office of the Company is situated.

The Book Running Lead Managers, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will

also be informed promptly. If our Company withdraws the Issue after the Bid/Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Draft Red Herring Prospectus/ Red Herring Prospectus with RoC.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Madhya Pradesh.

## ISSUE PROGRAMME

Event	Indicative Dates
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 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 when applications will be accepted only between 10.00 a.m. to 2.00 p.m.

## ISSUE PROCEDURE

*All Applicants should read the General Information Document for Investing in Public Issue prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI ("General Information Document") and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section "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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

*All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public Issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.*

*Additionally, all Applicants may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Applicants eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Applicants and Retail Individual Applicants applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("UPI Phase III"), as may be prescribed by SEBI.*

*Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.*

*Further, our Company, and the LMs are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Draft Prospectus. Applicants 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 Equity Shares that can be held by them under applicable law or as specified in the Prospectus and the Prospectus. The BRLMs shall be the nodal entity for any issues arising out of public issuance process. Our Company, and the BRLMs are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.*

*This section applies to all the Applicants, please note that all the Applicants are required to make payment of the Full Application Amount along with the Application Form.*

### **Phased implementation of Unified Payments Interface**

*SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner.*

#### **Phase I:**

*This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB also had the option to submit the ASBA Form with any of the Designated Intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.*

#### **Phase II:**

*This phase had become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice*

#### **Phase III:**

*In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public issue from existing six working days to three working days and pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the reduce time period of three working days has been made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023 All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI*

*.Our Company will be required to appoint SCSBs as a sponsor bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Applicants using UPI. The processing fees for applications made by UPI Applicants may be released to the SCSBs only after such banks provide a written confirmation on compliance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. NPCI vide circular reference no. NPCI/UIP/OC No. 127/ 2021-22 dated December 09, 2021, inter alia, has enhanced the per transaction limit in UPI from more than ₹2 lakhs to ₹5 lakhs for UPI based ASBA in initial public offerings. For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the LM.*

## **BOOK BUILT PROCEDURE**

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the, allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the ICDR Regulations. One- of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, to valid Bids being received from Mutual Funds at or above the Anchor Investor Allocation Price. In the of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be to the QIB Portion. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15.00% of the Offer shall be available for allocation on a proportionate basis to Non- institutional Bidders and not less than 35.00% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spillover from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

*Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment.*

## **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Abridged Prospectus/ Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the BRLM to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

## **BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

A Retail Individual Investor making applications using the UPI Mechanism shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs, upon receipt of the Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchange. Applications made by the Retail Individual Investors using third party bank accounts or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. The Bankers to the Issue shall provide the investors' UPI linked bank account details to the RTA for the purpose of reconciliation. Post uploading of the Bid details on the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Investors with the Depositories.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub- Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amounting the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians, including resident QIBs, Non-Institutional <del>Bids</del> Retail Individual Bidders and Eligible NRIs applying on a non- repatriation basis.	[•]



Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	[•]
Anchor Investors**	[•]

*\*Excluding electronic Bid cum Application Form*

*\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.*

Note:

- Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.
- The shares of the Company, on allotment, shall be traded on stock exchanges in demat mode only.
- Single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.
- The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families would be treated as on par with applications by individuals;

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained.
2.	A syndicate member (or sub-syndicate member).
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').
4.	A depository participant ('P') (whose name is mentioned on the website of the stock exchange as eligible for this activity).
5.	A registrar to an Offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity).

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For application submitted by Investors to SCSB</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For application submitted by investors to intermediaries other than SCSB's</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For application submitted by investors to intermediaries other than SCSBs with use of UPI for Payment:</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

#### **AVAILABILITY OF RED HERRING PROSPECTUS/ PROSPECTUS AND BID CUM APPLICATION FORMS**

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 NSE (www.nseindia.com) at least one day prior to the Bid/Offer Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

#### **WHO CAN APPLY?**

**Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.**

Subject to the above, an illustrative list of Bidders is as follows:

- a. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b. Hindu Undivided Families or HUFs, in the individual name of the Karta. The applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c. 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;
- d. Mutual Funds registered with SEBI;
- e. 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;
- f. 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);
- g. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional applicants category;
- j. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k. Foreign Venture Capital Investors registered with SEBI;
- l. 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;
- m. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o. Provident Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- p. Pension Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- q. Multilateral and Bilateral Development Financial Institutions;
- r. 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;
- s. Eligible QFIs;

- t. Insurance funds set up and managed by army, navy or air force of the Union of India;
- u. Insurance funds set up and managed by the Department of Posts, India;
- v. Any other person eligible to applying in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications shall not be made by:

Minors (except through their Guardians) Partnership firms or their nominations Foreign Nationals (except NRIs)  
Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be eligible to be considered for share allocation.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **a) For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

##### **b) For Other Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non- Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limit or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

**The above information is given for the benefit of the Applicants. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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.**

## **METHOD OF BIDDING PROCESS**

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●], and in Regional language where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

- a) The Bid / Offer Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Bid/ Offer Period may be extended, if required, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●], and in Regional language where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Offer Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Offer Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive upto three TRSs for each Bid cum Application Form.
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Offer Period i.e. one working day prior to the Bid/ Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “Issue Procedure” beginning on page 311 of this Draft Red Herring Prospectus.

h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.

i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.

j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

#### **Bids At Different Price Levels and Revision Of Bids**

1. 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/ Offer 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 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.
2. Our Company in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
3. 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 the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non- Institutional Bidders shall be rejected.
4. 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.
5. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other Bidders.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF BRLM AND THE SYNDICATE MEMBERS**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Offer 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 Offer, 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.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a) As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares in dematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) In a single Application Form 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.

#### **Information for the Bidders**

- 1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
- 2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- 3. Copies of the Bid Cum Application Form along with Abridged Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
- 4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
- 5. Bidders who are interested in subscribing for Equity Shares should approach Designated Intermediaries to

register their applications.

6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Bidders whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Bidders has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating in transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated 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.

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIs**

Application must be made only in the names of individuals, limited companies or Statutory Corporations/institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

#### **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof. Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. As per the current regulations, the following restrictions are applicable for investments by mutual funds.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single Company provided that the limit of 10% shall not be applicable for



investments in case of index funds or sector or industry specific funds/Schemes. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate 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 Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made. Custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

### **APPLICATIONS BY ELIGIBLE NRI**

Eligible NRIs may obtain copies of Application Form from the members of the Syndicate, the sub-Syndicate, if applicable, the SCSBs, the Registered Brokers, RTAs and CDPs. 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") 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 Application Form.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than Rs. 2,00,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding Rs. 2,00,000 would be considered under the Non-Institutional Category for allocation in the Offer.

In case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Application Form.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated May 03, 2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis. Allotment of Equity shares to non-residents Indians shall be subject to the prevailing Reserve Bank of India guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with an income thereon subject to permission of the RBI and subject to the Indian Tax Laws and Regulations and any other applicable laws. The company does not require approvals from FIPB or RBI for the issue of equity shares to eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multi-lateral and Bi-lateral development financial institutions.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in color). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-Residents (blue in color). For details of restrictions on investment by NRIs, please refer to the chapter titled "Restrictions on Foreign Ownership of Indian Securities" beginning on page 351 of this Draft Red Herring Prospectus.

### **APPLICATIONS BY ELIGIBLE FIIs/FPIs**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered 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 sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of

registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by 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% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% 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 sectoral 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.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

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 investor 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, subscribe to 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 a FPI against securities held by it that are listed or proposed to be listed on any recognised 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. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. 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. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

FPIs who wish to participate in the Offer are advised to use the Application Form for Non-Residents (blue in color). FPIs are required to apply through the ASBA process to participate in the Offer.

#### **APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “SEBI VCF Regulations”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “SEBI AIF Regulations”) prescribe, amongst 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 Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications 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 Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. Limited Liability Partnerships can participate in the issue only through the ASBA Process.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the IRDA Investment Regulations), are broadly set forth below:

1. Equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
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 belongs 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 Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of Rs. 2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of Rs. 500,000.00 million or more but less than Rs. 2,500,000.00 million.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and

circulars issued by IRDA from time to time.

### **APPLICATIONS BY BANKING COMPANIES**

**Applications by Banking Companies:** In case of Applications 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 Application Form, failing which our Company reserves the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee Company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

**Applications by SCSBs:** SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 02, 2013. Such SCSBs are required to ensure that for making 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 application in public issues and clear demarcated funds should be available in such account for such applications.

### **APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

### **BIDS BY ANCHOR INVESTORS**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least Rs. 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of Rs. 200.00 lakhs.
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
5. Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:

- where allocation in the Anchor Investor Portion is up to Rs. 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than Rs. 200.00 Lakhs but upto Rs.2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of Rs. 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than Rs. 2500.00 Lakhs:
    - (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto Rs. 2500.00 Lakhs; and
    - (ii) an additional 10 Anchor Investors for every additional allocation of Rs. 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of Rs. 100.00 Lakhs per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
  7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
  8. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
  9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
  10. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 90 days on fifty per cent of the shares allotted to the anchor investors from the date of allotment, and a lock-in of 30 days on the remaining fifty per cent of the shares allotted to the anchor investors from the date of allotment.
  11. The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection byes.
  12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
  13. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON BANKING FINANCIAL COMPANIES**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a

standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non- Banking Financial Companies participating in the Offer shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 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 with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserve the right to accept or reject any application, in whole or in part, in either case without assigning any reason thereof.
- (b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c) With respect to applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 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 Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the BRLM may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:**

- 1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
- 2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

## **Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

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 <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> For detail on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

### **Terms of Payment**

The entire Offer price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the 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 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 applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer 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 finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

## **PAYMENT INTO ESCROW ACCOUNT FOR ANCHOR INVESTORS**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list

of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: — “[●]”
- b. In case of Non-Resident Anchor Investors: — “[●]”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from the Anchor Investors.

### **ELECTRONIC REGISTRATION OF BIDS**

1. The Designated Intermediaries will register the applications using the on-line facilities of the StockExchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - i. the applications accepted by them,
  - ii. the applications uploaded by them
  - iii. the applications accepted but not uploaded by them, or
  - iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - i. The applications accepted by any Designated Intermediaries
  - ii. The applications uploaded by any Designated Intermediaries or
  - iii. The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. No.	DETAILS*
1.	Symbol



2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application

details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange 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/ Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Offer Period.

#### **Withdrawal of Bids**

- i. RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer 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.
- ii. The Registrar to the Offer 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.

#### **Price Discovery and Allocation**

- a. Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Offer Price and the Anchor Investor Offer Price.
- b. The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer 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.
- c. Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d. In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under subscription applicable to the Issuer, Bidders may refer to the RHP.
- e. In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage. f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

#### **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 Offer; it also

excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 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 (₹)	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., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/Prospectus with ROC**

- Our company has entered into an Underwriting Agreement dated December 20, 2023.
- A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be filing with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, the company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. In the pre-issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, shall be in the format prescribed in Part A of Schedule VI of the SEBI Regulations.

#### **GENERAL INSTRUCTIONS**

##### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- All Bidders should submit their Bids through the ASBA process only
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre
- In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Application Form;
- Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Application

Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);

- Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Application Form;
- RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
- RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
- RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the Offer;
- RIBs submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Application Form;
- RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Bidder in case of joint Bids, is included in the Application Forms
- QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment;
- Ensure that the name(s) given in the 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 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;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
- Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
- 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 I.T. 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;

- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange 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 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 Application Form;
- Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per the Application Form and the Draft Red Herring Prospectus;
- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Offer;
- Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
- Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA
- Account equivalent to the Bid Amount mentioned in the Application Form at the time of submission of the Bid;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Application Form;
- RIBs shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank before 5:00 p.m. before the Bid / Offer Closing Date;
- RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
- RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
- Bids by Eligible NRIs and HUFs for a Bid Amount of less than Rs. 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding Rs. 200,000 would be considered under the Non- Institutional Portion, for the purposes of allocation in the Offer.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, is liable to be rejected.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
  - Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
  - Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest
  - RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
  - RIB should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
  - Do not send Application Forms by post, instead submit the Designated Intermediary only;
  - Do not submit the Application Forms to any non-SCSB bank or our Company;
  - Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
  - Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
  - Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
  - Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
  - Do not submit the General Index Register number instead of the PAN as the application is liable to be rejected on this ground;
  - Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer.
  - Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;
  - All Investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;
  - Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
  - Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI Mechanism;
- The Applications should be submitted on the prescribed Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Other Instruction for Bidders****Joint Applications in the case of Individuals**

In the case of Joint Bids, the Bids should be made in the name of the Bidders 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 Bidders 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 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.

### **Multiple Applications**

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- a) All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- b) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- c) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate 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 Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client' norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the BRLM reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

- (i) All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- (ii) For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Bid submitted without this information will be considered incomplete and are liable

to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

### **GROUND OF TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section of the BID CUM APPLICATION FORM.

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 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the



DRHP. 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, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c. In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

### **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.

### **BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Offer 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 Offer Price.

The Net Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer 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 [●] Equity Shares at or above the Offer Price, the 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.

#### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Offer 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 Offer Price.

The Net Offer size less Allotment to QIBs and Retail shall be available for Allotment to Non-Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer 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 Offer 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**

Bids received from QIBs Bidding in the QIB Category at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who

have Bid at a price that is equal to or greater than the Issue Price.

**Allotment shall be undertaken in the following manner:**

**In the first instance allocation to Mutual Funds for [●] % of the QIB Portion shall be determined as follows:**

- i. In the event that Bids by Mutual Fund exceeds [●] % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●] % of the QIB Portion.
- ii. In the event that the aggregate demand from Mutual Funds is less than [●] % of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
- iii. Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

**In the second instance Allotment to all QIBs shall be determined as follows:**

- i. In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●] % of the QIB Portion.
- ii. 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, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- iii. Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

c) Basis of Allotment for QIBs and NIIs in case of Over Subscribed Offer:

In the event of the Offer being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE EMERGE (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
- For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above. a minimum allotment of [●] equity shares.
- 
- If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this DRHP.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹ 2,00,000/. Investors may note that in case of over subscription, allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.

**The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.**

#### **Issuance of Allotment advice**

- a. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- b. On the basis of 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 Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer. The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.
- c. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **Designated Date**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

#### **Instruction for completing the Bid cum application form.**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012, has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e., [www.bseindia.com/](http://www.bseindia.com/) and NSE i.e. [www.nseindia.com/](http://www.nseindia.com/)

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID 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.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository, the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depository to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid cum Application form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer 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 Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) working days of the Offer Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application

money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **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 our company**

Our Company undertakes the following:

1. that if our Company do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers in which the Pre- Issue advertisement was published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. that if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;
3. That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
4. That all steps shall be taken to ensure that listing and commencement of trading of the Equity Shares at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of Issue Closing Date or such time as prescribed;
5. 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;
6. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
7. That no further Issue of Equity Shares shall be made till the Equity Shares issued through this Draft Red Herring Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.
8. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
9. That if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be 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 ICDR Regulations and applicable law for the delayed period;
10. That the letter of allotment/ unblocking of funds to the non-resident Indians shall be dispatched within specified time;

Utilization of Issue Proceeds

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank

account referred to in Section 40 of the Companies Act, 2013;

2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization 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 the Stock Exchange where listing is sought has been received.
6. Our Company undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

### **UNDERTAKING BY SELLING SHAREHOLDER**

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholder in this Draft Red Herring Prospectus shall be deemed to be “statements and undertakings made by the Selling Shareholder”. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholder. The Selling Shareholder severally and not jointly, specifically confirms and undertakes the following in respect of itself and the Equity Shares being offered by it pursuant to the Offer for Sale:

1. The portion of the offered Shares shall be transferred in the offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, in a manner prescribed under Applicable Law in relation to the Issue, and without any objection by it and in accordance with the instructions of the Registrar to the Issue.

2. The portion of the offered Shares have been held by such Selling Shareholder for a minimum period of one year prior to the date of filing this Draft Red Herring Prospectus, such period determined in accordance with Regulation 26 (6) of the SEBI ICDR Regulations.

3. It is the Legal and Beneficial owner and has full title of its respective portion of the offered Shares.

4. That it shall provide all reasonable co-operation as requested by our Company and the BRLM in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of its respective portion of the offered Shares.

5. It will not have recourse to the proceeds of the Offer for Sale, until approval for final listing and trading of the Equity Shares is received from the Stock Exchanges.

6. It will deposit its respective portion of the offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of the Prospectus with the RoC.

7. It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application in the Issue, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes an application in the Issue.

8. That it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the LM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Issue, except as permitted under applicable law.

9. The Selling Shareholder has authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Issue to redress any complaints received from Applicants in respect of the Offer for Sale.

## **RESTRICTION 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 has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the "FDI Policy"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer 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 2020, 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 Foreign Exchange Management (Non-debt Instruments) Rules, 2019. 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.

## **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% and 24% 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.

## **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 recognized 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 Foreign Exchange Management (Non-debt Instruments) Rules, 2019. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% 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% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

## **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, 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 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Offer in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such



Issue made under exemptions available under the Prospectus Directive, provided that no such Issue 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 unauthorized. 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 Draft Red Herring Prospectus.

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

The above information is given for the benefit of the Applicants. Our Company and the Book Running 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 Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION IX – MAIN PROVISION OF ARTICLE OF ASSOCIATION**  
**THE COMPANIES ACT, 2013**

*The New set of Articles of Association adopted by the Members in the*

*Extra-Ordinary General Meeting dated 29<sup>th</sup> February 2024.*

**(THE COMPANIES ACT, 2013)**  
**(COMPANY LIMITED BY SHARES)**

**ARTICLES OF ASSOCIATION**

**OF**

**VARDAAN BIOTECH LIMITED**

**PRELIMINARY**

**CONSTITUTION OF THE COMPANY**

**Article 1:**

- a) The regulations contained in table “F” of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.
- b) The regulations for the management of the Company and for the observance of the Shareholders thereof and their representatives shall be such as are contained in these Articles, subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Companies Act, 2013.

**INTERPRETATION**

**Article 2:** Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date at which the Articles become binding on the Company. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

**A. DEFINITIONS**

“**Act**” means the Companies Act, 2013, including any statutory modification or re-enactment or amendment, clarifications and notification 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.

“**Annual General Meeting**” means a general meeting of the members held as such, in accordance with the provisions of the Act.

“**Articles**” or “**Articles of Association**” mean the articles of association or re-enactment thereof for the time being in force of the Company.

“**Beneficial Owner**” means a person as defined by section 2(1)(a) of the Depositories Act, 1996.

“**The Board**” or the “**Board of Directors**” means the collective body of the Directors of the Company.

“**Capital**” means the share capital, for the time being, raised or authorised to be raised, for purposes of the Company.

“**Company**” or “**this Company**” means “**Vardaan Biotech Limited**”.

“**Debenture**” includes debenture stock, bonds or any other instrument of the Company evidencing the debts whether constituting the charge on the assets of the Company or not.

“**Depositories Act 1996**” means The Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

“**Depository**” means and includes a company as defined under section 2(1)(e) of the Depositories Act, 1996.

“**Directors**” means a director appointed to the Board of the Company.

“**Dividend**” includes any interim dividend.

“**Extra-ordinary General Meeting**” means an extraordinary general meeting of the members, duly called and constituted, and any adjourned holding thereof.

“**In writing**” or “**written**” include printing, lithography and other modes of representing or reproducing words in a visible form.

“**Member**” means member as defined under section 2(55) of the Companies Act, 2013

“**Memorandum of Association**” means the memorandum of association of the Company or re-enactment thereof for the time being in force.

“**Office**” means the registered office, for the time being, of the Company.

“**Paid-up Capital**” means paid up capital as defined under section 2(64) of the Act.

“**Participant**” means individual/institutions as defined under Section 2(1)(g) of the Depositories Act, 1996.

“**Promoters**” means persons identified in accordance with the definition ascribed to such term in the Companies Act, 2013 and the regulations prescribed by SEBI.

“**Register of Members**” means the Register of Members to be kept pursuant to the Act, and includes index of beneficial owners mentioned by a Depository.

“**The Registrar**” means, Registrar as defined under section 2(75) of the Companies Act, 2013.

“**Secretary**” means a Company Secretary, within the meaning of clause (c) of sub section (1) of section 2 of Company Secretaries Act, 1980, who is appointed by the Company to perform the functions of the Company Secretary under this Act

“**Seal**” means the common seal, for the time being, of the Company.

“**SEBI**” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

“**SEBI Listing Regulations**” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“**Share**” means a Share in the capital of the Company, and includes stock, except where a distinction between Stock and Shares is express or implied.

“**Ordinary Resolution**” and “**Special Resolution**” shall have the same meaning assigned thereto by the Act.

“**Year**” means a calendar year and “**financial year**” shall have the same meaning as assigned thereto by or under the Companies Act, 2013.

## **B. CONSTRUCTION**

In these Articles (unless the context requires otherwise):

- (i) References to a party shall, where the context permits, include such party’s respective successors, legal heirs and permitted assigns.
- (ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

- (iii) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.
- (iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- (v) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- (vi) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any Article of these Articles, unless expressly stated otherwise.
- (vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.
- (viii) A reference to a party being liable to another party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- (ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (x) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.
- (xi) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

## **GENERAL AUTHORITY**

**Article 3:** Where the Act requires that the Company cannot undertake any act or exercise any rights or powers or privilege or authority, unless expressly authorised by its Articles, these Articles shall in relation to the Company, be deemed to confer such right, authority or power or privilege and to carry out such transaction as have been permitted by the Act.

## **CAPITAL AND INCREASE AND REDUCTION THEREOF**

### **Article 4:**

The company may from time to time by ordinary resolution increase the share capital by such sum to be divided into shares of such amount as may be specified in the resolution. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act. The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause 5 of Memorandum of Association of the Company from time to time.

Subject to the provisions of section 61 the company may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amount than its existing shares convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person. Subject to the provisions of the Act and these Articles the Board of Directors may issue redeemable preference shares to such persons on such terms and conditions and at such times as Directors think fit either at premium or at par and with full power to give any

person the option to call for or be allotted shares of the company either at premium or at par such option being exercisable at such times and for such consideration as the Board thinks fit. The holder of Preference Shares shall have a right to vote only on Resolutions which directly affect the rights attached to his Preference Shares. The Company may (subject to the provisions of sections 52 55 66 both inclusive and other applicable provisions if any of the Act) from time to time by Special Resolution reduce (a) the share capital (b) any capital redemption reserve account or (c) any security premium account in any manner for the time being authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted. 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. The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder. The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow under Employee Stock Option Scheme (ESOP) or any other scheme if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act the Rules and applicable guidelines made there under by whatever name called. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force the company may purchase its own shares or other specified securities. 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. Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm an insolvent person or a person of unsound mind. The Board shall observe the restrictions as regards allotment of shares to the public and as regards return on allotments contained in Section 39 of the Act. Power to issue share warrants-

1. The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require issue a share warrant.

2. The Board may from time to time make byelaws as to terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement loss or destruction.

3. The bearer of a share warrant may at any time deposit the warrant at the Office of the Company and so long as the warrant remains so deposited the depositor shall have the same right of signing a requisition for call in a meeting of the Company and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.

4. Not more than one person shall be recognized as depositor of the Share warrant.

5. The Company shall on two days written notice return the deposited share warrant to the depositor.

The Authorised Share Capital of the Company is such amount, as stated, for the time being, or may be varied, from time to time, under the provisions of the Act, in the Clause V of the Memorandum of Association of the Company, divided into such number, classes and descriptions of Shares and into such denominations, as stated therein, and further with such powers to increase the same or otherwise as stated therein.

**Article 5:** The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

- (i) Equity Share Capital: with voting rights; and/or with differential rights as to dividend, voting or otherwise; and
- (ii) Preference Share Capital.

**Article 6:** The Company, in a general meeting, may, from time to time, increase the capital by the creation of new Shares. Such increase in the capital shall be of such aggregate amount and to be divided into such number of Shares of such respective amounts, as the resolution, so passed in that respect, shall prescribe. Subject to the provisions of

the Act, any Shares of the original or 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 Directors shall determine, and, in particular, such Shares may be issued with a preferential, restricted or qualified right to dividends, and in the distribution of assets of the Company, on winding up, and with or without a right of voting at general meetings of the Company, in conformity with and only in the manner prescribed by the provisions of the Act. Whenever capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.

**Article 7:** 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 contained herein with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.

**Article 8:** Subject to the provisions of Section 55 of the Act and the rules made thereunder, the Company shall have the power to issue preference shares, which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

**Article 9:** On the issue of Redeemable Preference Shares under the provisions of the preceding Article, the following provisions shall take effect:-

- (i) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption.
- (ii) No such Shares shall be redeemed unless they are fully paid. The period of redemption in case of preference shares shall not exceed the maximum period for redemption provided under Section 55 of the Act;
- (iii) The premium, if any, payable on redemption, must have been provided for, out of the profits of the Company or the Share Premium Account of the Company before, the Shares are redeemed; and
- (iv) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called "Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act, relating to the reduction of the Share Capital of the Company, shall, except as provided in Section 80 of the Act, apply as if "Capital Redemption Reserve Account" were paid up Share capital of the Company.

**Article 10:** Subject to the provisions of the Act, the Company may issue bonus shares to its members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.

**Article 11:** The Company may issue any debentures, debenture-stock or other securities at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of shares shall not be issued except with the sanction of the Company in a general meeting by a special resolution and subject to the provisions of the Act.

**Article 12:** Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable laws.

**Article 13:** Subject to Section 66 of the Companies Act, 2013, the Company may by special resolution, reduce its capital and any Capital Redemption Reserve Account or Other Premium Account, for the time being, in any manner, authorised by law, and, in particular, without prejudice to the generality of the foregoing powers, the capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power, the Company would have, if it were omitted.

**Article 14:** Subject to the applicable provisions of the Act, the Company, in general meeting, may, from time to time, sub-divide, reclassify or consolidate its Shares or any of them, and the resolution whereby any Share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. 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.

**Article 15:** Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified, in writing, by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a special resolution passed at a separate general meeting of the holders of Shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.

## **SHARES AND CERTIFICATES**

**Article 16:** The Company shall keep or cause to be kept a Register and Index of Members, in accordance with the applicable Sections of the Act. The Company shall be entitled to keep, in any State or Country outside India, a Branch Register of Members, in respect of those residents in that State or Country.

**Article 17:** The Shares, in the capital, shall be numbered progressively according to their several classes and denominations, and, except in the manner hereinabove mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share may continue to bear the number by which the same was originally distinguished with, or as may be otherwise, as may be decided by the Board of Directors or required by any other authority, as may be, for the time being, in force.

### **Article 18: Further Issue of Shares**

- (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued or out of the increased Share capital then, such further Shares shall be offered to:
  - (a) the persons who at on date specified under the applicable law, are holders of the Equity Shares of the Company, in proportion by sending a letter of offer subject to the conditions set below, as near as circumstances admit, to the capital paid up on those Shares at that date:
    - (i) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen days and not exceeding thirty days from the date of the offer within which the offer if not accepted, will be deemed to have been declined;
    - (ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him in favour of any other person and the notice referred to in sub-clause (i) hereof shall contain a statement of this right provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may, renounce the Shares offered to him;
    - (iii) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company; or
  - (b) employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under the law.
- (b) Notwithstanding anything contained in sub-clause (i) thereof, the further Shares aforesaid may be offered to any persons, if it is authorised by a special resolution, (whether or not those persons include the persons referred to in clause (a) of sub-clause (i) hereof) in any manner either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the compliance with the applicable provisions of Chapter III and any other conditions as may be prescribed in the Act and the rules made thereunder.

- (c) The notice referred to in sub-clause (a) of clause (i) hereof shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least 3 (three) days before the opening of the issue.
- (d) Nothing in sub-clause (c) of (i) hereof shall be deemed:
- (a) To extend the time within the offer should be accepted; or
  - (b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the remuneration was first made has declined to take the Shares comprised in the renunciation.
- (e) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company to convert such Debenture or loans into Shares in the Company. Provided that the terms of issue of such Debentures or the terms of such loans include a term containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.
- (f) The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act and other applicable provisions of the Act and rules framed thereunder.

**Article 19: Shares at the disposal of the Board**

Subject to the provisions of Section 62 of the Companies Act, 2013 and the rules made thereunder and these Articles of the Company for the time being, the Shares 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 or discount, subject to Sections 53 and 54 of the Act, and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give any person or persons the option or right to call for any Shares either at par or premium or discount, subject to Sections 53 and 54 of the Act, during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. The Board shall cause to be filed the returns as to allotment as may be prescribed from time to time.

**Article 20:** In addition to and without derogating from the powers for that purpose conferred on the Board under the preceding two Articles, the Company, in general meeting, may determine that any Shares, whether forming part of the original capital or of any increased capital of the Company, shall be offered to such persons, whether or not the members of the Company, in such proportion and on such terms and conditions and, subject to compliance with the provisions of applicable provisions of the Act, either at a premium or at par, as such general meeting shall determine and with full power to give any person, whether a member or not, the option to call for or be allotted Shares of any class of the Company either, subject to compliance with the applicable provision of the Act, at a premium or at par, such option being exercisable at such times and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any Shares.

**Article 21:** Any application signed by or on behalf of an applicant for subscription 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 entered on the Registered shall, for the purpose of these Articles, be a member.

**Article 22:** 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 insertion 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, in the manner prescribed by the Board.



**Article 23:** Every member or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his Share or Shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time, in accordance with the Regulations of the Company, require or fix for the payment thereof.

**Article 24:**

- (i) Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within the time specified by the law applicable at the time. Every certificate of shares shall be in the form and manner specified in the Articles and in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders.
- (ii) Particulars of every Share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.
- (iii) Any two or more joint allottees, in respect of a Share, shall, for the purpose of this Article, be treated as a single member, and the certificate of any Share, which may be subject of joint ownership, may be delivered to the person named first in the order or otherwise even to any one of such joint owners, on behalf of all of them. For any further certificate, the Board shall be entitled but shall not be bound to prescribe a charge not exceeding Rupee 50(fifty) per such certificate. In this respect, the Company shall comply with the applicable provisions, for the time being, in force, of the Act.
- (iv) A director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment, or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

**Article 25:**

- (i) The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to receive from any member willing to advance the same, all or any part of the amount of his Shares beyond the sums actually called up and upon the monies so paid in advance or upon so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advances has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall on any Share may carry interest but shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.  
The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The Provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

- (ii) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of Share Certificate No. \_\_\_ sub-divided/replaced/on consolidation of Shares".
- (iii) If any certificate be worn out, defaced, mutilated, or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, and a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees in accordance with law applicable at the time and as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provision of this Article shall mutatis mutandis apply to debentures of the Company. When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “DUPLICATE. Issued in lieu of Share Certificate No. \_\_\_\_” The word “DUPLICATE” shall be stamped or punched in bold letters across the face of the Share certificate.

- (iv) Where a new Share certificate has been issued in pursuance of clause (i) or clause (iii) of this Article, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Share Certificates, indicating against the names of the person or persons to whom the certificate is issued, the number and date of issue of the Share certificate, in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the “Remarks” column.
- (v) All blank forms to be issued for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively numbered, whether by machine, hand or otherwise, and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary, where there is no Secretary, the Managing Director or Whole time Director, and where there is no such director, the Chairman of the Board, for the time being, or otherwise of such other person, as the Board may appoint for the purpose, and the Secretary, such director, Chairman or such other person shall be responsible for rendering an account of these forms to the Board.
- (vi) The Managing Director of the Company, for the time being, or, if the Company has no Managing Director, every director of the Company shall be severally responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates except the blank forms of Share certificates referred to in Clause (vi) of this Article.
- (vii) All books referred to in clause (vii) of this Article shall be preserved in good order permanently, or for such period as may be prescribed by the Act or the Rules made thereunder.

**Article 26:** If any Share stands in the names of two or more persons, the person first named, in the Register, shall, as regards receipt of dividends or bonus or service of notices and all or any matter connected with the Company, except voting at meetings and the transfer of the Shares, be deemed the sole holder thereof but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments of calls due in respect of such Share and for all incidents otherwise.

**Article 27:** Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any Share, or, except only as is, by these presents, otherwise expressly provided, any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person, from time to time, registered as the holder thereof, but the Board shall be, at liberty, at their sole discretion, to register any Share in the joint names of any two or more persons or the survivor or survivors of them.

**Article 28:** Subject to the provisions of Sections 68 to 70 of the Act 2013 and the rules thereunder, the Company may purchase its own Shares or other specified securities out of free reserves, the securities premium account or the proceeds of issue of any Share or specified securities.

**Article 29:** Subject to the provisions contained in sections 68 to 70 and all applicable provisions of the Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the SEBI, Registrar and the Reserve Bank of India, if any, the Company may, by passing a special resolution at a general meeting, purchase its own Shares or other specified securities (hereinafter referred to as ‘**buy-back**’) from its existing Shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), and/or the securities issued to the employees of the Company pursuant to a scheme of stock options or sweat Equity, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on

such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made from time to time.

## **COMMISSION AND BROKERAGE**

**Article 30:** Subject to the provisions of Section 40 of the Act 2013 and the rules thereof, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Shares in or Debentures of the Company or procuring or agreeing to procure the subscribers, whether absolutely or conditional, for any Shares in or Debentures of the Company, but so that the rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Act, and such commission may be satisfied in any such manner, including the allotment of the fully or partly paid up Shares or Debentures, as the case may be, as the Board thinks fit and proper.

**Article 31:** Subject to the provisions of the Act, the Company may pay a reasonable sum for brokerage.

## **CALLS**

**Article 32:** 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 only at a duly constituted meeting of the Board, make such call, as it thinks fit, upon the members in respect of all 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 person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

**Article 33:** Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

**Article 34:** At least fourteen days' notice, in writing, of any call, shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call be paid.

**Article 35:** A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.

**Article 36:** 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 whom owing to their residence at a distance or other cause, 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.

**Article 37:** A call may be revoked or postponed at the discretion of Board.

**Article 38:** All calls shall be made on a uniform basis on all shares falling under the same class.

**Article 39:** The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

**Article 40:** If any members 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, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member, the Board shall be at liberty to waive payment of any such interest wholly or in part.

**Article 41:** Any sum, which, by the terms of issue of a Share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and, in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply, as if such sum had become payable by virtue of a call duly made and notified.

**Article 42:** On the trial or hearing of any action or suit brought by the Company against any member or his representative 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, appears or is entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of which money is sought to be recovered, and that the resolution making the call is duly recorded in the minute book, and that notice, of which call,

was duly given to the member or his representatives and used in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call, and not that a quorum of Directors was present at the meeting of the Board at which any call was made, and nor that the meeting, at which any call was made, has duly been convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

**Article 43:** Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

**Article 44:**

- (i) The Board may, if it thinks fit, agree to and 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 agrees upon, subject to the provisions of the Act. 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 3 (Three) months' notice, in writing, provided that moneys paid, in advance of calls, on any Shares may carry interest but shall not confer a right to dividend or to participate in profits.
- (ii) 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 any calls on debentures of the Company.

**LIEN**

**Article 45:**

- (i) 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 Shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in all respect of such Shares/Debentures. Unless otherwise agreed, the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.
- (ii) Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares

**Article 46:** For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto, in such manner, as it shall think fit, and, for that purpose, may cause to be issued a duplicate certificate in respect of such Shares, and may authorise one of their members to execute a transfer thereof, on behalf of and in the name of such manner. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, provided that no sale shall be made (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

**Article 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 a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the persons entitled to the Shares at the date of the sale.

**Article 48:** A member shall exercise any voting rights in respect of the shares in regard to which the Company has exercised the right of Lien.

## **FORFEITURE OF SHARES**

**Article 49:** If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

**Article 50:** The notice shall name a day, not being less than 14 (Fourteen) days from the date of the notice, and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state, that, in the event of the non-payment at or before the time and at the place appointed, the Shares, in respect of which the call was made or instalment is payable, will be liable to be forfeited.

**Article 51:** 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, before payment of all calls or instalments, interest and expenses, as may be due in respect thereof, be forfeited by a resolution of the Board to that effect. Subject to the provisions of the Act, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.

**Article 52:** When any Share shall have been so forfeited, notice of the forfeiture shall be given to the member, in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall, forthwith, be made in the Register of Members. But no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

**Article 53:** Any Share, so forfeited, shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

**Article 54:** 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, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereof, until payment, at such rate, as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.

**Article 55:** The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interests in and all claims and demands against the Company, in respect of such Share and all other rights, incidental to the Share, except only such of those rights as by these presents are expressly saved.

**Article 56:** A declaration, in writing, that the declarant is a director or Secretary of the Company and that a Share in the Company has duly been 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.

**Article 57:** 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, in respect of the Shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and, after his name has been entered in the Register, 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 exclusively against the Company and no one else.

**Article 58:** Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued, in respect of the relative Shares, shall, unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting member, stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates, in respect of the said Shares, to the person or persons entitled thereto.

## **TRANSFER AND TRANSMISSION OF SHARES**

**Article 59:** The Company shall keep the "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.

The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. Dematerialization of Securities

a) Definitions For the purpose of this Article Beneficial Owner means a person or persons whose name is recorded as such with a depository SEBI means the Securities and Exchange Board of India Depository means a company formed and registered under the Companies Act 2013 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act 1992 and Security means such security as may be specified by SEBI from time to time.

b) Dematerialization of securities notwithstanding anything contained in these Articles the Company shall be entitled to dematerialize or rematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act 1996 and the rules framed thereunder if any.

c) Options for investors Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository if permitted by law in respect of any security in the manner provided by the Depositories Act and the Company shall in the manner and within the time prescribed issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository the Company shall intimate such depository the details of allotment of the security and on receipt of the information the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

d) Securities in depositories to be in fungible form All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

e) Rights of depositories and beneficial owners (i) Notwithstanding anything to the contrary contained in the Act or these Articles a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner. (ii). Save as otherwise provided in (a) above the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. (iii). Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

f) Service of documents Notwithstanding anything in the Act or these Articles to the contrary where securities are held in a depository the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

g) Transfer of securities Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository,

h) Allotment of securities dealt with in a depository Notwithstanding anything in the Act or these Articles where securities are dealt with in a depository the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

i) Distinctive numbers of securities held in a depository Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

j) Register and Index of Beneficial owners The Register and Index of Beneficial Owners maintained by a depository under the Depositories Act 1996 shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles

k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository Save as herein otherwise provided the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company and accordingly the Company shall not except as ordered by a Court of competent jurisdiction or as by law required be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

**Article 60:** No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. A common form of transfer shall be used. Every instrument of transfer shall be in writing and all provisions of the

Act, the rules and applicable laws shall be duly complied with. The instrument shall also be duly stamped, under the relevant provisions of the Law, for the time being, in force, and shall be signed by or on behalf of the transferor and the transferee, and in the case of a Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be, and the transferor or the transferors, as the case may be, shall be deemed to remain the holder or holders of such Share, until the name or names of the transferee or the transferees, as the case may be, is or are entered in the Register of Members in respect thereof. Several executors or administrators of a deceased member, proposing to transfer the Share registered in the name of such deceased member, or the nominee or nominees earlier appointed by the said deceased holder of Shares, in pursuance of the Article 88, shall also sign the instrument of transfer in respect of the Share, as if they were the joint holders of the Share.

**Article 61:** Shares in the Company may be transferred by an instrument, in writing, in the form, as shall, from time to time, be approved by the Directors provided that, if so required by the provisions of the Act, such instrument of Transfer shall be in the form prescribed thereunder and shall be duly stamped and delivered to the Company within the prescribed period. All the provisions of Section 56 of the Act, 2013 shall be duly complied with in respect of all transfers of Shares and registration thereof.

**Article 62:** The Board shall have power, on giving 7 (Seven) days' previous notice, by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is, for the time being, situated, to close the transfer books, the Register of Members of Register of Debenture holders, at such time or times and for such periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient.

**Article 63:** Subject to the provisions of Section 58 and 59 of the Companies Act 2013, these Articles and any other applicable provisions of the Act or any other law for the time being in force, the Board may, refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a member in, or Debentures of the Company. The Company shall within the time required under the law applicable at that time send to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal to register such transfer, giving reasons for such refusal provided that registration of 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 when the Company has a lien on the Shares.

**Article 64:** An application for the registration of a transfer of Shares in the Company may be made either by the transferor or the transferee. Where such application is made by a transferor and relates to partly paid Shares, the Company shall give notice of the application to the transferee. The transferee may, within two weeks from the date of the receipt of the notice and not later, object to the proposed transfer. The notice to the transferee shall be deemed to have been duly given, if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time when it would have been delivered in the ordinary course of post.

**Article 65:** 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, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him jointly with any other person.

**Article 66:** Subject to the provisions of Article 87 hereunder, the executors or administrators or holders of a such Succession Certificate or the legal representative of a deceased member, not being one of two or more joint holders, shall be the only persons recognised by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives 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 cases, the Board may dispense with production of probate or letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise, as the Board, in its absolute discretion, may think necessary, in the circumstances thereof, and, in pursuance of the Article 61 herein under, register the name of any person, who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member.

**Article 67:** No Share shall, in any circumstances, be transferred to any infant, insolvent or person of unsound mind, and that no Share, partly paid up, be issued, allotted or transferred to any minor, whether alone or along with other transferees or allottees, as the case may be.

**Article 68:** So long as the director having unlimited liability has not discharged all liabilities, whether present or future, in respect of the period for which he is and continues to be, so long, liable, he shall not be entitled to transfer the Shares held by him or cease to be a member of the Stock Exchange(s) to the end and intent that he shall continue to hold such minimum number of Shares as were held by him prior to his becoming a director with unlimited liability.

**Article 69:** Subject to the provisions of Articles 64, 65 and 87 hereof, any person becoming entitled to Shares in consequences of the death, lunacy, bankruptcy or insolvency or any member, or the marriage of any female member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board, which it shall not be under any obligation to give, upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article or of his title, as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person, nominated by him and approved by the Board, registered as such person, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein to in these Articles as “The Transmission Article”.

**Article 70:** Subject to the provisions of the Act, a person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividend or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the Share.

**Article 71:** No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar document.

**Article 72:** The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, as shown or appearing in the Register of Members, to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting of such transfer, and may have entered such notice, referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever 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 Board shall so think fit.

## **DEMATERIALISATION OF SECURITIES**

**Article 73:** Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and offer such shares, debentures and other securities in a dematerialised form pursuant to the Depositories Act 1996.

**Article 74:** Notwithstanding anything contained in the Articles, and subject to the provisions of the law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialise the shares, which are in dematerialised form.

**Article 75:** Every Person subscribing to the shares offered by the Company shall have the option to receive share certificates or to hold the shares with a Depository. Where Person opts to hold any share with the Depository, the Company shall intimate such Depository of details of allotment of the shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such shares. Such a Person who is the beneficial owner of the shares can at any time opt out of a Depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of shares. In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act 1996 shall apply.



**Article 76:** If a Person opts to hold his shares with a Depository, the Company shall intimate such Depository the details of allotment of the shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the shares.

**Article 77:** All shares held by a Depository shall be dematerialised and shall be in a fungible form.

- (a) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of shares on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of shares held by it.

**Article 78:** Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such shares and shall also be deemed to be a shareholder of the Company. The beneficial owner of the shares shall be entitled to all the liabilities in respect of his shares which are held by a Depository. The Company shall be further entitled to maintain a register of members with the details of members holding shares both in material and dematerialised form in any medium as permitted by law including any form of electronic medium.

**Article 79:** Notwithstanding anything in the Act or the Articles to the contrary, where shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by law from time to time.

**Article 80:** Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

## **CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

**Article 81:** The Company, by resolution in general meeting, may convert any paid-up Shares into stock, or may, at any time, reconvert any stock into paid up Shares of any denomination. When any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interest, in the same manner and, subject to the same regulations as to which Shares in the Company may be transferred or as near thereto as circumstances will admit. But the Directors may, from time to time, if they think fit, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but with full power nevertheless, at their discretion, to waive such rules in any particular case. The notice of such conversion of Shares into stock or reconversion of stock into Shares shall be filed with the Registrar of Companies as provided in the Act.

**Article 82:** The Stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and, for other purposes, as would have been conferred by Shares of equal amount in the capital of the Company of the same class as the Shares from which such stock was converted but no such privilege or advantage, except the participation in profits of the Company, or in the assets of the Company on a winding up, shall be conferred by any such aliquot part or, consolidated stock as would not, if existing in Shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege attached to the Shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to Shares and the words “Share” and “Shareholder” in these presents shall include “stock” and “stock-holder”.

**Article 83:** The Company may issue Share warrants in the manner provided by the said Act and accordingly the Directors may, in their discretion, with respect to any fully paid up Share or stock, on application, in writing, signed by the person or all persons registered as holder or holders of the Share or stock, and authenticated by such evidence, if any, as the Directors may, from time to time, require as to the identity of the person or persons signing the application, and on receiving the certificate, if any, of the Share or stock and the amount of the stamp duty on the warrant and such fee as the Directors may, from time to time, prescribe, issue, under the Seal of the Company, a warrant, duly stamped, stating that the bearer of the warrant is entitled to the Shares or stock therein specified, and may provide by coupons or otherwise for the payment of future dividends, or other moneys, on the Shares or stock included in the warrant. On the issue of a Share warrant the names of the persons then entered in the Register of Members as the holder of the Shares or stock specified in the warrant shall be struck off the Register of Members and the following particulars shall be entered therein.

- (i) fact of the issue of the warrant.
- (ii) a statement of the Shares or stock included in the warrant distinguishing each Share by its number, and
- (iii) the date of the issue of the warrant.

**Article 84:** A Share warrant shall entitle the bearer to the Shares or stock included in it, and, notwithstanding anything contained in these articles, the Shares or stock shall be transferred by the delivery of the Share-warrant, and the provisions of the regulations of the Company with respect to transfer and transmission of Shares shall not apply thereto.

**Article 85:** The bearer of a Share-warrant shall, on surrender of the warrant to the Company for cancellation, and on payment of such fees, as the Directors may, from time to time, prescribe, be entitled, subject to the discretion of the Directors, to have his name entered as a member in the Register of Members in respect of the Shares or stock included in the warrant.

**Article 86:** The bearer of a Share-warrant shall not be considered to be a member of the Company and accordingly save as herein otherwise expressly provided, no person shall, as the bearer of Share-warrant, sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company of meetings or otherwise, or qualified in respect of the Shares or stock specified in the warrant for being a director of the Company, or have or exercise any other rights of a member of the Company.

**Article 87:** The Directors may, from time to time, make rules as to the terms on which, if they shall think fit, a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss, or destruction.

#### **NOMINATION BY SECURITY HOLDER**

**Article 88:**

- (i) Every holder of Securities in the Company may, at any time, nominate, in the prescribed manner, a person to whom his Securities in the Company, shall vest in the event of his death.
- (ii) Where the Securities in the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the Securities in the Company shall vest in the event of death of all joint holders.
- (iii) Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such Securities in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Securities in the Company, the nominee shall, on the death of the Shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such securities in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (iv) In the case of fully paid up Securities in the Company, where the nominee is a minor, it shall be lawful for the holder of the Securities, to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to Securities in the Company, in the event of his death, during the minority.

**Article 89:**

- (i) Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either –
  - (a) to be registered himself as holder of the Share(s); or
  - (b) to make such transfer of the Share(s) as the deceased Shareholder could have made.

- (ii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share(s), himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, and such notice shall be accompanied with the death certificate of the deceased shareholder.
- (iii) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by that Shareholder.
- (iv) A person, being a nominee, becoming entitled to a Share by reason of the death of the holder, shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the Share except that he shall not, before being registered a member in respect of his Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.

## **MEETING OF MEMBERS**

### **Article 90:**

- (i) The Company shall, in each year, hold a general meeting as its Annual General Meeting. Any meeting, other than Annual General Meeting, shall be called Extra-ordinary General Meeting.
- (ii) Not more than 15 (Fifteen) months or such other period, as may be prescribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend time within which any Annual General Meeting may be held.
- (iii) Every Annual General Meeting shall be called for a time during business hours i.e., between 9 a.m. and 6 p.m., on a day that is not a National Holiday, and shall be held at the Office of the Company or at some other place within the city, in which the Office of the Company is situated, as the Board may think fit and determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (iv) Every member of the Company shall be entitled to attend, either in person or by proxy, and by way of a postal ballot whenever and in the manner as may permitted or prescribed under the provisions of the Act, and the Auditors to the Company, who shall have a right to attend and to be heard, at any general meeting which he attends, on any part of the business, which concerns him as the Auditors to the Company, further, the Directors, for the time being, of the Company shall have a right to attend and to be heard, at any general meeting, on any part of the business, which concerns them as the Directors of the Company or generally the management of the Company.
- (v) At every Annual General Meeting of the Company, there shall be laid, on the table, the Directors' Report and Audited Statements of Account, Auditors' Report, the proxy Register with forms of proxies, as received by the Company, and the Register of Directors' Share holdings, which Register shall remain open and accessible during the continuance of the meeting, and therefore in terms of the provisions of Section 96 of the Act, the Annual General Meeting shall be held within six months after the expiry of such financial year. The Board of Directors shall prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the applicable provisions of the Act.

**Article 91:** The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the right of voting in regard to the matter, in respect of which the requisition has been made.

**Article 92:** Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisitionists.

**Article 93:** Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21 (Twenty-one) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share Capital of the Company as is referred to in Section 100(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid.

**Article 94:** Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.

**Article 95:** At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than

- (i) the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon
  - (ii) the declaration of dividend,
  - (iii) appointment of directors in place of those retiring,
  - (iv) the appointment of, and fixing the remuneration of, the Auditors,
- is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share Capital of that other Company.

Where any item of business consists of the according of approval of the members to any document at the meeting, the time and place, where such document can be inspected, shall be specified in the statement aforesaid.

**Article 96:** The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.

**Article 97:** No general meeting, whether Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

**Article 98:** If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting the members present shall choose one of their members to be Chairperson of the meeting. In the case of an equality of votes the Chairman shall both on a show of hands on a poll (if any) and e-voting have casting vote in addition

**Article 99:** A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act.

**Article 100:** If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

**Article 101:** The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, whether Annual or Extra-ordinary. If there be no such Chairman, or, if, at any meeting, he shall not be present within 15 (Fifteen) minutes of the time appointed for holding such meeting, then the members present shall elect another director as the Chairman of that meeting, and, if no director be present, or if all the Directors present decline to take the Chair, then the members present shall elect one among them to be the Chairman.

**Article 102:** No business shall be discussed at any general meeting, except the election of a Chairman, whilst the Chair is vacant.

**Article 103:** The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is, for the time being, situate, but no business shall be transacted at any adjourned meeting, other than the business left unfinished, at the meeting, from which the adjournment took place.

**Article 104:** At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the resolution or on which an aggregate sum of not less than Rs. 500,000/- or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

**Article 105:** In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, if any, have a casting vote in addition to the vote of votes, if any, to which he may be entitled as a member if he is.

**Article 106:** If a poll is demanded as aforesaid, the same shall, subject to Article 108 hereunder, be taken at Mumbai or, if not desired, then at such other place as may be decided by the Board, at such time not later than 48 (Forty-eight) hours from the time when the demand was made and place in the city or town in which the office of the Company is, for the time being, situate, and, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons, who made the demand.

**Article 107:** Where a poll is to be taken, the Chairman of the meeting shall appoint one or, at his discretion, two scrutinisers, who may or may not be members of the Company to scrutinise the votes given on the poll and to report thereon to him, subject to that one of the scrutinisers so appointed shall always be a member, not being an officer or employee of the Company, present at the meeting, provided that such a member is available and willing to be appointed. The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutiniser from office and fill the vacancy so caused in the office of a scrutiniser arising from such removal or from any other cause.

**Article 108:** Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting shall be taken forthwith at the same meeting.

**Article 109:** The demand for a poll, except on questions of the election of the Chairman and of an adjournment thereof, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

## **VOTES OF MEMBERS**

### **Article 110:**

- a. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. Postal Ballot-Notwithstanding anything contained in the provisions of the Companies Act 2013 and the Rules made there under the Company may and in the case of resolutions relating to such business as may be prescribed by such authorities from time. Votes of joint members-In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be

entitled to speak and to vote in respect of such shares but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joint holders thereof. For this purpose seniority shall be determined by the order in which the names stand in the register of members. Votes may be given by proxy or by representative. Votes may be given either personally or by attorney or by proxy or in case of a company by a representative duly Authorised as mentioned in Articles. Representation of a body corporate -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) authorised such person by resolution of its Board of Directors as it thinks fit in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member creditor or holder of debentures of the Company

- b. 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 or upon a poll 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, or has exercised, any right of lien.

**Article 111:** Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions so 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, speak and vote at such meeting, and, on a show of hands, every member, present in person, shall have one vote and, upon a poll, the voting right of every member present in person or by proxy shall be in proportion to his Share of the paid-up Equity Share Capital of the Company. Provided, however, if any preference Shareholder be present at any meeting of the Company, subject to the provision of section 47, he shall have a right to vote only on resolutions, placed before the meeting, which directly affect the rights attached to his Preference Shares.

**Article 112:** On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes, he uses.

**Article 113:** A member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote, in respect of his Share or Shares, be used by his guardian, or any one of his guardians, if more than one, to be selected, in the case of dispute, by the Chairman of the meeting.

**Article 114:** If there be joint registered holders of any Shares, any one of such persons may vote at any meeting or may appoint another person, whether a member or not, as his proxy, in respect of such Shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, then one of the said persons so present, whose name stands higher on the Register, shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name Shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.

**Article 115:** Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate, being a member, may vote either by a proxy or by a representative, duly authorised, in accordance with the applicable provisions, if any, of the Act, and such representative shall be entitled to exercise the same rights and powers, including the right to vote by proxy, on behalf of the body corporate, which he represents, as that body corporate could exercise, if it were an individual member.

**Article 116:** Any person entitled, under the Article 61 hereinabove, to transfer any Share, may vote, at any general meeting, in respect thereof, in the same manner, as if he were the registered holder of such Shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares and give such indemnity, if any, as the Directors may require or the Directors shall have provisionally admitted his right to vote at such meeting in respect thereof.

**Article 117:** Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporate, or be signed by

an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy. The proxy so appointed shall not have a right to speak on any matter at the meeting.

**Article 118:** An instrument of Proxy may state the appointment of a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

**Article 119:** A member, present by proxy, shall be entitled to vote only on a poll.

**Article 120:** The instrument appointing a proxy and a Power of Attorney or other authority, if any, under which it is signed or a notarised certified copy of that power of authority, shall be deposited at the Office not later than 48 (Forty-eight) hours before the time for holding the meeting at which the person named in the Instrument proposes to vote, and, in default, the Instrument of Proxy shall not be treated as valid. No instrument appointing a proxy shall be a valid after the expiration of 12 (Twelve) months or such other period as may be prescribed under the Laws, for the time being, in force, or if there shall be no law, then as may be decided by the Directors, from the date of its execution.

**Article 121:** Every Instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances thereto will admit, be in any of the forms as may be prescribed from time to time.

**Article 122:** A vote, given in accordance with the terms of an Instrument of Proxy, shall be valid notwithstanding the previous death of insanity of the principal, or revocation of the proxy or of any power of Attorney under which such proxy was signed or the transfer of the Share in respect of which the vote is given, provided that no intimation, in writing, of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.

**Article 123:** No objections shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, or not disallowed at such meeting or on a poll, shall be deemed as valid for all purposes of such meeting or a poll whatsoever.

**Article 124:** The Chairman, present at the time of taking of a poll, shall be the sole judge of the validity of every vote tendered at such poll.

**Article 125:**

- (i) The Company shall cause minutes of all proceeding of every general meeting to be kept by making, within 30 (Thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.
- (ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a director duly authorised by the Board for that purpose.
- (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.
- (v) All appointments made at any meeting aforesaid shall be included in the minutes of the meeting.
- (vi) Nothing herein contained shall require or to be deemed to require the inclusion, in any such minutes, of any matter, which, in the opinion of the Chairman of the meeting, (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (vii) Any such minutes shall be conclusive evidence of the proceedings recorded therein.
- (viii) The book containing the minutes of proceedings of general meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than 2 (Two) hours, in each day, as the Directors determine, to the inspection of any member without charge.
- (ix) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company

## DIRECTORS

**Article 126:** Until otherwise determined by a general meeting of the Company and, subject to the applicable provisions of the Act, the number of Directors) shall not be less than three nor more than fifteen, provided that the Company may appoint more than fifteen directors after passing a special resolution. The Company shall have at the minimum such number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable law. In addition, not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations.

The First directors of the Company are:

1. Mr. Lokendra Rajput
2. Mrs. Rashmi Rajput

Nominee Directors -1. Subject to the provisions of the Companies Act 2013 and notwithstanding anything to the contrary contained in these Articles the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement.2. The Nominee Directors 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 Directors so appointed. The said Nominee Directors 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.3. If the Nominee Directors 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.4. The Nominee Directors 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 Directors.

### Article 127:

- (i) Whenever, Directors enter into a contract with any Government, whether central, state or local, 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 or for underwriting or enter into any other arrangement whatsoever or in case of Promoters of the Company (hereinafter referred to as **“Promoters”**), the Directors shall have, subject to the provisions of Section 152 and other applicable provisions, if any, of the Act, the power to agree that such appointer or Promoters shall have the right to appoint or nominate by a notice, in writing, addressed to the Company, one or more Directors on the Board (hereinafter referred to as **“Special Director”**) for such period and upon such terms and conditions, as may be mentioned in the agreement if any, and that such Director or Directors may or may not be liable to retire by rotation, nor be required to hold any qualification Shares. The Directors may also agree that any such Director or Directors may be removed, from time to time, by the appointer or Promoter, entitled to appoint or nominate them and the appointer or Promoter may appoint another or others in his or their place and also fill in vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reasons whatsoever. The Directors, appointed or nominated under this Article, shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the directors of the Company including payment of remuneration, sitting fees and travelling expenses to such director or directors, as may be agreed by the Company with the appointer.
- (ii) The Company shall have such number of Independent Directors on the Board or Committees of the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI Listing Regulations or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.
- (iii) The Special Directors, appointed under the preceding Article, shall be entitled to hold Office until required by the Government, person, firm, body corporate promoters or financial institution/s who may have appointed them. A Special Director shall not be required to hold any qualification Share(s) in the Company. As and when a Special Director vacates Office, whether upon request as aforesaid or by death, resignation or otherwise, the Government, person, firm or body corporate promoters or financial institution, who appointed such Special Director, may appoint another director in his place. Every nomination, appointment



or removal of a Special Director or other notification, under this Article, shall be in writing and shall, in the case of the Government, be under the hand of a Secretary or some other responsible and authorised official to such Government, and in the case of a company or financial institution, under the hand of director of such company or institution duly authorised in that behalf by a resolution of the Board of Directors. Subject as aforesaid, a Special Director shall be entitled to the same rights and privileges and be subject to the same of obligations as any other director of the Company.

**Article 128:** If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a director accordingly. Any director so appointed is hereinafter referred to as “the Debenture Director”. A Debenture Director may be removed from Office, at any time, by the person or persons in whom, for the time being, is vested the power, under which he was appointed, and another director may be appointed in his place. A Debenture Director shall not be required to hold any qualification Share(s) in the Company.

**Article 129:** Subject to the provisions of section 161(2) of the Act, 2013, The Board may appoint an alternate director to act for a director (hereinafter called “the Original Director”) during his absence for a period of not less than 3 (Three) months or such other period as may be, from time to time, prescribed under the Act, from India, in which the meetings of Board are ordinarily held. An alternate director appointed, under this Article, shall not hold Office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate Office, if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of a retiring director, in default of another appointment, shall apply to the original director and not to the alternate director.

**Article 130:** Subject to the provisions of section 161(1) of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not, at any time, exceed the maximum fixed under these Articles. Any such Additional Director shall hold Office only upto the date of the next Annual General Meeting.

**Article 131:** Subject to the provisions of section 152 and 162 of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a director to fill a casual vacancy. Any person so appointed shall hold Office only upto the date, upto which the director in whose place he is appointed would have held Office if it had not been vacated by him.

**Article 132:** A director shall not be required to hold any qualification Share(s) in the Company.

**Article 133:**

- (i) Subject to the provisions of section 196, 197 and read with schedule V of the Companies Act, 2013 and other provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Director who is in the Whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting.
- (ii) Subject generally to the provisions of the Act, and, in the case of the Managing Director, subject to the provisions of the Articles herein below, as may be applicable, the Board shall have power to pay such remuneration to a director for his services, Whole-time or otherwise, rendered to the Company or for services of professional or other nature rendered by him, as may be determined by the Board. If any director, being willing, shall be called upon to perform extra services or make any special exception in going to or residing at a place other than the place where the director usually resides, or otherwise in or for the Company's business or for any of the purpose of the Company, then, subject to the provisions of the Act, the Board shall have power to pay to such director such remuneration, as may be determined by the Board.
- (iii) Subject to the provisions of the Act, a director, who is neither in the Whole-time employment nor a Managing Director, may be paid remuneration either;

- (a) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
- (b) by way of commission, if the Company, by a special resolution, authorises such payment.
- (iv) The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.

**Article 134:** The Board may allow and pay to any director such sum, as the Board may consider fair compensation, for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any director be called upon to go or reside out of the ordinary place of his residence for the Company's business, he shall be entitled to be repaid and reimbursed of any travelling or other expenses incurred in connection with business of the Company. The Board may also permit the use of the Company's car or other vehicle, telephone(s) or any such other facility, by the director, only for the business of the Company.

**Article 135:** The continuing Directors may act, notwithstanding, any vacancy in their body but if, and so long as their number is not reduced below the minimum number fixed by Article 111 hereof. the continuing Directors, not being less than two, may only act, for the purpose of increasing the number of Directors to that prescribed minimum number or of summoning a general meeting but for no other purpose.

**Article 136:** The office of director shall be vacated, pursuant to the provisions of section 164 and section 167 of the Companies Act, 2013. Further, the Director may resign his office by giving notice to the Company pursuant to section 168 of the Companies Act, 2013

**Article 137:** The Company shall keep a Register, in accordance with Section 189(1) of the Act, and within the time as may be prescribed, enter therein such of the particulars, as may be relevant having regard to the application thereto of Section 184 or Section 188 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each director of the Company, names of the bodies corporate and firms of which notice has been given by him, under the preceding two Articles. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and the extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 189(3) of the Act shall apply accordingly.

**Article 138:** A director may be or become a director of any other Company promoted by the Company or in which it may be interested as a vendor, Shareholder or otherwise, and no such director shall be accountable for any benefits received as director or Shareholder of such Company except in so far as the provisions of the Act may be applicable.

**Article 139:**

- (i) At every Annual General Meeting of the Company, one-third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. The Independent, Nominee, Special and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions, if any, of the Act.
- (ii) Subject to Section 152 of the Act, the directors, liable to retire by rotation, at every annual general meeting, shall be those, who have been longest in Office since their last appointment, but as between the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.

**Article 140:** A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which he retires.

**Article 141:** Subject to Section 152 of the Act, the Company, at the general meeting at which a director retires in manner aforesaid, may fill up the vacated Office by electing a person thereto.

**Article 142:**

- (i) If the place of retiring director is not so filled up and further the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day, which is not a public holiday, at the same time and place.

- (ii) If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meetings, unless:-
- (a) at that meeting or at the previous meeting, resolution for the re-appointment of such director has been put to the meeting and lost;
  - (b) the retiring director has, by a notice, in writing, addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
  - (c) he is not qualified, or is disqualified, for appointment.
  - (d) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or
  - (e) Section 162 of the Act is applicable to the case.

**Article 143:** Subject to the provisions of Section 149 of the Act, the Company may, by special resolution, from time to time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 169 of the Act, remove any director before the expiration of his period of Office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director, in whose place he is appointed, would have held, had he not been removed.

**Article 144:**

- (i) No person, not being a retiring director, shall be eligible for appointment to the office of director at any general meeting unless he or some member, intending to propose him, has, not less than 14 (Fourteen) days or such other period, as may be prescribed, from time to time, under the Act, before the meeting, left at the Office of the Company, a notice, in writing, under his hand, signifying his candidature for the Office of director or an intention of such member to propose him as a candidate for that office, along with a deposit of Rupees One Lakh or such other amount as may be prescribed, from time to time, under the Act, which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.
- (ii) Every person, other than a director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 160 of the Act signifying his candidature for the Office of a director, proposed as a candidate for the Office of a director shall sign and file with the Company, the consent, in writing, to act as a director, if appointed.
- (iii) A person, other than a director re-appointed after retirement by rotation immediately on the expiry of his term of Office, or an Additional or Alternate Director, or a person filling a casual vacancy in the Office of a director under Section 161 of the Act, appointed as a director or reappointed as a director immediately on the expiry of his term of Office, shall not act as a director of the Company, unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent, in writing, to act as such director.

**Article 145:** The Company shall keep at its Office a Register containing the particulars of its directors and key managerial personnel and their shareholding as mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

**Article 146:** Every director and Key Managerial Personnel within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association which are required to be included in the register under that section 189 of the Companies Act, 2013.

## **MANAGING DIRECTOR**

### **Article 147:**

- (i) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint, from time to time, any of its member as a Managing Director or Managing Directors of the Company for a fixed term, not exceeding 5 (Five) years at a time, and upon such remuneration and terms and conditions as the Board thinks fit, and subject to the provisions of any contract between him and the Company, remove or dismiss him from office and appoint another in his place and subject to the provisions of the succeeding Article hereof, the Board may, by resolution, vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally, as it thinks fit, and such powers may be made exercisable for such period or periods; and upon such conditions and subject to such restrictions, as it may determine. The remuneration of a Managing Director may be by way of salary and/or allowances, commission or participation in profits or perquisites of any kind, nature or description, or by any or all of these modes, or by any other mode(s) not expressly prohibited by the Act or the Rules made thereunder, or any notification or circular issued under the Act.

**Article 148:** Subject to the superintendence, directions and control of the Board, the Managing Director or Managing Directors shall exercise the powers, except to the extent mentioned in the matters, in respect of which resolutions are required to be passed only at the meeting of the Board, under Section 179 of the Act and the rules made thereunder.

## **PROCEEDINGS OF THE BOARD OF DIRECTORS**

### **Article 149:**

The Board of Directors may meet for the conduct of business adjourn and otherwise regulate its meetings as it thinks fit. A director may and the manager or secretary on the requisition of a director shall at any time summon a meeting of the Board. Powers of the Board-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 per Section 179 (3) of the Companies Act 2013 as may be necessary unless otherwise restricted by the Act or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However, no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

The Board may subject to the provisions of the Act delegate any of its powers to committees 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. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board. 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.

Unless decided by the Board to the contrary, depending upon the circumstances of the case, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with the Article 124 hereof. If he ceases to hold the office of director, he shall ipso-facto and forthwith cease to hold the office of Managing Director.

**Article 150:** The Directors may meet together as a Board for the despatch of business, from time to time, and shall so meet at least once in every 3 (Three) months and at least 4 (Four) such meetings shall be held in every year in such a manner that not more than one hundred and twenty days (120) days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit, subject to the provisions of the Act. The Board of directors may participate in a meeting of the Board either in person or through video conferencing or other audio-visual means, as may be prescribed, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time subject to the rules as may be prescribed.

**Article 151:** Not less than seven (7) days' Notice of every meeting of the Board may be given, in writing, in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means. Subject to the provisions of section 173(3) meeting may be called at shorter notice.

**Article 152:** Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength, excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two directors, whichever is higher, provided that where, at any time, the number of interested directors exceeds or is equal to two-thirds of the total strength the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting, being not less than two, shall be the quorum, during such time.

**Article 153:** If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned for 30 minutes in the same day and at same place.

**Article 154:** A director may, at any time, or Secretary shall, as and when directed by the any of the Directors to do so, convene a meeting of the Board, by giving a notice, in writing, to every other director.

**Article 155:** The Board may, from time to time, elect one of their members to be the Chairman of the Board and determine the period for which he is to hold the office. If at any meeting of the Board, the Chairman is not present at a time appointed for holding the same, the directors present shall choose one of them, being present, to be the Chairman of such meeting.

**Article 156:** Subject to the restrictive provisions of any agreement or understanding as entered into by the Company with any other person(s) such as the collaborators, financial institutions, etc., the questions arising at any meeting of the Board shall be decided by a majority of the votes of the directors present there at and, also subject to the foregoing, in the case of an equality of votes, the Chairman shall have a second or casting vote.

**Article 157:** A meeting of the Board, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions, which, by or under the Act or the Articles of the Company, are, for the time being, vested in or exercisable by the Board generally.

**Article 158:** applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations. Subject to the restrictions contained in Section 179 of the Act 2013 and the rules made thereunder, the Board may delegate any of their powers to the committee of the Board, consisting of such number of its body, as it thinks fit, and it may, from time to time, revoke and discharge any such committee of the Board, either wholly or in part and either as to persons or purposes, but every committee of the Board, 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 of the Board, in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if were done by the Board.

**Article 159:** The meetings and proceedings of any meeting of such Committee of the Board, consisting of two or more members, shall be governed by the provisions contained herein for regulating the meetings and proceedings of the meetings 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.

**Article 160:** No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless 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, then in India, not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be, and to all the directors or to all the members of the Committee, at their usual addresses in India and has been approved, in writing, by such of the directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

**Article 161:** 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 or was, as the case may be, disqualified or had vacated office or that the appointment of any of them was 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 duly been appointed and was qualified to be a director and had not vacated his office or his appointed had not been terminated, provided that nothing in this Article shall be deemed to give validity to any act or acts done by a director or directors after his or their appointment(s) has or have been shown to the Company to be invalid or to have terminated.

**Article 162:**

- (i) The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee thereof to be kept by making, within 30 (Thirty) days of the conclusion of each such meeting, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.
- (ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (iii) In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (v) All appointment made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (vi) The minutes shall also contain:-
  - (a) the names of the Directors present at the meeting; and
  - (b) in the case of each resolution passed at the meeting, the names of the directors, if any dissenting from or not concurring in the resolution.
- (vii) Nothing contained in sub-clauses (i) to (vii) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting –
  - (a) is, or could reasonably be regarded as, defamatory of any person;
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interests of the Company;

and that the Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.

- (viii) Minutes of the meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

**Article 163:** Without prejudice to the general powers as well as those under the Act, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles or otherwise, it is hereby declared that the Directors shall have, inter alia, the following powers, that is to say, power -

- (i) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- (ii) to pay and charge, to the account of the Company, any commission or interest lawfully payable thereon under the provision of the Act;
- (iii) subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and being in the interests of the Company, and in any such purchase or other acquisition to accept such title or to obtain such right as the directors may believe or may be advised to be reasonably satisfactory;
- (iv) at their discretion and subject to the provisions of the Act, to pay for any property, right or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, Bonds, Debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid up, with such amount credited as paid up thereon, as may be agreed upon, and any such bonds,

Debentures, mortgages or other securities may either be specifically charged upon all or any part of the properties of the Company and its uncalled capital or not so charged;

- (v) to secure the fulfilment of any contracts or engagement entered into by the Company or, in the interests or for the purposes of this Company, by, with or against any other Company, firm or person, by mortgage or charge of all or any of the properties of the Company and its uncalled capital, for the time being, or in such manner and to such extent as they may think fit;
- (vi) to accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, whether under buy-back or otherwise, on such terms and conditions as shall be agreed mutually, and as may be permitted, from time to time, under the Act or any other Law or the Regulations, for the time being, in force,
- (vii) to appoint any person to accept and hold in trust, for the Company, any property belonging to the Company, in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- (viii) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts, due and of any differences to arbitration and observe and perform any awards made thereon;
- (ix) to act on behalf of the Company in all matters relating to bankruptcy and insolvents;
- (x) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- (xi) subject to the applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security, not being Shares of this Company, or without security and in such manner, as they may think fit, and from time to time, to vary or realise such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;
- (xii) to execute, in the name and on behalf of the Company, in favour of any director or other person, who may incur or be about to incur any personal liability whether as principal or surety, for the benefit or purposes of the Company, such mortgages of the Company's property, present and future, as they may think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- (xiii) to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and or any other document or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company;
- (xiv) to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share or Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the profits of any particular business or transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company;
- (xv) to provide for the welfare of directors or ex-directors, Shareholders, for the time being, or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses or dwellings, or grants of moneys, whether as a gift or otherwise, pension, gratuities, allowances, bonus, loyalty bonuses or other payments, also whether by way of monetary payments or otherwise, or by creating and from time to time, subscribing or contributing to provident and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of worship, instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects, which shall have any moral or other claim to support or aid by the Company, either by reason of locality or place of operations, or of public and general utility or otherwise;

- (xvi) before recommending any dividend, to set aside out of the profits of the Company such sums, as the Board may think proper, for depreciation or to a Depreciation Fund, or to an Insurance Fund, a Reserve Fund, Capital Redemption Fund, Dividend Equalisation Fund, Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, including the purposes referred to in the preceding clause, as the Board may, in their absolute discretion, think conducive to the interests of the Company and, subject to the provisions of the Act, to invest the several sums so set aside or so much thereof, as required to be invested, upon such investments, other than shares of the Company, as they may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes, as the Board, in their absolute discretion, think conducive to the interests of the Company, notwithstanding, that the matter, to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds, as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or divisions of a Reserve Fund and with full powers to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase of or repayment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, subject to the provisions of the applicable laws, for the time being, in force.
- (xvii) to appoint and at their discretion, remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants or other employees, in or for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and to fix their salaries, emoluments or remuneration of such amount, as they may think fit.
- (xviii) to comply with the requirements of any local laws, Rules or Regulations, which, in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with.
- (xix) at any time, and from time to time, by power of attorney, under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys, and for such period and subject to such conditions as the Board may, from time to time, think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any Company, or the Share-holders, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them;
- (xx) Subject to the provisions of the Act, for or in relation to any of the matters, aforesaid or otherwise, for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient;
- (xxi) from time to time, make, vary and repeal bylaws for the regulation of the business of the Company, its Officers and Servants.

## MANAGEMENT

**Article 164:** The Company shall not appoint or employ, at the same time, more than one of the following categories of managerial personnel, namely

- (i) Managing Director, and
- (ii) Manager



## **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

**Article 165:** Subject to the provisions of the Act,—

- (i) A chief executive officer, manager, company secretary, 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, chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary, chief financial officer.

**Article 166:** A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary, chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary, chief financial officer.

## **COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

**Article 167:** Copies of the Memorandum and Articles of Association of the Company and other documents, referred to in Section 17 of the Act, shall be sent by the Company to every member, at his request, within 7 (Seven) days of the request, on payment, if required by the Board, of the sum of Re.1/- (Rupee One Only) or such other higher sum, as may be prescribed, from time to time, under the Act and further decided, from time to time, by the Board, for each such copy.

## **SEAL**

**Article 168:**

- (i) The Board shall provide a Common Seal for the purposes of the Company, and shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, for the time being, and that the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Common Seal of the Company shall be kept at its office or at such other place, in India, as the Board thinks fit.

The seal, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of such persons as the Board may authorise for the purpose and as may be required under applicable law.

## **DIVIDEND**

**Article 169:** The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and further subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up to the Shares held by them, respectively.

**Article 170:** The Company, in general meeting, may declare that dividends be paid to the members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company may, in general meeting, declare a smaller dividend than was recommended by the Board.

**Article 171:** Subject to the applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :-

- (i) if the Company has not provided for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
- (ii) if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to

be declared or paid as against the profits of the Company for any financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of schedule II of the Act.

**Article 172:** The Board may, from time to time, pay to the members such interim dividend, as in their judgement, the position of the Company justifies.

**Article 173:** Where capital is paid in advance of calls, such capital may carry interest as may be decided, from time to time, by the Board, but shall not, in respect thereof, confer a right to dividend or to participate in profits.

**Article 174:** All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during which any portion or portions of the period in respect of which the dividend is paid up; but if any Share is issued on the terms providing that it shall rank for dividend as from a particular date or on such preferred rights, such Share shall rank for dividend accordingly.

**Article 175:** The Board may retain the dividends payable upon Shares in respect of which any person is, under the Article 61 hereinabove, entitled to become a member, or which any person under that article is entitled to transfer until such person shall become a member in respect of such Shares, or shall duly transfer the same and until such transfer of Shares has been registered by the Company, notwithstanding anything contained in any other provision of the Act or these Articles, the provisions of Section 206A of the Act or the corresponding section of Act, 2013 as and when notified shall apply.

**Article 176:** 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 or bonus or other moneys payable in respect of such Shares.

**Article 177:** No member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct, from the interest or dividend payable to any member, all sums of money so due from him to the Company.

**Article 178:** Subject to the applicable provisions, if any, of the Act, a transfer of Shares shall not pass the right to any dividend declared thereon and made effective from the date prior to the registration of the transfer.

**Article 179:** Unless otherwise directed, any dividend may be paid up by cheque or warrant or by a pay-slip sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip lost in transmission or for any dividend lost to the member or person entitled thereto due to or by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.

#### **Article 180:**

- (i) If the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from the date of declaration the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (Thirty) days a special account to be opened by the Company in that behalf in any scheduled Bank called “the Unpaid Dividend Account of Vardaan Biotech Limited”. The Company shall within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company and also on any other website approved by the Central Government, for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.
- (ii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years, from the date of such transfer shall be transferred by the Company to the Fund known as the Investor Education and Protection Fund established under sub section (1) of Section 125 of the Act.

**Article 181:** Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.

**Article 182:** Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.

## **CAPITALISATION**

### **Article 183:**

- (i) The Company, in general meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend, or representing premium received on the issue of Shares and standing to the credit of the Share Premium Account, be capitalised and distributed amongst such of the Shareholders as would be entitled to receive the same, if distributed by way of dividend, and in the same proportion on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied, on behalf of such Shareholders, in paying up in full either at par or at such premium, as the resolution may provide, any unissued Shares or Debentures or Debenture stock of the Company which shall be distributed accordingly on in or towards payment of the uncalled liability on any issued Shares or Debentures, stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied for the paying of any unissued Shares to be issued to members of the Company as, fully paid up, bonus Shares.
- (ii) A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.
- (iii) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty, which may arise, in regard to the distribution, as it thinks expedient, and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract, on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

## **BORROWING POWERS**

**Article 184:** Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.

**Article 185:** The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid-up capital of the Company and its free reserves.

**Article 186:** Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other 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 the Board shall consider to be for the benefit of the Company.

## ACCOUNTS

**Article 187:** The Company shall keep at the Office or at such other place in India, as the Board thinks fit and proper, books of account, in accordance with the provisions of the Act with respect to :-

- (i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
- (ii) all sales and purchases of goods by the Company;
- (iii) the assets and liabilities of the Company;
- (iv) such particulars, if applicable to this Company, relating to utilisation of material and/or labour or to other items of cost, as may be prescribed by the Central Government.

Where the Board decides to keep all or any of the books of account at any place, other than the Office of the Company, the Company shall, within 7 (Seven) days, or such other period, as may be fixed, from time to time, by the Act, of the decision, file with the Registrar, a notice, in writing, giving the full address of that other place.

The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time, under the Act, preceding the current year, together with the vouchers relevant to any entry in such books.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office, and the proper summarised returns, made up to day at intervals of not more than 3 (Three) months or such other period, as may be prescribed, from time to time, by the Act, are sent by the branch office to the Company at its Office or other place in India, at which the books of account of the Company are kept as aforesaid.

The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be open to inspection by any director, during business hours, on a working day, after a prior notice, in writing, is given to the Accounts or Finance department of the Company.

**Article 188:** The Board shall, from time to time, determine, whether, and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of members, not being the directors, and no member, not being a director, shall have any right of inspecting any account or books or document of the Company, except as conferred by law or authorised by the Board.

**Article 189:** The Directors shall, from time to time, in accordance with sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting of the Shareholders of the Company, such Balance Sheets, Profit and Loss Accounts, if any, and the Reports as are required by those Sections of the Act.

**Article 190:** A copy of every such Profit & Loss Accounts and Balance Sheets, including the Directors' Report, the Auditors' Report and every other document(s) required by law to be annexed or attached to the Balance Sheet, shall at least 21 (Twenty-one) days, before the meeting, at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such member or trustees being persons so entitled.

**Article 191:** The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.

## DOCUMENTS AND NOTICES

**Article 192:**

- (i) A document or notice may be served or given by the Company on any member either personally or by sending it, by post or by such other means such as fax, e-mail, if permitted under the Act, to him at his registered address or, if he has no registered address in India, to the address, if any, in India, supplied by him to the Company for serving documents or notices on him.

- (ii) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying, wherever required, and posting a letter containing the document or notice, provided that where a member has intimated to the Company, in advance, that documents or notices should be sent to him under a certificate of posting or by registered post, with or without the acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner and, such service shall be deemed to have been effected, in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

**Article 193:** A document or notice, whether in brief or otherwise, advertised, if thought fit by the Board, in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day, on which the advertisement appears, on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

**Article 194:** A document or notice may be served or given by the Company on or to the joint holders of a Share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the Share.

**Article 195:** A document or notice may be served or given by the Company on or to the person entitled to a Share, including the person nominated in the manner prescribed hereinabove, in consequence of the death or insolvency of a member by sending it through the post as a prepaid letter addressed to them by name or by the title or representatives of the deceased, or assigned of the insolvent or by any like description, at the address, if any, in India, supplied for the purpose by the persons claiming to be entitled, or, until such an address has been so supplied, by serving the document or notice, in any manner in which the same might have been given, if the death or insolvency had not occurred.

**Article 196:** Documents or notices of every general meeting shall be served or given in some manner hereinafter authorised on or to (i) every member, (ii) every person entitled to a Share in consequence of the death or insolvency of member, (iii) the Auditor or Auditors of the Company, and (iv) the directors of the Company.

**Article 197:** Every person who, by operation of law, transfer or by other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which, previously to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derives his title to such Shares.

**Article 198:** Any document or notice to be served or given by the Company may be signed by a director or some person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.

**Article 199:** All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post, under a certificate of posting or by registered post, or by leaving it at the Office, or by such other means such as fax, e-mail, if permitted under the Act.

## **WINDING UP**

**Article 200:** The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

## **INDEMNITY AND RESPONSIBILITY**

**Article 201:** Subject to the provisions of the Act, every Director, Secretary and the other officers for the time being of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own wilful neglect or default respectively.

**Article 202:** The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

## **ECRECY**

### **Article 203:**

- (i) Every director, manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with the individuals and in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles or the Memorandum of Association of the Company and the provisions of the Act.
- (ii) Subject to the provisions of the Act, no member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors, or to require inspection of any books of accounts or documents of the Company or discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and, which in the opinion of the Directors, it would be inexpedient in the interests of the Company to disclose.

## **GENERAL POWER**

### **Article 204:**

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the SEBI Listing Regulations, the provisions of the SEBI Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all its obligations as prescribed under the SEBI Listing Regulations, from time to time.

## **OTHERS**

### **Article 205:**

Power to borrow. 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 credit or by issue of bonds debentures or debenture stock (perpetual or otherwise) or in any other manner or from any person firm company cooperative society anybody 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.

## SECTION X - 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 Draft 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 Draft Red Herring Prospectus, will be delivered to the ROC for registration/submission of the Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at C-2/1, Mahananda Nagar, Dewas Road, Ujjain – 456010, Madhya Pradesh, India from date of filing the Prospectus with ROC on all Working Days until the Bid/Issue Closing Date and the documents are also available for inspection online at website of Company i.e. [www.vardaanbiotech.com](http://www.vardaanbiotech.com)

#### A. MATERIAL CONTRACTS FOR THE ISSUE

- a. Issue Agreement dated April 18, 2024 executed between our Company, Selling shareholder and Book Running Lead Manager to the Issue.
- b. Registrar and Transfer Agent Agreement dated April 23, 2024, executed between our Company, Selling Shareholder and the Registrar to the Issue.
- c. Market Making Agreement dated April 18, 2024, executed between our Company, Selling Shareholder Book Running Lead Manager and Market Maker to the Issue.
- d. Banker to the Issue Agreement dated [●], executed between our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
- e. Underwriting Agreement dated April 18, 2024, executed between our Company, Selling Shareholder, Book Running Lead Manager, and Underwriter.
- f. Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated January 06, 2021
- g. Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated January 20, 2021
- h. Escrow Agreement dated [●] between our Company, the Selling Shareholder the Book Running Lead Managers, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank(s), Refund Bank(s) and the Registrar to the Issue
- i. Syndicate Agreement dated [●] among our Company, the BRLM and Syndicate Member.

#### B. MATERIAL DOCUMENTS

- a. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
- b. Certificate of Incorporation dated December 20, 2007, under the Companies Act, 1956 issued by Registrar of Companies, situated at Madhya Pradesh and Chhattisgarh.
- c. Fresh certificate of incorporation dated January 15, 2021, pursuant to conversion from private limited company into public limited company in our name of 'Vardaan Biotech Limited'.
- d. The resolution passed by the Board of Directors at its meeting held on March 10, 2024 & March 27, 2024 and the resolution passed by the Shareholders of the Company in EGM held on March 11, 2024 & March 27, 2024 authorizing the Issue.
- e. Resolution of the Board of Directors of the Company dated April 30, 2024 taking on record and approving this Draft Red Herring Prospectus.
- f. Copies of Audited Financial Statements of our Company for the period ended on December 31, 2023, and for the year ended on March 31, 2023, 2022, 2021.
- g. Copy of Restated Financial Statement and along with Report from the Peer Review Certified Auditor M/s M Borar & Co., Chartered Accountants for the nine-month period ended on December 31, 2023, and for the year ended on March 31, 2023, 2022, 2021 dated March 22, 2024, included in this Draft Red Herring Prospectus.
- h. Statement of Possible Special Tax Benefits dated April 15, 2024, issued by Chartered Accountant included in this Draft Red Herring Prospectus.
- i. Certificate dated April 15, 2024, from M/s M Borar & Co., Chartered Accountants verifying the Key Performance Indicators (KPIs).
- j. Consent of the Promoter, Directors, the Book Running lead Manager, Legal Counsel, Registrar to the Issue, Bankers to our Company, Company Secretary and Compliance Officer and Chief Financial Officer Bankers to the Issue, Bankers to our Company, Market Maker to the Issue, Underwriters and Syndicate Members as referred to in their specific capacities.
- k. Consent Letter dated April 15, 2024, by the Selling Shareholder, Mr Lokendra Singh Rajput in relation to the

Offer for Sale.

- l.** Consent dated April 15, 2024 from M/s M Borar & Co., Chartered Accountants to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and referred to as an “expert” as defined under Section 2(38) of the Companies Act to the extent and in their capacity as the Statutory Auditor, and for inclusion of their examination report dated April 15, 2024 on examination of our Restated Financial Statements and the statement of possible special tax benefits dated April 15, 2024 in the form and context in which it appears in this Draft Red Herring Prospectus
- m.** In principle listing approval dated [●] issued by National Stock Exchange of India Limited.
- n.** Due Diligence Certificate dated [●] issued by the Book Running Lead Manager.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



## **SECTION XI - DECLARATION**

I hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF OUR COMPANY**

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**LOKENDRA SINGH RAJPUT**  
**Managing Director & Chairman**

**Place:**

**Date:**

## **DECLARATION**

I hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

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**RASHMI RAJPUT**  
**Executive Director**

**Place:**

**Date:**

## **DECLARATION**

I hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

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**AMAN NAYAK**

**Non-Executive & Independent Director**

**Place:**

**Date:**

## **DECLARATION**

I hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

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**MANISH JOSHI**

**Non-Executive & Independent Director**

**Place:**

**Date:**

## **DECLARATION**

I hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

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**DEVYANI CHHAJED**

**Additional Director**

**Place:**

**Date:**

## **DECLARATION**

I hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE CFO OF OUR COMPANY**

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**PRASHANTH BOLLEBOINA**

**Chief Financial Officer**

**Place:**

**Date:**

## **DECLARATION**

I hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE CS OF OUR COMPANY**

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**ARCHANA KHARE**

**Company Secretary & Compliance Officer**

**Place:**

**Date:**

## **DECLARATION**

I hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY**

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**LOKENDRA SINGH RAJPUT**

**Selling Shareholder**

**Place:**

**Date:**